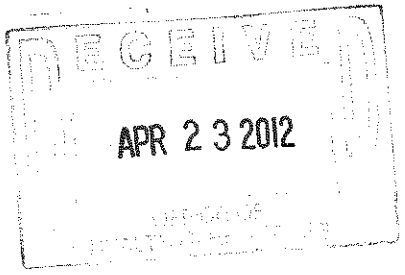
CARMODY TORRANCE

Carmody & Torrance LLP ▪ Attorneys at Law
erbury ▪ New Haven ▪ Southbury

Ann Hedges Zucker
Partner
Direct: 203-784-3108
azucker@carmodylaw.com

April 23, 2012

**VIA HAND DELIVERY**




Office of the Attorney General
Attn: Assistant Attorney General Gary W. Hawes
55 Elm Street
P.O. Box 120
Hartford, CT 06141-0120

Commissioner of Public Health
Attn: Steven Lazarus
410 Capitol Avenue
Hartford, CT 06134

**Re: Waterbury Hospital – Certificate of Need Application for a Joint Venture**

Dear Messrs. Hawes and Lazarus:

Waterbury Hospital hereby submits for approval a Certificate of Need Application for its proposed joint venture (the "Application"). At your request, two copies have been hand delivered to Mr. Hawes' office and seven copies have been hand delivered to Mr. Lazarus' office. In addition, each office has received an electronic version.

Please note that Exhibit 13 of the Application is being bulk filed and therefore only one copy has been provided to Mr. Hawes' office and one hard copy has been provided to Mr. Lazarus' office. Exhibit 13 contains two binders with information on Waterbury Hospital's restricted funds. Exhibit 13 has been scanned and is included in the electronic version of the Application. If further hard copies are required, please let me know.

{N0916537}

If you have any questions or need anything further, please contact me at (203) 784-3108. Thank you for your assistance in this matter.

Very truly yours,

CARMODY & TORRANCE LLP

By _____
Ann H. Zucker

AHZ:ag
Enclosures

**AFFIDAVIT**

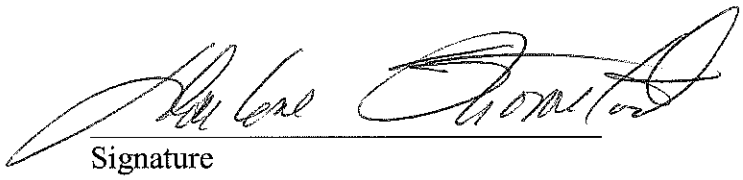
Petitioner: **Greater Waterbury Health Network, Inc.**

Project Title: **Admission of Greater Waterbury Health Network, Inc. as a Member of Southwest Connecticut Health System, LLC**

I, **Darlene Stromstad, FACHE, President/CEO**
(Name) (Position – CEO or CFO)

of **Greater Waterbury Health Network, Inc.** being duly sworn, depose and state that the
(Organization Name)

information provided in this Application form is true and accurate to the best of my knowledge.



Signature

April 23, 2012

Subscribed and sworn to before me on April 23, 2012

Commissioner of Superior Court

**AFFIDAVIT**

(Each Petitioner must submit a completed Affidavit.)

Petitioner: **Southwest Connecticut Health System, LLC through its sole Member, LHP Southwest Connecticut, LLC**

Project Title: **Admission of Greater Waterbury Health Network, Inc. as a Member of Southwest Connecticut Health System, LLC**

I, **Daniel J. Moen, Chief Executive Officer**
(Name) (Position – CEO or CFO)

of **LHP Southwest Connecticut, LLC** being duly sworn, depose and state that the
(Organization Name)

information provided in this Application form is true and accurate to the best of my knowledge.

Dan Moen
Signature

4/19/12
Date

Subscribed and sworn to before me on April 19, 2012

Cindy J. Jarrell
Notary Public/Commissioner of Superior Court

CINDY J. JARRELL NOTARY PUBLIC STATE OF TEXAS EXPIRES 6-17-2014

# APPLICATION FOR APPROVAL OF JOINT VENTURE

Greater Waterbury Health Network, Inc and Southwest Connecticut Health System, LLC, acting through its sole member LHP Southwest Connecticut, LLC (collectively, the "Applicants") hereby respectfully submit to the Attorney General and the Commissioner of the Department of Public Health the following application for approval of their joint venture under Conn. Gen. Stat § 19a-486 et seq. (the "Application").

**1. Identify the contact information for Waterbury Hospital and Southwest CHS, including the individual to whom the Attorney General shall submit bills for contracts with experts or consultants.**

GWHN
Darlene Stromstad, FACHE
President/CEO
Greater Waterbury Health Network, Inc.
64 Robbins Street
Waterbury, CT 06708
Telephone: 203.573.7101
Facsimile: 203.573.6161
Email: dstromstad@wtbyhosp.org

Southwest Connecticut Health System, LLC
LHP Southwest Connecticut, LLC
Rebecca Hurley, Executive Vice President, General Counsel and Secretary
LHP Hospital Group, Inc.
2800 North Dallas Parkway, Suite 200
Plano, TX 75093
Telephone: 972.943.1704
Facsimile: 866.464.2421
Email: rebecca.hurley@lhphospitalgroup.com

**2. Provide an executive summary of the application for approval.**

**INTRODUCTION**

This Application is submitted by Greater Waterbury Health Network, Inc. ("GWHN") and Southwest Connecticut Health System, LLC ("CHS Southwest", the "JV", or "Joint Venture") by the JV's sole member, LHP Southwest Connecticut, LLC ("LHP Sub"). LHP Sub is an indirect wholly owned subsidiary of LHP Hospital Group, Inc. ("LHP"). Saint Mary's Health System, Inc. ("Saint Mary's" or "SMH") has submitted an application with respect to the JV and it is the subject of a conversion process pending before the Connecticut Attorney General's office and OHCA (DN #11-31711). The JV will allow these health care entities to combine resources to create a new, stronger health care entity in Waterbury. The JV will own and operate the existing Waterbury Hospital and Saint Mary's facilities and will construct a replacement hospital within the next 5 years.

The assets of the GWHN system will be contributed to the JV in exchange for a 10% ownership interest and the commitment of the JV, LHP and LHP Sub to build a replacement hospital at a cost of approximately $400 million. The JV will be structured so that LHP Sub will have an 80% ownership interest and GWHN and Saint Mary's will each have a 10% ownership interest. Each of GWHN and Saint Mary's will have the option to increase its share in the JV to 20%. There will be an equally-shared governance structure where local control and leadership are protected both on the JV Board of Directors (the "JV Board") and the Board of Trustees.

The JV will operate in accordance with the "community benefit standard" required of tax-exempt hospitals as set forth in Revenue Ruling 69-545, including without limitation, the (i) acceptance of all Medicare and Medicaid patients, (ii) acceptance of all emergency patients without regard to ability to pay, (iii) maintenance of an open medical staff, and (iv) promotion of public health, wellness and welfare in the community through the provision of health care at a reasonable cost. The JV will follow charity care and uncompensated care policies similar to those currently maintained by GWHN and Saint Mary's.

## THE PARTIES

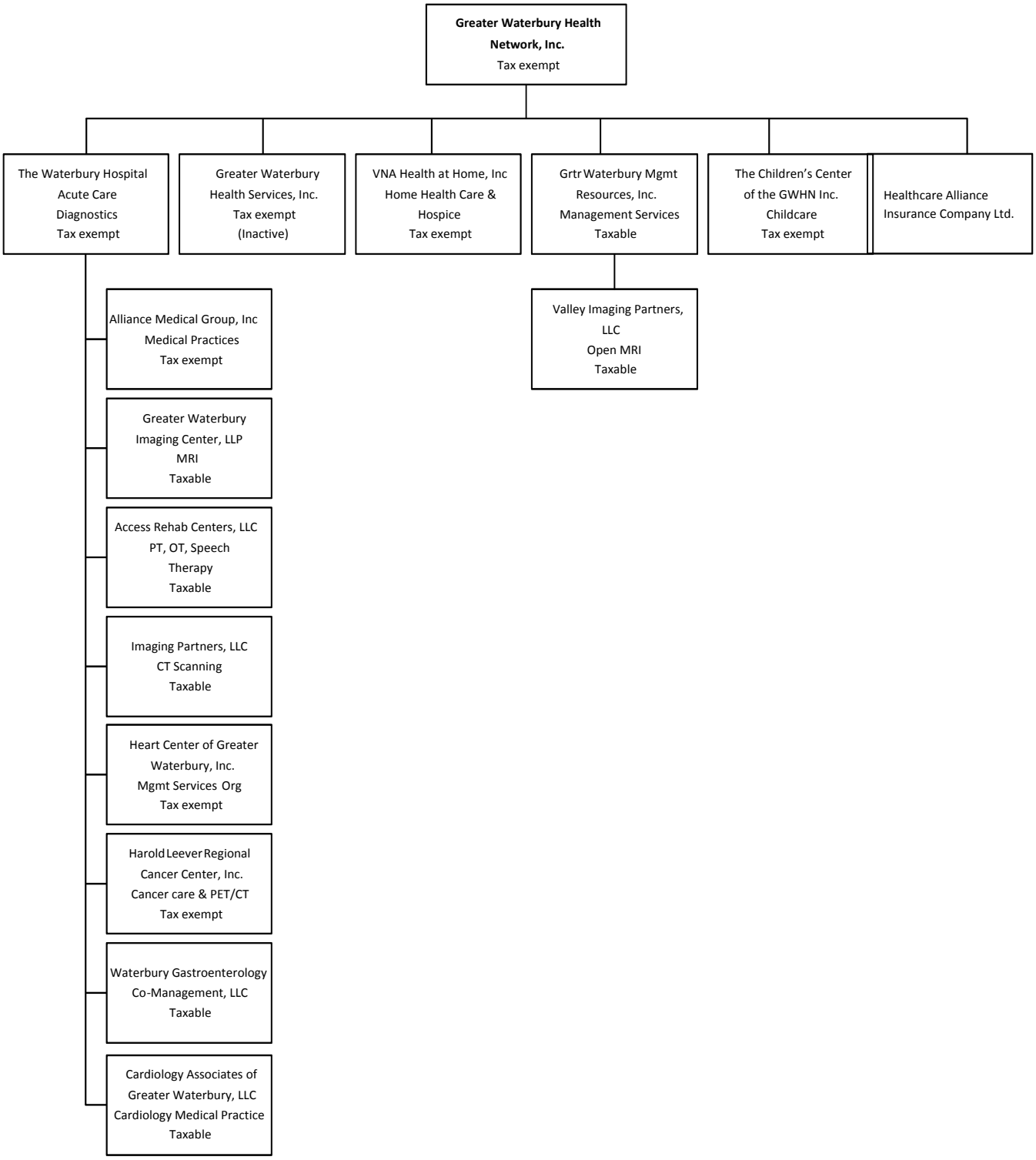
*GWHN*

GWHN's mission is "To support and encourage the development of comprehensive, integrated, healthcare related services for the advancement of the health and wellbeing of the general public by providing financial, management and other assistance to its affiliates including Waterbury Hospital."

GWHN is a Connecticut non-stock, 501(c)(3) corporation which holds interests in numerous entities, joint ventures and affiliates. GWHN is the parent company of The Waterbury Hospital (the "Hospital"). The Hospital, which was built in 1902, is the primary asset of the existing health care system and is an acute care facility with 357 licensed beds plus 36 bassinets, located in the heart of Waterbury, Connecticut. In 2010, the Hospital admitted 13,046 inpatients, had 58,443 Emergency Department visits, and performed 3,272 inpatient surgeries and 4,504 outpatient surgeries. Through GWHN affiliates, specialists and outpatient clinics provide health care in community settings. The affiliates and subsidiaries include: Access Rehab Centers LLC, HAIC Indemnity Company, LLC, Imaging Partners, LLP, Greater Waterbury Imaging Center, Limited Partnership, Harold Leever Regional Cancer Center, Inc.,[1] Heart Center of Greater Waterbury, Inc.,[2] Alliance Medical Group, Inc., Waterbury Gastroenterological Co-Management Company, LLC, Cardiology Associates of Greater Waterbury, LLC, Greater Waterbury Health Services, Inc., VNA Health at Home, Inc., Greater Waterbury Management Resources, Inc. and Children's Center of Greater Waterbury, Inc.

The Table of Organization on the next page depicts GWHN and its affiliates.

[1] Saint Mary's is a 50% co-venturer in this entity.
[2] Saint Mary's is a 50% co-venturer in this entity.


Greater Waterbury Health Network, Inc.
Tax exempt
The Waterbury Hospital
Acute Care
Diagnostics
Tax exempt
Greater Waterbury Health Services, Inc.
Tax exempt
(Inactive)
VNA Health at Home, Inc
Home Health Care & Hospice
Tax exempt
Grtr Waterbury Mgmt Resources, Inc.
Management Services
Taxable
The Children's Center of the GWHN Inc.
Childcare
Tax exempt
Healthcare Alliance Insurance Company Ltd.
Valley Imaging Partners, LLC
Open MRI
Taxable
Alliance Medical Group, Inc
Medical Practices
Tax exempt
Greater Waterbury Imaging Center, LLP
MRI
Taxable
Access Rehab Centers, LLC
PT, OT, Speech Therapy
Taxable
Imaging Partners, LLC
CT Scanning
Taxable
Heart Center of Greater Waterbury, Inc.
Mgmt Services Org
Tax exempt
Harold Leever Regional Cancer Center, Inc.
Cancer care & PET/CT
Tax exempt
Waterbury Gastroenterology Co-Management, LLC
Taxable
Cardiology Associates of Greater Waterbury, LLC
Cardiology Medical Practice
Taxable

GHWN is the sole member or sole equity holder, as the case may be, of the following entities:

- **The Waterbury Hospital (wholly-owned by GWHN).** The Waterbury Hospital, in operation since 1890, is a 357-licensed bed (excluding bassinets) acute-care teaching hospital which provides a full range of inpatient, outpatient and ancillary services in the city of Waterbury near the junctions of Route 8 and Interstate 84. The Hospital operates as an acute care teaching hospital. It has interests in the following entities:

    - **Alliance Medical Group, Inc. (wholly-owned by the Hospital).** Alliance Medical Group, Inc. ("AMG") is a tax exempt 501(c)(3) medical foundation and a wholly owned subsidiary of the Hospital. AMG is the largest hospital-affiliated, multi-specialty group in the Waterbury area with more than 100 physicians and health care providers practicing in the following specialties: Emergency and Internal Medicine, Pediatric and Adolescent Medicine, Breast Surgery, General Surgery, Endocrinology, Pulmonary, Rheumatology, Infectious Disease/Travel Medicine and Sleep Medicine. AMG has locations at:

        1625 Straits Turnpike, Suite 302, Middlebury, Connecticut 06762

        40 Main Street, North, Woodbury, Connecticut 06798

        305 Church Street, Naugatuck, Connecticut 06770

        130 South Main Street, Thomaston, Connecticut 06787

        140 Grandview Avenue, Suite LO-1 and LO-6, Waterbury, Connecticut 06708

        1211 West Main Street, 1st Floor, Waterbury, Connecticut 06708

        51 Depot Street, Suite 506, Watertown, Connecticut 06795

    - **Greater Waterbury Imaging Center, Limited Partnership (64% owned by the Hospital).** The Hospital is the general partner of Greater Waterbury Imaging Center, Limited Partnership, a Connecticut limited partnership formed to develop and operate a medical diagnostic imaging center. It is located at 64 Robbins Street, Waterbury, Connecticut.

    - **Access Rehab Centers LLC (65% owned by the Hospital).** Access Rehab Centers LLC ("Access") is a limited liability company formed in 1998 and owned by the Hospital and Easter Seal Rehabilitation of Greater Waterbury, Inc. It offers the region's largest and most comprehensive array of outpatient physical, occupational and speech therapy to adults and children. Access also provides physical therapy services on an inpatient basis to the Hospital. Access has locations at:

        134 Grandview Avenue, Waterbury, Connecticut 06708

        715 Lakewood Road, Waterbury, Connecticut 06704

        2154 East Main Street, Waterbury, Connecticut 06705

22 Tompkins Street, Waterbury, Connecticut 06708

Waterbury Hospital, 64 Robbins Street, Waterbury, Connecticut 06721

1625 Straits Turnpike, Middlebury, Connecticut 06762

70-G Bennett Square, Southbury, Connecticut 06488

84 Oxford Road (Route 67), Oxford, Connecticut 06478

305 Church Street, Suite 16, Naugatuck, Connecticut 06770

131 Main Street, Thomaston, Connecticut 06787

- **Imaging Partners, LLC (85% owner)**. Imaging Partners, LLC is a limited liability company owned by the Hospital and a private radiology practice, Diagnostic Radiology Associates, LLC. Formed in 2001, Imaging Partners offers advanced, multi-slice CT scanning services. It is located at 134 Grandview Avenue, Waterbury, Connecticut.

- **Waterbury Gastroenterological Co-Management Company, LLC.** Waterbury Gastroenterological Co-Management Company, LLC, is a limited liability company established to provide management services to the Hospital to improve and, where appropriate, maintain the overall quality, efficiency, and effectiveness of the Hospital's gastroenterology service line. The Hospital is sole Class H Member and has certain management rights; the Physician owners, Class P Members, assist the Hospital in providing such management services. It is located at 64 Robbins Street, Waterbury, Connecticut.

- **Cardiology Associates of Greater Waterbury, LLC**. Cardiology Associates of Greater Waterbury, LLC is a cardiology practice established in 2010 and is wholly owned by the Hospital. The practice is comprised of eight employed board certified cardiologists, three of whom are interventional cardiologists. The practice has approximately 20,000 active patients. It is located at 455 Chase Parkway, Waterbury, Connecticut.

In addition to the above subsidiaries, the Hospital has two joint ventures with Saint Mary's providing specialty services:

- **Harold Leever Regional Cancer Center, Inc**. Harold Leever Regional Cancer Center, Inc. ("HLRCC"), a 501(c)(3) corporation, is a 50 / 50 joint venture between the Hospital and Saint Mary's. Formed in October 2002, HLRCC combined both hospitals' existing medical and radiation oncology businesses into one combined program to better meet the needs of the community. HLRCC provides state of the art cancer diagnostic and radiation services with two (2) linear accelerators and a PET/CT Scanner. The community's two private medical oncology practices provide services at HLRCC . It is located at 1075 Chase Parkway, Waterbury, Connecticut.

- **Heart Center of Greater Waterbury**. Heart Center of Greater Waterbury ("HCGW"), a 501(c)(3) corporation, is also a 50 / 50 joint venture between the Hospital and Saint Mary's. Under this joint program, the two hospitals provide area

residents with advanced cardiac services, including cardiac angioplasties and open heart surgery on both hospitals' campuses. The program performs over 650 angioplasties and 200 open heart surgeries annually. It is has two locations: one at the Hospital at 64 Robbins Street, Waterbury, Connecticut and the other at Saint Mary's Hospital, 56 Franklin Street, Waterbury, Connecticut.

- **Greater Waterbury Health Services, Inc. (wholly-owned by GWHN)**. Greater Waterbury Health Services, Inc., a not-for-profit corporation, was organized to provide for the contracting and management of tax-exempt community health services and programs in which GWHN may engage. Currently, there is no activity in this subsidiary.

- **VNA Health at Home, Inc. (wholly owned by GWHN)**. VNA Health at Home, Inc., ("VNA") is a non-profit, non-stock corporation established in 1939 and affiliated with GWHN since 1996. VNA is a home health care agency that provides skilled nursing care, speech, physical and occupational therapy, medical social work and hospice care throughout the Greater Waterbury region. It is located at 27 Siemon Company Drive, Watertown, Connecticut 06795.

- **Greater Waterbury Management Resources, Inc. (wholly-owned by GWHN)**. Greater Waterbury Management Resources, Inc. ("GWMRI") is a taxable corporation. GWMRI is a medical service organization originally organized to provide services to effectively manage medical group practices. While the GWMRI has been in existence since 1984, there has been minimal activity since the formation of AMG. GWMRI is located at 1625 Straits Turnpike, Middlebury, Connecticut.

- **Children's Center of Greater Waterbury Health Network, Inc. (wholly-owned by GWHN)**. Children's Center of Greater Waterbury Health Network, Inc., ("CCGWHN") a not-for-profit tax exempt corporation, is a nationally accredited state-licensed childcare center. CCGWHN provides a staff of early childhood professionals to care for children from six weeks to five years of age and has been providing childcare services since 1997. It is located at 64 Robbins Street, Waterbury, Connecticut.

- **Healthcare Alliance Insurance Company, Ltd. (GWHN is a 33% owner)**. Healthcare Alliance Insurance Company, Ltd. ("HAIC") is a Cayman Islands based captive insurance company owned jointly by Griffin Health Services, Inc., Milford Health and Medical, Inc., and GWHN. HAIC was created to offer professional malpractice and general liability insurance coverage to Griffin Hospital, Milford Hospital and Waterbury Hospital, and members of their respective medical staffs.

*LHP*

LHP is a privately held hospital company based in Plano, Texas. LHP was established to provide essential capital and expertise to not-for-profit hospitals and health systems in a manner that is consistent with their existing values and historical missions. Built upon the foundation of a collaborative culture that values relationships, embraces local governance, empowers continued capital investment and insists upon quality, LHP has established itself as the partner of choice for not-for-profit systems seeking a capital partner. Through joint ventures with not-for-profit hospitals, LHP owns and operates acute care facilities in small cities and select urban markets throughout the United States. LHP's Board of Directors and executive management team have extensive experience in the hospital industry.

LHP Southwest Connecticut, LLC is a Delaware limited liability company and is the local LHP affiliate which will own 80% of Southwest Connecticut Health System, LLC.

**BACKGROUND**

GWHN's ability to achieve its mission and fulfill its long range plan has been impeded by limited access to capital, inadequate reimbursement from third party payors, aging facilities, an unfavorable payor mix and an accrued pension liability. As a stand-alone entity, GWHN cannot address these challenges. Without the proposed Joint Venture, GWHN will either (i) need significant assistance from the State, (ii) dramatically reduce its capacity as a safety net provider, or (iii) struggle to meet its mission to provide adequate health care to the people in its service area. The proposed Joint Venture will permit the combined health systems to access capital and to continue to provide excellent care, satisfy GWHN's debt, satisfy accrued pension liability and provide the greater Waterbury community with a new replacement hospital within the next 5 years. The proposed Joint Venture is a necessary step to secure a strong, local healthcare provider for the greater Waterbury community; it will also be a significant driver of economic development for the region.

GWHN treats a large number of Medicare, Medicaid and uninsured patients (68%) and has experienced five consecutive years of losses from 2006 through 2011, ranging from $2.5M to $17.8M. When the United States entered a deep recession in 2008, GWHN was impacted by the resulting lower healthcare utilization and experienced significant financial difficulty, leading to a default in its bond covenants in 2009. As part of the forbearance arrangement with its bondholders, GWHN and the Hospital entered into an agreement with PricewaterhouseCoopers, LLC ("PwC") in 2009 to identify top challenges and risks for GWHN, define operational improvements, define revenue cycle improvement and set physician initiatives.

Top challenges identified by PwC include: risks associated with IT implementation; skill set of management across the organization; ongoing capital needs and sufficient access to capital for strategic investments; healthcare reform and declining reimbursements; and strained relationships among board, physicians, management and unions.

PwC recommended strategies for improving clinical and financial performance; strategies were implemented with partial success. In response, the Board realigned the executive team in 2011. In the first six months, this new team reduced expenses by $6 million, instituted service improvements, improved core measures and made modest capital improvements as a result of the savings gained by successfully refinancing its tax exempt debt. However, these near-term improvements are not enough to neither prevent another loss nor secure the long-term resources required to sustain the current health system.

Additionally, Kaufman Hall, a well-known healthcare advisor, was retained to identify near-term capital needs. Kaufman Hall identified more than $73 million in capital improvements required between 2011 and 2015 to keep the Hospital operational, money GWHN simply does not have and cannot secure in the open market.

In early calendar year 2011, the Board confirmed that the compounding fiscal issues required GWHN to seek advice on long-term strategic alternatives and retained Cain Brothers to assist in this process. Following a thorough vetting process, the Board selected LHP as its partner to secure the future of healthcare for the greater Waterbury community. GWHN will join the limited liability company to be established by LHP and Saint Mary's proposed under DN 11-31711.

GWHN will enter into a Contribution and Sale Agreement, a draft copy of which is attached as **Exhibit 1**. The Joint Venture will be governed by the Second Amended and Restated Operating Agreement, a draft copy of which is attached as **Exhibit 2**.

**THE AGREEMENTS**

Key features of the JV as set forth in the agreements among the Applicants include:

The business of the JV will be conducted in accordance with the charitable purposes generally required of hospitals under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and the community benefits standards set forth in Revenue Ruling 69-545, which includes accepting all Medicare and Medicaid patients, accepting all patients in an emergency condition in the emergency room without regard to source of payment or the ability of such emergency patients to pay, maintaining an open medical staff, providing public health programs of educational benefit to the community, generally promoting the health, wellness and welfare of the community by providing quality health care at a reasonable cost, and adopting, implementing, and maintaining the uncompensated care policies (see **Exhibit 2**).

GWHN will contribute substantially all of its assets to the JV and receive a 10% ownership interest in the JV. LHP will contribute $108 million, which is evidenced by a promissory note, to the JV and retain an 80% interest. A Saint Mary's entity will hold the remaining 10%.

The JV will commit to building a new, state-of-the-art hospital to replace The Waterbury Hospital and Saint Mary's Hospital facilities, at an estimated cost of $400 million and begin operations no later than five years after the closing of the transaction (the "Replacement Hospital"). The replacement hospital is the subject of a separate CON. The Replacement Hospital will: (a) have a minimum of 350 beds; (b) be located within the [redacted] c) continue to be a teaching hospital; and (d) continue to provide all services being provided by The Waterbury Hospital, except for services that do not comply with the Ethical and Religious Directives for Catholic Health Services (the "ERDs"). Certain services which do not comply with the ERDs will be provided at a nearby ambulatory surgery center owned and operated by parties other than the JV and SMHS. The ambulatory surgery center is the subject of a separate CON. The JV will encourage construction contractors to use a workforce at least 50% of which are non-transitory residents of the greater Waterbury area. Until the Replacement Hospital is completed, the JV will operate The Waterbury Hospital and Saint Mary's Hospital facilities at their current locations.

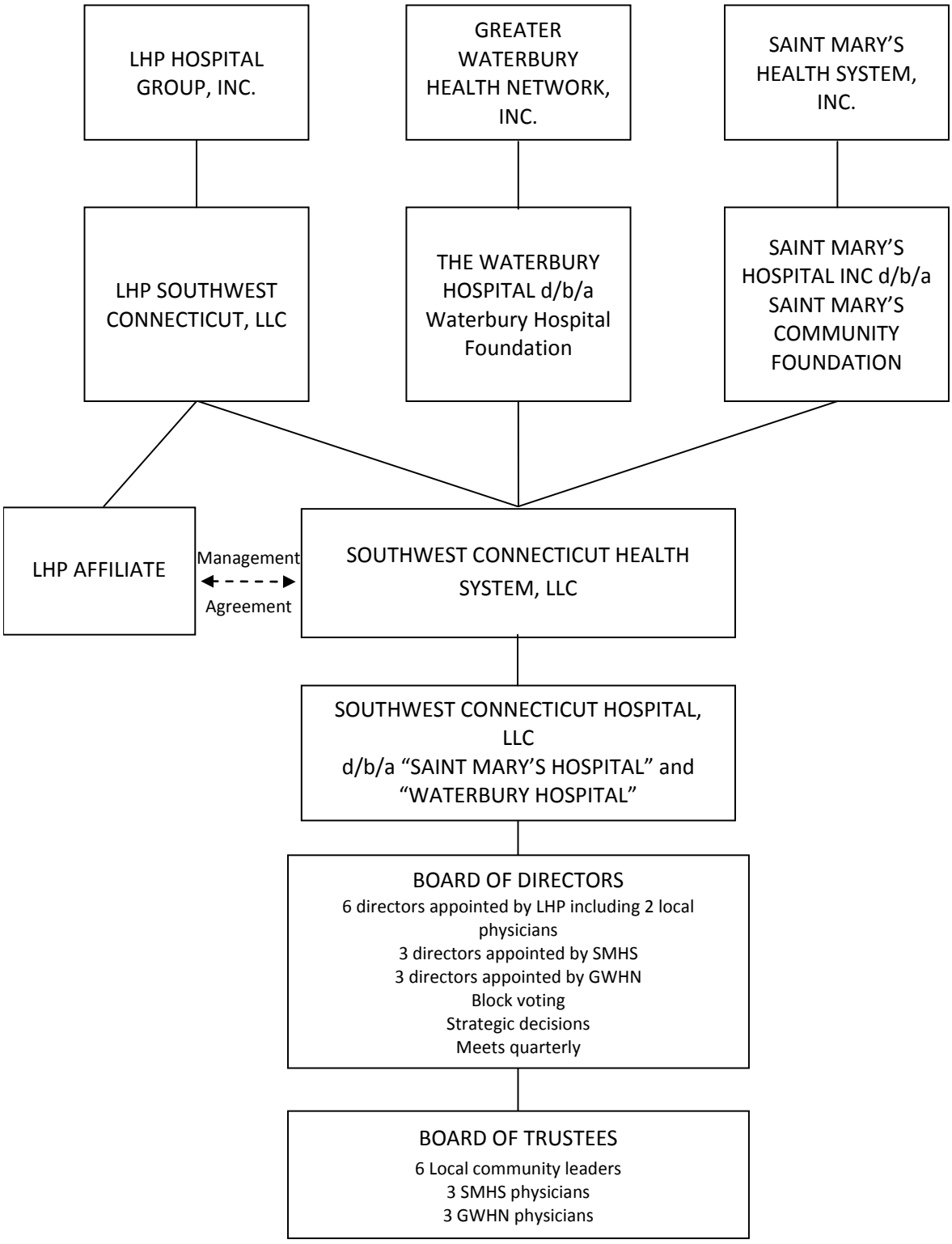
The JV Board will have oversight and ultimate authority over the affairs of the JV (see **Exhibit 2**). The JV Board will be composed of 12 Board members: 3 of whom will be elected or appointed by GWHN and 3 of whom will be elected or appointed by Saint Mary's and 6 of whom will be elected or appointed by LHP. LHP has agreed to fill 2 of its 6 directorships with local physicians. Block voting will be used for decisions requiring board approval with a majority required from the GWHN-appointed Board members and the Saint Mary's appointed Board members, and a majority required from the LHP-appointed Board members. The GWHN/SMH Board members will have the unilateral right to (a) terminate the Chief Executive Officer of the Hospital/JV, (b) name the Chairman of the JV Board, (c) cause the dissolution of the JV in the event the JV fails to meet the requirements of the community benefits standard, and (d) decide not to renew the Management Agreement (between the JV and an LHP-affiliated management company) if the manager is not operating the facilities in accordance with the JV's stated mission and purposes and/or the community benefits standards, or if the manager is otherwise in breach of the Management Agreement.

The JV's manager will initially be LHP Management Services, LLC, a Delaware limited liability company (the "Management Company") and an affiliate of LHP. The Management Company will manage the day to day operations of the JV in accordance with the LLC Agreement and the Management Agreement. A draft copy of the Management Agreement is attached as **Exhibit 3**. The

Management Company will be responsible, inter alia, for financial and business operations of the Hospital, including the hiring and firing of key personnel (see **Exhibit 3**).

There will also be a local Board of Trustees, appointed by the JV Board of Directors. The Board of Trustees will consist of 12 members, with at least 50% being physicians on the hospitals' active medical staff and the remaining members being local community leaders (see **Exhibit 2**). The Board of Trustees will have responsibilities that include adopting a vision, mission and values statement for the JV, and further specific duties as set forth in **Exhibit 2**. The Board of Trustees is also responsible for medical staff credentialing, quality assurance, patient safety and patient/customer satisfaction.

The following figure sets forth the corporate and governance structure of the proposed JV.


LHP HOSPITAL GROUP, INC.
GREATER WATERBURY HEALTH NETWORK, INC.
SAINT MARY'S HEALTH SYSTEM, INC.
LHP SOUTHWEST CONNECTICUT, LLC
THE WATERBURY HOSPITAL d/b/a Waterbury Hospital Foundation
SAINT MARY'S HOSPITAL INC d/b/a SAINT MARY'S COMMUNITY FOUNDATION
LHP AFFILIATE
Management Agreement
SOUTHWEST CONNECTICUT HEALTH SYSTEM, LLC
SOUTHWEST CONNECTICUT HOSPITAL, LLC
d/b/a "SAINT MARY'S HOSPITAL" and "WATERBURY HOSPITAL"
BOARD OF DIRECTORS
6 directors appointed by LHP including 2 local physicians
3 directors appointed by SMHS
3 directors appointed by GWHN
Block voting
Strategic decisions
Meets quarterly
BOARD OF TRUSTEES
6 Local community leaders
3 SMHS physicians
3 GWHN physicians

**3. Describe the terms of the proposed joint venture. This section should include, but is not limited to, a financial analysis of the transaction (e.g., projected sources and uses of proceeds and the valuations of included and excluded assets) and descriptions of Waterbury Hospital, Southwest CHS before and after the proposed Joint Venture, the assets to be transferred pursuant to the Joint Venture and any assets excluded from transfer, the assumed and excluded liabilities of the Joint Venture, and Waterbury Hospital's expected financial state and proposed governance structure after the transaction. Provide copies of all contracts, agreements, memoranda of understanding, and financial statements relating to the proposed joint venture. In addition, please provide a list of all entities affiliated with the participants in the Joint Venture (LHP Hospital Group, Inc. ("LHP"), Saint Mary's Hospital, Inc., etc.)**

The terms of the proposed joint venture are summarized in Applicant's response to Question 2 and are fully set forth in the draft agreements attached as **Exhibits 1 through 3**.

**THE TRANSACTION**

GWHN will receive a 10% interest in the JV as will Saint Mary's. GWHN will contribute substantially all of its assets to the JV in return for a 10% interest in the JV and the JV's commitment to build a replacement hospital. LHP Sub will contribute $108 million (evidenced by a promissory note at closing) for the construction of a replacement hospital as consideration for GWHN's asset contribution.

LHP Sub will hold the remaining 80% interest. The projected sources of income are as follows:

**Table A: Projected Sources of Income**

| Name of Member | Primary Capital Contribution | Percent Share |
|---|---|---|
| GWHN | $27,000,000 | 10% |
| Saint Mary's | $27,000,000 | 10% |
| LHP Sub | $216,000,000 | 80% |

**GWHN Contributed Assets:**

- All rights, title, and interest in and to the facilities, including, without limitation, The Waterbury Hospital, its business operations, and other related health care assets.
- Equipment.
- Net Working Capital defined as accounts receivable, inventory and supplies, any prepaid expenses and deposits that have continuing value to the JV, less accounts payable and accrued expenses.
- Patient, medical, personnel and other records of the facilities.
- Licenses, permits and trade names.
- Certain assumable contracts of the facilities.
- Interests in subsidiaries and affiliates, other than CCGWHN and HAIC.

- Interests in all property arising or acquired in the ordinary course of the operation of the business between the date of execution of the letter of intent and the closing.
- All other property, whether tangible or intangible, of every kind, character, or description owned by GWHN and used or held for use in the operation of the facilities.

**GWHN Excluded Assets:**

- Cash and cash equivalents.
- Board-designated, restricted, and trustee-held or escrowed funds (such as funded depreciation, debt service reserves, working capital trust assets, and assets and investments restricted as to use), beneficial interests in charitable trusts, and accrued earnings on all of the foregoing.
- Prepaid expenses not assumed by the JV.
- All insurance proceeds arising in connection with the operation of the assets or the facilities for periods prior to closing.
- All amounts due or to become due to GWHN from the Medicare, Medicaid or other payor programs in respect of cost report periods ended on or prior to closing.
- Interests in, and assets of, CCGWHN and HAIC.

**GWHN Retained Liabilities:**

- Debt.
- Claims or potential claims for medical malpractice or general liability relating to events asserted to have occurred prior to closing.
- Liabilities or obligations associated with or arising out of any of the Excluded Assets.
- Liabilities or obligations with respect to cost report periods prior to closing arising under Medicare, Medicaid or other payors.
- Pension.

| | Balance Sheet as of 12/31/11 | Pro Forma Retained by GWHN | Pro Forma Purchased/ Assumed by Buyer |
|---|---|---|---|
| **Assets** | | | |
| Current Assets: | | | |
| Cash and Cash Equivalents | $ 18,333,902 | $ 18,333,902 | $ - |
| Assets Whose Use is Limited | $ 882,423 | $ 882,423 | $ - |
| Net Accounts Receivable | $ 42,449,153 | $ 14,964,865 | $ 27,484,288 |
| Accts Receivable - Other | $ 2,206,499 | $ 2,206,499 | $ - |
| Inventories | $ 903,450 | $ - | $ 903,450 |
| Prepaid Insurance | $ 1,446,443 | $ - | $ 1,446,443 |
| Prepaid Expenses - Other | $ 1,714,078 | $ - | $ 1,714,078 |
| Other Assets | $ 2,422,551 | $ 2,422,551 | $ - |
| Due From Affiliates | $ 3,404,167 | $ - | $ 3,404,167 |
| Total Current Assets | $ 73,762,666 | $ 38,810,239 | $ 34,952,426 |
| Noncurrent Assets Who Use Is Limited: | | | |
| CHEFA Obligations | $ 3,150,615 | $ 3,150,615 | $ - |
| Investments | $ 21,010,082 | $ 21,010,082 | $ - |
| Board Designated Funds | $ 2,677,642 | $ 2,677,642 | $ - |
| Investments in Subs | $ 719,418 | $ 718,418 | $ 1,000 |
| Loans and Other Receivables | $ 237,217 | $ 237,217 | $ - |
| Other Investments | $ 613,379 | $ 613,379 | $ - |
| Funds Held in Trust by Others | $ 39,193,532 | $ 39,193,532 | |
| Net PP&E | $ 66,095,987 | $ - | $ 66,095,987 |
| Investments in JV | | $ 27,000,000 | |
| **Total Assets** | **$ 207,460,536** | **$ 133,411,124** | **$ 101,049,413** |
| **Liabilities** | | | |
| Current Liabilities: | | | |
| Accounts Payable | ($16,378,640) | $ - | ($16,378,640) |
| Accrued Salaries, Wages, and Benefits | (13,038,712) | - | (13,038,712) |
| Other Accrued Expenses | (629,700) | - | (629,700) |
| Pension Liability | (10,793,433) | (10,793,433) | - |
| Due to Affiliates | (5,194,246) | - | (5,194,246) |
| Due to Third-Party Payors | 2,272,898 | 2,272,898 | - |
| Total Current Liabilities | ($43,761,833) | ($8,520,535) | ($35,241,298) |
| Long-Term Debt | (33,052,413) | (33,052,413) | - |
| Other Long-Term Liabilities: | | | |
| Workers Comp - LT Liability | (5,074,054) | (5,074,054) | - |
| Tail Coverage - Professional Liability | (2,502,439) | (2,502,439) | - |
| Asbestos Abatement | (2,716,459) | - | (2,716,459) |
| Other Long-Term Liabilities | (404,117) | (404,117) | - |
| Minority Interest in Subsidiaries | (12,427,645) | - | (12,427,645) |
| Total Other Liabilities | (23,124,714) | (7,980,611) | (15,144,104) |
| **Total Liabilities** | **(99,938,960)** | **(49,553,558)** | **(50,385,401)** |
| Net Assets | ($107,521,577) | ($83,857,565) | ($50,664,012) |
| **Net Balance Sheet Items** | **207,460,536** | **133,411,124** | **101,049,413** |

| | | |
|---|---|---|
| ***Foundation Adjustments*** | | |
| ***Net Assets Before Adjustments*** | ***$*** | ***83,857,565*** |
| ***Adjustments to Balance Sheet Liquidation:*** | | |
| Write-off of Other Assets [1] | $ | (2,347,372) |
| Account Receivable Adjustment [2] | $ | (1,496,487) |
| Restricted Funds from Trustee Accounts [3] | $ | (39,193,532) |
| Cash From Restricted Funds [4] | $ | 1,555,612 |
| Donor restricted investments [5] | $ | (9,456,717) |
| Equity value of JV [6] | $ | (27,000,000) |
| Pension Liability [7] | $ | 10,793,433 |
| Workers Comp. [8] | $ | 5,074,054 |
| Bond Defeasance Costs [9] | $ | (315,949) |
| Estimated Transaction Costs | $ | (3,500,000) |
| Contingencies | $ | (1,500,000) |
| **Total Adjustments** | **$** | **(67,386,957)** |
| ***Net Foundation Assets after Adjustments*** | | ***$16,470,608*** |

1. Write-off of goodwill ($75,179 value to foundation for various deposits)
2. Accounts receivables retained in foundation include Medicare and Medicaid receivables. We assume 10% reduction in collection.
3. Funds Held in Trust by outside trustee and foundation may not use any funds to pay off debts.
4. Restricted funds from Trustee paid $1,555,612 in 2011 which can be used by foundation. The similar amount is expected annually.
5. Investment include donor restriction and could not be used to pay off of debt.
6. Assumes no immediate monetary value of JV
7. Foundation is assuming pension obligation for duration of liability.
8. Foundation is assuming Worker's Comp. liability for duration.
9. Bond Defeasance Cost assumed at 1% of par.

## EXPECTED FINANCIAL STATE OF GWHN POST CLOSING

As a result of becoming a member of the JV, GWHN will be financially sound with reduced expenses, retired debt and a fully funded pension. Similarly, Applicants expect the JV to achieve operating efficiencies through the consolidation of certain redundant clinical, administrative and back-office functions, coupled with the implementation of integrated IT systems.

Operating expenses will be reduced through group purchasing, reduced salary and benefit expenses due to consolidation of certain duplicative clinical, business and administrative functions, reduced professional fees and contracted services as a result of the management agreement with LHP.

Once the replacement hospital is complete, the JV will benefit from the complete consolidation of redundant clinical functions, as well as, the operating efficiencies inherent in a newly constructed, energy efficient, space optimized facility.

## ENTITIES AFFILIATED WITH JV PARTICIPANTS

Saint Mary's:

- Saint Mary's Hospital, Inc.
- Franklin Medical Group, P.C.
- Primary Care Partners, P.C.
- Naugatuck Valley Surgical Center, Inc.
- Diagnostic Imaging of Southbury, LLC
- Harold Leever Regional Cancer Center, Inc.
- Heart Center of Greater Waterbury, Inc.
- Naugatuck Valley MRI Limited Partnership
- Health Connecticut, LLC
- Saint Mary's Hospital Foundation, Inc.
- Saint Mary's Indemnity Company, LLC

GWHN:

- The Waterbury Hospital
- Alliance Medical Group, Inc.
- Greater Waterbury Imaging Center, LLP
- Access Rehab Centers, LLC
- Imaging Partners, LLC
- Heart Center of Greater Waterbury, Inc.
- Harold Leever Regional Cancer Center, Inc.
- Waterbury Gastroenterology Co-Management, LLC
- Cardiology Associates of Greater Waterbury, LLC
- Greater Waterbury Health Services, Inc.
- VNA Health at Home, Inc.
- Greater Waterbury Management Resources, Inc.
- The Children's Center of GWHN, Inc.
- Healthcare Alliance Insurance Company Ltd.

LHP Hospital Group, Inc.:

- Legacy Hospital Partners (Holdings), LLC
- LHP Operations Co., LLC
- LHP Management Services, LLC
- LHP Sherman/Grayson, LLC
- Sherman/Grayson Health System, LLC
- Sherman/Grayson Hospital LLC
- Sherman/Grayson Health Services, LLC
- LHP Pocatello, LLC
- Pocatello Health System, LLC
- Pocatello Hospital, LLC
- Pocatello Health Services, LLC
- PHS MD #1, LLC
- PHS MD #2, LLC
- LHP Pascack Valley, LLC
- Pascack Valley Health System, LLC
- Pascack Valley Hospital, LLC
- Pascack Valley Health Services, LLC
- LHP HH/Killeen, LLC
- HH/Killeen Health System, LLC
- The Surgery Center of Temple, LLC
- LHP Texas Physicians, LLC
- LHP Texas MD Services, Inc.
- LHP Montclair, LLC
- Montclair Health System, LLC
- LHP Bay County, LLC
- Bay County Health System, LLC
- Bay County Sacred Heart Leasing Co., Inc.
- LHP Southwest Connecticut, LLC

4. **Describe the due diligence undertaken by Waterbury Hospital in deciding to enter into the Joint Venture. This section should include, but is not limited to, considerations regarding the current financial condition of Waterbury Hospital and any projected financial condition of the Waterbury Hospital, any professional assessments of or reports regarding Waterbury Hospital or the Joint Venture, any and all alternatives explored by Waterbury Hospital or other offers received by Waterbury Hospital, the reasons for rejecting such alternatives and offers, Waterbury Hospital's selection of Southwest CHS for the Joint Venture and the specific terms of the Joint Venture. In addition the parties should discuss its due diligence in obtaining the fairness evaluation required by Conn. Gen Stat. § 19a-486a(c)(5), including providing a copy of said independent expert's resume or other documentation of his/her qualifications and describing the process undertaken to identify and retain this person as an independent expert.**

   Following multiple years of operating losses, GWHN engaged Kaufman Hall in 2005 to evaluate the economics of consolidating Waterbury Hospital and Saint Mary's Hospital. Kaufman Hall concluded that even a consolidated institution would struggle financially. Despite this assessment, in 2006, Waterbury Hospital and Saint Mary's Hospital had discussions regarding a possible affiliation which never materialized.

Discussions between the two hospitals resumed in 2007, and the Office of Health Care Access conducted a special study of the status of health care services in the city of Waterbury (DN 06-30760-VST, attached hereto as **Exhibit 4**). OHCA concluded that both hospitals were in financial distress, had aged facilities and lacked access to capital. The report encouraged either the consolidation of the two hospitals or the planned closure of Saint Mary's Hospital. Affiliation discussions continued into 2008; however, Waterbury and Saint Mary's were not able to reach agreement on terms and no capital partner or state funding was secured to fund the anticipated $130 million merger cost.

Following a significant operating loss in 2008, Waterbury Hospital was in default of its bond covenants and entered into a forbearance agreement in 2009. The Hospital retained Kaufman Hall and PricewaterhouseCoopers to guide the Hospital's financial turnaround, assess future capital needs and recommend a going forward plan. Continued financial distress coupled with the consultants' assessment of capital need and dismal prospects for securing such capital caused the Board of Directors to reconsider an independent hospital strategy. The Kaufman Hall report and PricewaterhouseCoopers report are attached hereto as **Exhibit 5**.

With difficulty, in late 2010, the Hospital was able to refinance its CHEFA debt in a private offering. Also, in late 2010, the Executive Committee of the Board recommended that Waterbury Hospital seek a capital partner and acknowledged that this might include a merger; a task force was formed. In early 2011, the Board of Directors engaged respected health care bankers, Cain Brothers, to develop strategic alternatives including partnership, merger or sale consistent with the Board's stated goals and objectives. The Board established the following objectives as key to the evaluation of strategic alternatives:

- Ensure that Waterbury Hospital remains a strong, viable, quality health care delivery system for the community;
- Maintain essential services and grow clinical service line offerings;
- Generate access to the capital necessary to maintain the Hospital's competitive position with respect to facilities, equipment and technology;
- Support the delivery system by increasing the number of primary care physicians and specialists with strong interest in using the Hospital's services and facilities;
- If possible, maintain GWHN's non-profit status.

At the Board's direction, Cain Brothers contacted 14 parties to assess interest. Seven of the interested parties executed confidentiality agreements and received the Confidential Information Memorandum ("CIM"), attached as **Exhibit 6**. Four (4) parties responded with non-binding proposals. Cain Brothers engaged these parties in negotiations to improve the initial indications of interest. During the negotiation phase, one of the four parties did not respond to requests and opted out of the process.

**Table B** below summarizes the process results.

| TAX STATUS | LOCATION | RECEIVED CIM | REPLIED TO CIM |
|---|---|---|---|
| Exempt | CT | No | N/A |
| Exempt | CT | No | N/A |
| Exempt | CT | Yes | No |
| Exempt | CT | No | N/A |
| Exempt | CT | Yes | Yes |
| Taxable | Midwest | No | N/A |

| TAX STATUS | LOCATION | RECEIVED CIM | REPLIED TO CIM |
|---|---|---|---|
| Taxable | Southeast | No | N/A |
| Taxable | Southeast | Yes | No |
| Taxable | Southeast | No | N/A |
| Taxable | Mid-Atlantic | Yes | No |
| Taxable | LHP/SMHS JV* | Yes | Yes |
| Taxable | New England | Yes | Yes** |
| Taxable | Southeast | Yes | Yes |

*Cain Brothers contacted Saint Mary's and LHP individually. They replied jointly.
**Declined to participate in negotiations after initial indication of interest.

During May, June and July 2011, Cain Brothers worked with GWHN's task force and the three (3) remaining entities to improve their indications of interest. Despite repeated entreaties, the sole tax exempt entity responding to the CIM did not provide responsive documents, leaving two entities for the Board to evaluate. During this time, the task force updated the Board at each monthly board meeting.

On August 11, 2011, Cain Brothers presented information to the Board about the market, types of transaction, and risks and benefits to be considered in transactions; GWHN counsel discussed with the Board the directors' fiduciary duties, the review required under Connecticut's conversion statute, conflicts of interest and what factors the directors could and could not consider. On August 15, 2011, the Board of Directors met to consider Cain Brothers' analyses of three proposals from the two remaining entities. **Table C** summarizes the proposals presented to the Board.

**Table C**:

| | LHP/Saint Mary's | LHP/Saint Mary's | Purchaser #2 |
|---|---|---|---|
| **Form of Transaction** | Joint Venture – 80% LHP / 10% Saint Mary's / 10% Waterbury to be held in a Foundation | Asset purchase ONLY in the event a replacement hospital is not feasible | Asset purchase, but would consider 20% Joint Venture |
| **Net Proceeds Calculation** | ($2 million)<br><br>Negative net proceeds would require commitment by LHP to capitalize Foundation | $113 million | $18 million<br><br>Purchaser would assume up to $10 million of pension liability. Any other unfunded balance would be a Foundation liability |
| **Long Term Capital Commitments** | Commitment to build a replacement hospital at or about $400 million | Minimum investment of $80 million over 5 years | Minimum investment of $90 million over 7 years |

| | LHP/Saint Mary's | LHP/Saint Mary's | Purchaser #2 |
|---|---|---|---|
| **Governance** | • Equal governance in block voting at JV level<br>• Saint Mary's maintains reserve rights on ERDs<br>• Equal medical staff representation at local level | • 4 members at the JV level;<br>  • Block A: 4 LHP, 2 GWHN, 1 Physician<br>  • Block B: 4 SMHS, 2 GWHN, 1 Physician<br>• Saint Mary's retains all its reserve rights<br>• Equal medical staff representation at local level | To be determined, but anticipate some local community board representation and oversight. |
| **Continuation of Services** | Up to 5 years | Up to 5 years | Up to 10 years |
| **No Sale Provision** | Up to 3 years | Up to 3 years | TBD* |
| **Expansion of Services** | • Replacement Hospital with services combined on one campus<br>• Expand access to subspecialty services<br>• Enhance comprehensive cancer care<br>• Optimize Heart Center clinically and financially | • Expand access to subspecialty services<br>• Enhance comprehensive cancer care<br>• Optimize Heart Center clinically and financially | • Continually evaluate existing service mix and identify new services which will benefit the hospital and community<br>• Work with local management, medical staff and local board to identify opportunities |
| **Right of First Refusal / Repurchase Rights** | Yes | TBD | TBD |
| **Charity Care** | Use existing SMH/GWHN charity care policy | Use existing SMH/GWHN charity care policy | No changes expected from current GWHN policy |
| **Ethical and Religious Directives for Catholic Health Care Services** | Yes | Yes | No |
| **Employee Matters** | TBD | TBD | No changes expected |

*To Be Determined

Following the Board's review of the three proposals, Cain Brothers facilitated a discussion of the benefits and risks of each proposed transaction. **Table D** below summarizes key benefits and risks associated with partnering with either entity.

**Table D**:

| | LHP/Saint Mary's | Purchaser #2 |
|---|---|---|
| **Benefits** | • $400 million Replacement Hospital within 5 years with a fall-back commitment of $80 million over 5 years<br>• In case of asset purchase, significant capitalization of Foundation<br>• Consolidating health care to one replacement hospital may achieve significant cost efficiencies<br>• Opportunity to create "Best of Breed" medical staff by combining facilities<br>• Opportunity to improve overall quality of health care delivery to the community<br>• Equal JV and local governance representation | • $18 million asset purchase with $90 million capital improvements over 7 years<br>• Maintains an independent Waterbury Hospital<br>• Views GWHN as an anchor for a larger regional health care delivery network<br>• Assumes up to $10 million in pension liability<br>• Proven operator with successful history of acquisitions and turnarounds<br>• Track record of providing quality health care<br>• Some local governance representation |
| **Risks** | • Is predicated on LHP/Saint Mary's JV approval by AG and OHCA<br>• Requires an ERD solution to ensure continued access to non-ERD services<br>• In Replacement Hospital scenario, the Foundation's liabilities exceed its assets which will require capitalization from LHP<br>• Challenges of merging two institutions that have competed with each other<br>• Financial performance may not improve quickly enough to avoid capital calls<br>• Dilution of governance<br>• GWHN has organized labor; SMHS does not | • Two competing for-profit entities in Waterbury may pose conversion approval issues<br>• Financial consideration is lower than LHP/Saint Mary's JV<br>• Increased competitiveness with two well-capitalized entities fighting for market share<br>• Would need strategy for dealing with Cancer and Heart Center JVs with Saint Mary's<br>• Limited local governance with little opportunity to influence strategic decisions |

After careful consideration, the Board determined that the benefits of one united health system, accompanied by one new state-of-the-art hospital, presented an opportunity for greater Waterbury that far exceeded the offer proposed by Purchaser #2. The Board voted on August 15, 2011 to authorize negotiations of definitive agreements with LHP/Saint Mary's. Parties executed a non-binding Letter of Intent on August 18, 2011 and entered into an exclusivity period while negotiating specific terms. The Letter of Intent is attached as **Exhibit 7**.

In early September, 2011, the Board sent a Request for Proposal to three firms for the purposes of obtaining a Fairness Evaluation pursuant to C.G.S. 19a-486a(c)(5). The RFP form is attached as **Exhibit 8**. Only one firm responded so it was determined that the search should be expanded so that the Board had multiple proposals to consider. The RFP was distributed to a larger group of firms in early October 2011 and GWHN received three additional proposals. All proposals received are attached as **Exhibit 9.**

After careful consideration and interviews with the responders, the Board selected Principle Valuation, LLC ("Principle") to perform the Fairness Valuation. Principle's qualifications and conflict disclosures are fully articulated in their RFP response located in **Exhibit 9**.

5. **Describe any and all potential conflicts of interest between, among, or pertaining to, at a minimum, any and all board members, officers, key employees and experts of Waterbury Hospital, Southwest CHS, LHP, Saint Mary's Hospital, and any other party to the transaction, and any person or entity that performed assessments requested in this application. In addition, describe the due diligence taken to determine the existence of any conflicts of interest including how GWHN and SCHS defined "conflict of interest" for the purposes of the response to this question.**

   GWHN, Saint Mary's and LHP prepared and disseminated a Conflict of Interest/Financial Disclosure for (i) board members, (ii) experts and (iii) senior executives with managerial responsibilities who have direct involvement in the proposed joint venture transaction regarding any financial interests, beneficial interests and/or employment interests in the proposed Joint Venture. The disclosure also required statements regarding Related Person, defined as:

   > *"A person related to you by blood, law or marriage as a spouse, child, stepchild, parent, sibling, grandparent, grandchild or domestic partner (individual not related by blood or marriage, but currently in a committed relationship and residing in a common household sharing joint responsibility for the household), or an entity directly or indirectly controlled by you or any such person or in which you or any such person has a direct or indirect ownership interest of greater than thirty percent."*

   The completed disclosure forms are attached hereto as **Exhibit 10**.

6. **Provide an assessment of the fair market value of the transaction, including, but not limited to, a discussion regarding whether the fair market value of Waterbury Hospital's assets has been manipulated. Describe how the assessment was performed (including any method to verify results of the assessment), the persons that performed the assessment, and their qualifications to perform the assessment. Provide copies of all documents and statements, financial and otherwise, in support of this assessment.**

   GWHN's Board of Directors retained Principle to provide a fairness evaluation of the proposed transaction. Please refer to **Exhibit 9** for the professional qualifications and experience of Principle. In performing the evaluation, Principle considered the value of GWHN assets transferred against the value of benefits received from a financial point of view. The review also considered the economic benefit to be provided by the Hospital to the community through its teaching programs and community benefits programs. Principle utilized three valuation methodologies to assess the value of assets transferred: Cost Approach, Market Approach and Income Approach. The Income Approach was used to assess the value of benefits received by the Foundation as a result of the transaction including the inherent value associated with continuation of the teaching programs and community benefits programs beyond the limited future of GWHN if it does not join the JV.

   Assessment activities and analytics undertaken by Principle include:
   - Visited site to assess overall condition of physical assets and improvements;
   - Reviewed CIM prepared by Cain Brothers;

- Reviewed business and financial information pertaining to GWHN prepared subsequent to the CIM;
- Reviewed financial statements prepared by GWHN that project the future performance of GWHN should the transaction not occur;
- Reviewed offers received by GWHN;
- Reviewed certain available business and financial information related to LHP;
- Reviewed financial and operating forecasts for the JV including the construction of a Replacement Hospital to be operated within five years of JV closing;
- Reviewed historical market prices, trading activity and valuation multiples of relevant publicly traded companies and used them as benchmarks for the analysis;
- Compared the proposed financial terms of the transaction with other relevant transactions;
- Reviewed the Agreements by and among GWHN, Southwest Connecticut Health System, LHP Southwest Connecticut and LHP Hospital Group, Inc.;
- Researched relevant market place interest rates for debt and money market instruments; and
- Assessed the general economic market and current monetary conditions.

Assumptions used include:

- In the absence of the JV, GWHN will face increased competition from a for profit competitor with access to capital (the SMH/LHP venture);
- Based on the age and condition of the property, the remaining economic life of the Waterbury Hospital Campus is five years;
- Without the JV, GWHN earnings and volume will deteriorate while the costs associated with the physical plant increase resulting in marginal to negative cash flows;
- GHWN's current and future negative earnings will restrict it from accessing necessary capital to modernize or replace the facility; and
- In the absence of the JV, the overall viability of GWHN and its ability to continue its community benefits and teaching programs will be in jeopardy beyond a five year horizon.

**Valuation of Assets Contributed**

In deriving the value of GWHN contributed assets, Principle utilized the Cost Approach (also known as Adjusted Book Value Approach), the Income Approach and the Market Approach. For the Cost Approach, Principle derived a depreciated replacement cost for the tangible assets in use. The Cost Approach is summarized as follows:

**WATERBURY HOSPITAL - Schedule 1A**

**VALUATION SUMMARY AS OF OCTOBER 31, 2011 Cost Approach Five Year Remaining Life**

| Building/Name | Land Value | Building Depreciated Cost | Land Improvements Depreciated Cost | Total Real Estate Value | FF&E | Grand Total |
|---|---|---|---|---|---|---|
| Waterbury Hospital | $ 7,450,000 | $ 18,628,358 | $ 344,603 | $ 26,422,961 | $10,200,000 | $ 36,622,961 |
| Grandview Building | - | 590,456 | - | 590,456 | - | 590,456 |
| Apartment A & B | - | 121,897 | - | 121,897 | - | 121,897 |
| Children's Center of Greater Waterbury | - | 1,470,256 | - | 1,470,256 | - | 1,470,256 |
| Baker House | - | 130,000 | - | 130,000 | - | 130,000 |
| 72 Hale Street | - | 400,000 | - | 400,000 | - | 400,000 |
| 101 Robbins Street | - | 190,000 | - | 190,000 | - | 190,000 |
| 36 Grandview Avenue | - | 200,000 | - | 200,000 | - | 200,000 |
| 140 Grandview Avenue, Suite 104 | - | 150,000 | - | 150,000 | - | 150,000 |
| 140 Grandview Avenue, Suite L02/L03 | - | 270,000 | - | 270,000 | - | 270,000 |
| 134 Grandview Avenue, Suite 104 | - | 290,000 | - | 290,000 | - | 290,000 |
| 134 Grandview Avenue, Suite 108 | - | 390,000 | - | 390,000 | - | 390,000 |
| **TOTALS** | **$ 7,450,000** | **$ 22,830,966** | **$ 344,603** | **$ 30,625,569** | **$ 10,200,000** | **$ 40,825,569** |

In the Income Approach, Principle utilized a Discounted Cash Flow methodology based upon market-based cost of capital considerations and the limited earning capacity of GWHN should the JV not occur. The first Discounted Cash Flow analysis considered the value of GWHN should the JV not occur, and is as follows:

| Discounted Cash Flow GWHN - Stand Still - Schedule 1B (Continued) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 (Reversion) |
| NET INCOME FOR DISCOUNTING (EBIT) | | | $ 1,332,376 | $ (170,273) | $ (2,022,103) | $ (3,734,644) | $ (5,291,909) | $ (6,930,419) |
| ESTIMATED INCOME TAXES | | | - | - | - | - | - | - |
| **NET INCOME** | | | **$ 1,332,376** | **$ (170,273)** | **$ (2,022,103)** | **$ (3,734,644)** | **$ (5,291,909)** | **N/A** |
| Less Incremental Working Capital | | | $ - | $ (428,276) | $ (454,511) | $ (481,576) | $ (682,784) | **N/A** |
| Less Capital Expenditures | | | (1,000,000) | (1,000,000) | (1,000,000) | (1,000,000) | (1,000,000) | **N/A** |
| Plus Depreciation | | | 10,482,665 | 10,525,934 | 10,570,501 | 10,616,405 | 10,669,487 | **N/A** |
| Cash Flow to Discount | | | $ 10,815,041 | $ 8,927,385 | $ 7,093,888 | $ 5,400,186 | $ 3,694,794 | $ - |
| Discount Periods | | | 0.50 | 1.50 | 2.50 | 3.50 | 4.50 | |
| Present Value Factor | | | 0.943228347 | 0.839171128 | 0.74659353 | 0.664229119 | 0.590951174 | |
| Present Value of Periodic Cash Flows | | | $10,201,053 | $7,491,603 | $5,296,251 | $3,586,960 | $2,183,443 | |
| Sum of PV Periodic Cash Flows | | | | | $28,759,310 | | | |
| Perpetuity Value (Land Value) | | | | $7,700,000 | | | | |
| PV of Perpetuity Value | | | | | $4,550,324 | | | |
| Total Asset Value as Unencumbered | | | | | **$33,300,000** | | | |
| Adjustment For Current Working Capital Balance | | | | | | | | |
| Subtract Required Net Working Capital | | | | | -$31,484,900 | | | |
| Add Actual Working Capital Balance | | | | | -$288,871 | | | |
| Excess/(Deficient) Market Based Working Capital Balance | | | | | **-$31,773,771** | | | |
| Indicated Investment Capital Value | | | | | **$1,526,229** | | | |
| Rounded Value | | | | | **$1,526,000** | | | |

The second Discounted Cash Flow analysis examines a scenario in which GWHN leases its limited life assets to a third party/joint venture during the construction and start-up of a replacement hospital. The analysis is as follows:

**Value of Facility Based Upon Rental - Schedule 1C**

| | | | |
|---|---|---|---|
| Market Based Rental Area | | | |
| Number of Operating Beds | | 192 | |
| Square Foot Required Per Bed Per M&S | | 2,425 | |
| Market Based Rental Area Square Feet | | 465,600 | |
| Average Rental Rate Per Square Foot | $ 15.00 | | |
| Annual Rental Rate For Facility | | $ 6,984,000 | |
| Rental Rate EBITDA Coverage Ratio (Declining) | | 1.691729811 | |
| Discount Factor Applied to Rental Stream | | 15% | |
| Discount Factor for Payments Over Five Year Useful Life | | 3.85 | |
| Total Value of Real Estate Payments | | | $ 26,888,400 |
| Add Value of Equipment | | | $ 10,200,000 |
| Add Discounted Value of Residual at 6% Rate of Return | | | $ 5,978,065 |
| Add Value of Net Working Capital Forwarded | | | $ (288,871) |
| **Total Value** | | | **$ 42,777,594** |

Finally, Principle used two Market Based approaches to estimate the value of GWHN contributed assets: Guideline Company Approach and Guideline Transaction Approach. The following table summarizes the Guideline Company analysis.

Guideline Company Approach -Schedule 1D

| Company Name | Share Price | Adjusted Equity Value[1] | Adjusted Enterprise Value | % Debt | Revenues | EBITDA | Debt Free NWC | % Debt Free NWC | Beta | EBITDA Margin | Revenue Multiple | EBITDA Multiple |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Community Health Systems, Inc. | $16.64 | 1,767,966,720 | 11,266,883,720 | 80.47% | 13,901,300,000 | 1,775,681,000 | 1,194,434,000 | 8.59% | 1.40 | 12.77% | 0.81 | 6.35 |
| LifePoint Hospitals, Inc. | $36.64 | 2,117,059,200 | 3,937,459,200 | 44.36% | 3,496,700,000 | 579,300,000 | 492,400,000 | 14.08% | 0.96 | 16.57% | 1.13 | 6.80 |
| Universal Health Services, Inc. | $34.00 | 3,938,832,000 | 7,851,431,000 | 51.25% | 7,220,877,000 | 1,100,033,000 | 541,566,000 | 7.50% | 0.94 | 15.23% | 1.09 | 7.14 |
| Tenet Healthcare Corporation Co | $ 4.11 | 2,142,214,200 | 6,300,214,200 | 68.90% | 9,523,000,000 | 1,106,000,000 | 626,000,000 | 6.57% | 1.38 | 11.61% | 0.66 | 5.70 |
| Health Management Associates, I | $ 6.92 | 2,110,046,400 | 5,949,490,400 | 64.25% | 5,591,806,000 | 798,061,000 | 632,741,000 | 11.32% | 1.51 | 14.27% | 1.06 | 7.45 |
| HCA Holdings, Inc. Common Stock | $20.16 | 10,561,259,520 | 38,289,259,520 | 72.81% | 31,813,000,000 | 5,653,000,000 | 3,147,000,000 | 9.89% | 1.60 | 17.77% | 1.20 | 6.77 |
| **HIGH:** | | | $38,289,259,520 | 80.47% | $31,813,000,000 | | | 14.08% | 1.51 | 16.57% | 1.13 | 7.45 |
| **LOW:** | | | $3,937,459,200 | 44.36% | $3,496,700,000 | | | 6.57% | 0.94 | 11.61% | 0.66 | 5.70 |
| **AVERAGE:** | | | | 63.67% | | | | 9.66% | 1.30 | 14.71% | 0.99 | 6.70 |

Qualitative Comparisons (Subject Compared to Market Comparables as a Group

| Unit of Comparison | Status | Adjustment |
|---|---|---|
| Size of Company | Inferior | Downward |
| Diversity of Market Served | Inferior | Downward |
| EBITDA Margin | Inferior | Downward |
| Age of Plant | Inferior | Downward |
| **Overall Adjustment** | **Downward** | |

(1) Adjusted upward 20% to account for a control premium

Stand Still 0.71%

**Stand - Still Market**

| Description | Revenues | EBITDA |
|---|---|---|
| **Adjustment** | **-50%** | **-50%** |
| **Adjusted Multiple** | **0.496** | **3.350** |
| **Subject Comparable Units** | **$ 286,226,778** | **$ 2,041,623** |
| **Value Indication** | **$ 141,991,915** | **$ 6,840,130** |
| Weighting | 25% | 75% |
| **Total Asset Value as Unencumbered and assuming market based working capital (Rounded)** | **$40,600,000** | |
| Market Required Working Capital Balance | $ (28,622,678) | |
| Actual Working Capital Balance | $ (288,871) | |
| **Less Deficient (Excess) Working Capital** | **$ (28,911,549)** | |
| **Less Long Term Debt Obligations** | | |
| **Overall Value Rounded** | **$12,000,000** | |

In the Guideline Transaction Approach, Principle examined forty five recent transactions as follows:

| Announcement Date | Acquirer | Seller | # of Beds | Consideration | Revenue Multiple | EBITDA Multiple | Price/Bed |
|---|---|---|---|---|---|---|---|
| 4/20/2011 | Health Management Associates | Tri-Lakes Medical Center (95%) | 112 | $43,263,158 | 0.95 | 6.29 | $386,278 |
| 5/15/2011 | WakeMed Health & Hospitals | UNC Healthcare System Rex Healthcare System | 439 | $750,000,000 | N/A | N/A | $1,708,428 |
| 6/25/2011 | Highmark Inc | West Penn Allegheny Health System Inc | 1200 | $1,500,000,000 | N/A | N/A | $1,250,000 |
| 6/7/2011 | Steward Health Care System | Landmark Medical Center, Wonsocket RI | 214 | $65,000,000 | N/A | N/A | $303,738 |
| 5/31/2011 | Steward Health Care System | Morton Hospital and Medical Center | 119 | $168,500,000 | N/A | N/A | $1,415,966 |
| 5/13/2011 | South Georgia Medical Center | Ameris Health Systems LLC ; Smith Northview Hospital, Valdosta GA | 29 | $40,000,000 | 1.00 | 6.60 | $1,379,310 |
| 5/12/2011 | Health Management Associates | Mercy Health Partners Knoxville (7 hospitals) | 803 | $525,000,000 | 0.90 |  | $653,798 |
| 4/25/2011 | HUMC Holdco LLC | Hoboken University Medical Center | 177 | $91,700,000 | 0.80 | N/A | $518,079 |
| 3/31/2011 | Sabra Health Care Reit | Texas Regional Medical Center | 70 | $62,700,000 | N/A | N/A | $895,714 |
| 3/25/2011 | Yale-New Haven Hospital | Hospital of Saint Raphael | 423 | $135,000,000 | N/A | N/A | $319,149 |
| 3/22/2011 | LHP Hospital Group Inc | St. Mary's Hospital Waterbury Connecticut | 347 | $135,000,000 | N/A | N/A | $389,049 |
| 3/18/2011 | IASIS Healthcare | St. Joseph Medical Center Houston Texas ( 78.2%) | 792 | $210,997,442 | N/A | N/A | $266,411 |
| 3/18/2011 | RegionalCare Hospital Partners Inc. | Cheyenne Regional Medical Center | 217 | $181,500,000 | 0.70 | N/A | $836,406 |
| 2/23/2011 | Steward Health Care System | Jackson Health System | 2482 | $1,100,000,000 | N/A | N/A | $443,191 |
| 2/8/2011 | Community Health Systems | Mercy Health Partners Scranton, PA | 389 | $150,000,000 | 0.57 | 12.57 | $385,604 |
| 28-Dec-10 | Anderson Regional Medical Center | Riley Hospital | 140 | $24,000,000 | 0.42 | 20.00 | $171,429 |
| 9-Dec-10 | Steward Health Care System, LLC | Two Essent Hospitals | 179 | $40,000,000 | 0.41 | 8.33 | $223,464 |
| 11/19/2010 | KPC Global Care Inc. | Victor Valley Community Hospital | 101 | $37,000,000 | 0.70 | 11.90 | $366,337 |
| 19-Nov-10 | Victor Valley Hospital Acquisition, Inc. | Victor Valley Community Hospital | 115 | $37,000,000 | 0.66 | 11.94 | $321,739 |
| 10/11/2010 | SUNY Downstate Medical Center | Long Island College Hospital | 567 | $110,000,000 | N/A | N/A | $194,004 |
| 1-Oct-10 | New Directions Health Systems, LLC | Pike County Memorial Hospital | 32 | $2,000,000 | 0.57 | 8.10 | $62,500 |
| 9/16/2010 | West Virginia United Health | St. Joseph's Hospital West VA | 184 | $87,000,000 | 0.90 | N/A | $472,826 |
| 9/1/2010 | Adventist Health Systems, Inc. | University  Community Health | 923 | $355,000,000 | 0.70 | N/A | $384,615 |
| 8/16/2010 | Leanord Green and Partners LP | Fve Hospital in Southern California | 759 | $363,000,000 | 0.80 | 6.70 | $478,261 |
| 8/2/2010 | Vanguard Health Systems | Two Resurrection Hospitals in Chicago Suburbs | 569 | $45,000,000 | 0.17 | N/A | $79,086 |
| 7/27/2010 | Health Management Associates | Wuesthoff Health System | 413 | $145,600,000 | 0.49 | 6.39 | $352,542 |
| 17-Jun-10 | RegionalCare Hospital Partners | Clinton Memorial Hospital | 85 | $82,137,477 | 0.79 | 11.73 | $966,323 |
| 24-May-10 | RegionalCare Hospital Partners | Coffee Health Group | 517 | $150,000,000 | 1.05 | 11.54 | $290,135 |
| 15-Apr-10 | University of Southern California | USC University Hospital | 471 | $300,000,000 | 0.81 | 8.93 | $636,943 |
| 9-Apr-10 | Symbion, Inc. | Mountain View Hospital | 43 | $69,724,771 | 1.59 | 3.96 | $1,621,506 |

| Announcement Date | Acquirer | Seller | # of Beds | Consideration | Revenue Multiple | EBITDA Multiple | Price/Bed |
|---|---|---|---|---|---|---|---|
| 5-Apr-10 | Community Health Systems, Inc. | Marion Regional Healthcare System | 169 | $28,300,000 | 0.48 | 3.93 | $167,456 |
| 4/1/2010 | LifePoint Hospitals, Inc. | Clark Regional Medical Center | 100 | $60,000,000 | 1.12 | 15.79 | $600,000 |
| 3/25/2010 | Cerberus Capital Management, LP | Caritas Christi Health | 1,552 | $830,000,000 | 0.63 | 15.29 | $534,794 |
| 12/1/2009 | Health Management Associates, Inc. | Sparks Health System | 510 | $138,200,000 | 0.54 | N/A | $270,980 |
| 4/1/2009 | Community Health Systems | Medical Center of South Arkansas | 166 | $52,000,000 | 0.54 | N/A | $313,253 |
| 2/24/2009 | Brim Healthcare | Wadley Health System | 370 | $21,000,000 | 0.22 | N/A | $56,757 |
| 2/2/2009 | Community Health Systems, Inc. | Siloam Springs Memorial Hospital | 74 | $42,700,000 | 1.19 | 9.93 | $577,027 |
| 1/7/2009 | Texas Health Resources, Inc | Presbyterian Hospital of Denton | 208 | $128,750,000 | 0.89 | 8.64 | $618,990 |
| 20-Aug-08 | Community Health Systems, Inc. | Wyoming Valley Health Care System | 429 | $150,000,000 | 0.66 | 6.64 | $349,650 |
| 7/30/2008 | MSMC Investor, LLC | St. Francis Hospital and Health Center | 309 | $65,000,000 | 0.41 | N/A | $210,356 |
| 7/23/2008 | Montefiore Medical Center | Our Lady of Mercy Medical Center | 369 | $38,000,000 | 0.18 | N/A | $102,981 |
| 4/1/2008 | Catholic Health East | North Ridge Medical Center | 332 | $20,000,000 | 0.22 | N/A | $60,241 |
| 4/1/2008 | Catholic Health Initiatives | Saint Clares Health System | 655 | $145,800,000 | 0.61 | N/A | $222,595 |
| 9/1/2010 | IASIS Healthcare | Wadley Regional Medical Center; Pikes Peak Hospital | 385 | $95,000,000 | 0.80 | N/A | $246,753 |
| 11/18/2010 | Sanford Health | North Country Health Services | 118 | $75,000,000 | 0.80 | N/A | $635,593 |

| | | | |
|---|---|---|---|
| Mean | 0.69 | 9.76 | 523,075 |
| Low (Primary) | 0.17 | 3.93 | 56,757 |
| High | 1.59 | 20.00 | 1,708,428 |
| Median | 0.70 | 8.79 | 385,941 |
| Multiple | $ 286,226,778 | $ 2,041,623 | 357 |
| Indications Stand-Still | $ 48,660,000 | $ 8,020,000 | $ 20,260,000 |
| Weighted Conclusion | $ 25,646,667 | | |
| Add Net Working Capital | $ (288,871) | | |
| **Total Value (rounded)** | **$ 25,360,000** | | |

And lastly, in considering the value of GWHN assets transferred, Principle reviewed the only other bid received by GWHN. Principle then determined a final estimate by weighting the various strengths and weaknesses of each approach. The following schedule illustrates the weighting and values.

| Summary and Conclusion of Assets to Transfer | | Conclusion | Weighting | Weighted Contribution |
|---|---|---|---|---|
| Cost Based Approach (Schedule 1 A) | Schedule 1A | $ 40,540,000 | 20% | $ 8,108,000 |
| Income Approaches | | | | |
| DCF Income Approach-Stand Still (5-Year Life) | Schedule 1B | $ 1,526,000 | 20% | $ 305,200 |
| Income Approach - Rental of Facility | Schedule 1C | $ 42,777,594 | 10% | $ 4,277,759 |
| Market Based Approaches | | | | |
| Guideline Company Approach | Schedule 1D | $ 12,000,000 | 20% | $ 2,400,000 |
| Guideline Transaction Approach | Schedule 1E | $ 25,360,000 | 10% | $ 2,536,000 |
| Direct Bid Process | | | | |
| Name Redacted | Schedule 1F | $ 18,000,000 | 20% | $ 3,600,000 |
| **Total Value of Assets Transferred (Rounded)** | | | **100%** | **$ 21,200,000** |

Principle calculates the value of GWHN assets to be transferred at $21.2 million.

**Valuation of Benefits Received**

In assessing the value of the benefits received by GWHN from the proposed transaction, Principle primarily relied upon Income Approach methods. First, Principle assessed the value of the 10% equity interest GWHN receives in the JV using a Discounted Cash Flow method under a market based Weighted Average Cost of Capital ("WACC") model. The analysis was further sensitized by factoring in +5% volume increases and -5% volume decreases as follows.

## Baseline Scenario (1000's)

| | Base Year Dec 31/12 | Pro Forma Dec 31/13 | Pro Forma Dec 31/14 | Pro Forma Dec 31/15 | Pro Forma Dec 31/16 | Pro Forma Dec 31/17 | Pro Forma Dec 31/18 | Pro Forma Dec 31/19 | Pro Forma Dec 31/20 | Pro Forma Dec 31/21 | Pro Forma Dec 31/22 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Waterbury Distributions Received | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 2,625 | $ 11,108 | $ 12,366 | $ 13,692 |
| Discount Periods | 0.50 | 1.50 | 2.50 | 3.50 | 4.50 | 5.50 | 6.50 | 7.50 | 8.50 | 9.50 | |
| Present Value Factor | 0.931250 | 0.807606 | 0.700378 | 0.607387 | 0.526743 | 0.456806 | 0.396155 | 0.343556 | 0.297941 | 0.258383 | |
| Present Value of Periodic Cash Flows | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $902 | $3,310 | $3,195 | |
| | | | | | | | | | | | |
| Sum of PV Periodic Cash Flows | | | | $7,406 | | | | | | | |
| Perpetuity Value | | | $111,223 | | | | | | | | |
| PV of Perpetuity Value | | | | $28,738 | | | | | | | |
| Cash received at closing | | | | $0 | | | | | | | |
| **Net Present Value of Total Economic Benefits** | | | | **$36,100** | | | | | | | |

## +5% Volume Scenario (1,000's)

| | Base Year Dec 31/12 | Pro Forma Dec 31/13 | Pro Forma Dec 31/14 | Pro Forma Dec 31/15 | Pro Forma Dec 31/16 | Pro Forma Dec 31/17 | Pro Forma Dec 31/18 | Pro Forma Dec 31/19 | Pro Forma Dec 31/20 | Pro Forma Dec 31/21 | Pro Forma Dec 31/22 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Waterbury Distributions Received | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 10,572 | $ 14,962 | $ 17,443 | $ 20,235 |
| Discount Periods | 0.50 | 1.50 | 2.50 | 3.50 | 4.50 | 5.50 | 6.50 | 7.50 | 8.50 | 9.50 | |
| Present Value Factor | 0.931250 | 0.807606 | 0.700378 | 0.607387 | 0.526743 | 0.456806 | 0.396155 | 0.343556 | 0.297941 | 0.258383 | |
| Present Value of Periodic Cash Flows | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $3,632 | $4,458 | $4,507 | |
| | | | | | | | | | | | |
| Sum of PV Periodic Cash Flows | | | | $12,597 | | | | | | | |
| Perpetuity Value | | | $164,381 | | | | | | | | |
| PV of Perpetuity Value | | | | $42,473 | | | | | | | |
| Cash received at closing | | | | $0 | | | | | | | |
| **Net Present Value of Total Economic Benefits** | | | | **$55,100** | | | | | | | |

| -5% Volume Scenario (1,000's) | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Base Year Dec 31/12 | Pro Forma Dec 31/13 | Pro Forma Dec 31/14 | Pro Forma Dec 31/15 | Pro Forma Dec 31/16 | Pro Forma Dec 31/17 | Pro Forma Dec 31/18 | Pro Forma Dec 31/19 | Pro Forma Dec 31/20 | Pro Forma Dec 31/21 | Pro Forma Dec 31/22 |
| Waterbury Distributions Received | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 2,405 | $ 7,731 | $ 7,983 |
| Discount Periods | 0.50 | 1.50 | 2.50 | 3.50 | 4.50 | 5.50 | 6.50 | 7.50 | 8.50 | 9.50 | |
| Present Value Factor | 0.931250 | 0.807606 | 0.700378 | 0.607387 | 0.526743 | 0.456806 | 0.396155 | 0.343556 | 0.297941 | 0.258383 | |
| Present Value of Periodic Cash Flows | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $716 | $1,998 | |
| Sum of PV Periodic Cash Flows | | | | $2,714 | | | | | | | |
| Perpetuity Value | | | $64,848 | | | | | | | | |
| PV of Perpetuity Value | | | | $16,756 | | | | | | | |
| Cash received at closing | | | | $0 | | | | | | | |
| **Net Present Value of Total Economic Benefits** | | | | **$19,500** | | | | | | | |

The above equity distributions were then discounted at the equity rate of return and weighted to derive a value for GWHN's 10% interest in the JV. This estimate was discounted for an additional 10% to account for lack of marketability as follows.

| | | |
|---|---|---|
| Weighting of Scenarios | | |
| Baseline Scenario | 45% | $16,245,000 |
| 5% Volume Increase | 10% | $5,510,000 |
| 5% Volume Decrease | 45% | $8,775,000 |
| Overall Value of Interest | | $30,530,000 |
| Less Discount for Lack of Marketability | | -$3,053,000 |
| **Value of 10% Interest** | | **$27,477,000** |

Principle also estimated the value of continuing GWHN's Community Benefit and Teaching programs as a result of the JV. Calculations are as follows.

**Valuation of Community and Teaching Benefits - Schedule 2B**

| Net Community Health Benefit | Average | Fiscal 2010 | 2009 | 2008 |
|---|---|---|---|---|
| Community Health Improvement Services | | $ 11,243,883 | $ 7,588,904 | $ 17,773,636 |
| Health Professions Education | | $ 15,077,718 | $ 8,678,772 | $ 7,572,611 |
| Cash and In-Kind Contributions to Community Groups | | $ 900,103 | $ 980,871 | $ 93,588 |
| Total Annual Benefits (a) | $18,192,563 | $ 27,221,704 | $ 17,248,547 | $ 10,107,437 |
| Equity Return Rate plus 20% Premium (b) | | 18.37% | | |
| Future Value of Benefits Beyond "Stand-Still" Five Year Remaining Business Life (a/b) | | | $ 99,023,311 | |
| Present Value Factor assuming provision in Five Years | | | 0.43028 | |
| **Present Value of Community and Teaching Benefits** | | | | **$ 42,608,134.06** |

The terms of the transaction include a provision whereby GWHN will receive a cash payment if the JV fails to initiate Replacement Hospital construction within 2 years of receipt of all regulatory approvals. Principle has valued this provision as follows.

| Valuation of Fall Back Position | |
|---|---|
| Discounted value of payment in 24 -months assuming delay in construction | $55,044,724 |
| Less discounted value of Cash Flow Forfeited | (17,403,786) |
| **Current Value Fall Back Position If New Facility is Not Built** | **$ 37,640,000** |

Based on the above, Principle establishes the value of benefits received by GWHN at $70,090,000 (value of 10% interest in JV plus the value of community benefit and teaching). Should the JV fail to construct the replacement hospital, GWHN receives a benefit valued at $37,640,000. Both amounts exceed the value of assets contributed by GWHN to the JV. Therefore, the proposed transaction is fair from a financial point of view.

With regard to the fair market value of assets, Principle found no indication of manipulation by any person in a manner that causes the value of the assets to decrease.

Please refer to **Exhibit 11** for the Fairness Opinion, qualifications of Principle and statement regarding conflict of interest. Please refer to **Exhibit 12** for supporting schedules.

**7. Provide an assessment of whether the transaction will place Waterbury Hospital's assets at unreasonable risk. Provide copies of all documents and statements, financial and otherwise, in support of this assessment. Describe how the assessment was performed (including any method to verify results of the assessment), the persons that performed the assessment, and their qualifications to perform the assessment.**

The proposed JV will not place the assets of Waterbury Hospital at unreasonable risk. The JV will have no debt on its balance sheet following the closing. The value of the benefits received exceeds the value of assets transferred. Further, participation in the JV will allow the post conversion Foundation to continue to fund Community Benefit and Teaching programs which would likely cease should the JV not be approved.

Please see Applicant response to question 6 and the Fairness Opinion attached as **Exhibit 11** for a more detailed discussion.

**8. Provide an assessment of whether any managerial contracts to be entered into are for reasonable fair value. Provide copies of the managerial contracts and of all documents and statements, financial and otherwise, in support of the fair value assessment. Describe how the assessment was performed (including any method to verify results of the assessment), the persons that performed the assessment, and their qualifications to perform the assessment.**

Principle reviewed the draft management agreement and found the fees to be at a commercially fair rate based on their knowledge of similar contracts as documented in the Fairness Opinion attached as **Exhibit 11**. The management contract is attached as **Exhibit 3**. Please refer to applicant response to Question 6 for a detailed discussion of the fairness evaluation.

**9. Describe the entity to whom the fair market value of the nonprofit hospital's assets will be transferred, including the funding of the entity, its corporate structure, governance, and membership, and the charitable purpose of the entity. Provide copies of any documents related to the creation, structure, and purpose of the Foundation.**

**THE CONCEPT OF THE FOUNDATION**

After the closing, GWHN will be merged into the Hospital with the Hospital as the remaining entity; this entity will be restructured and renamed "Waterbury Hospital Foundation, Inc." (the "Foundation"). The main responsibilities of the Foundation will be:

- To participate as the 10% owner of the JV;
- To manage the charitable assets remaining and to receive the investment income of those charitable assets held by third parties and restricted to use by the Hospital;
- To manage one half of the charitable assets of the Leever Center and to receive one half of the investment income of those charitable assets held by third parties and restricted to use by the Leever Center;
- To ensure that the JV conducts hospital operations in a manner consistent with the "community benefit standard" set forth in IRS Revenue Ruling 69-545;
- To manage remaining assets and liabilities; and
- To support charitable health related activities in the community in addition to those that will continue to be provided through the JV's operation of the hospital in accordance with the community benefit standard.

**THE FUNDING OF THE FOUNDATION**

After the closing, the Foundation will hold approximately $39 million of restricted assets. In addition, the Foundation will hold a 10% ownership interest in the JV, initially valued at approximately $27 million. The assets of the Foundation will also include short term investments, marketable securities and certain assets whose use is limited by donors and/or held in trust. The Foundation will continue to receive revenue on an ongoing basis as a result of being the beneficiary of various trusts and its 10% equity position in the JV.

**THE CHARITABLE PURPOSE**

The charitable purpose of the Foundation will be to support the health care needs of the Greater Waterbury community. As part of the planning process for the formation of the Foundation, representatives from GWHN have studied similar foundations in other communities. While each of these organizations shares a common purpose, each is unique in that it has been designed to meet the specific needs of its community. GWHN will continue to evaluate the healthcare needs of the community, carefully plan and structure its strategies for charitable work. As a safety net provider, GWHN is aware of the health needs of its community and is uniquely qualified to assess and provide support for such needs.

It is anticipated that the Foundation will also be the sole member of the Children's Center of Greater Waterbury, Inc., that will continue to operate as a nonprofit child care center and school readiness program. The Foundation will receive one half of any charitable assets of the Leever Center; the remaining half will reside in the Saint Mary's post conversion foundation. The Foundation will oversee the wind down of the Hospital's interest in HAIC, a captive malpractice insurance company, the funding of any pension obligations and the winding down of the remaining operations of GWHN and its subsidiaries.

## THE STRUCTURE OF THE FOUNDATION

After the closing, GWHN will be merged into the Hospital with the Hospital as the remaining entity; this entity will be restructured and renamed "Waterbury Hospital Foundation, Inc.". It will be a tax exempt 501(c)(3) organization, operating as a public charity. The Foundation will file, for tax purposes, as a hospital pursuant to Section 170(b)(1)(a)(iii).

As long as the JV operates the hospitals in accordance with the community benefit standard, income from the JV will retain its "character" as program related/exempt function income when received by the Foundation from the JV and will be tax exempt. The provisions of the JV's operating agreement accord the tax exempt members of the JV sufficient control over the JV to ensure that the JV will operate the combined hospitals in a manner consistent with the community benefit standard.

The Foundation will be governed by a Board of Directors consisting of 9 to 12 members. The initial Foundation Board will be nominated by GWHN's Governance Committee and elected by the GWHN's Board of Directors. It is anticipated that committees will be established to oversee the work of the Foundation Board and the Foundation. In addition to a board of directors, the Foundation will be served by a community advisory board, composed of at least 15 members; the community advisory board that will advise the Board on community needs will be drawn from many sectors of the greater Waterbury community.

**10. Identify any and all assets of Waterbury Hospital that are subject to a charitable use restriction imposed by a donor and the intended handling of those assets as a result of the joint venture. Please provide copies of the original gift instruments for each of the gifts.**

The charitable assets of Waterbury Hospital are described below. The following are types of charitable assets combine both the unrestricted and restricted assets. Attached are the original gift instruments (see **Exhibit 13**. Also, attached is an analysis of the gift instruments (see **Exhibit 14**).

Waterbury Hospital is the entity that holds the charitable assets. Post conversion, GWHN will be merged into the Hospital with the Hospital as the surviving entity. It will be renamed "Waterbury Hospital Foundation, Inc." Its continued existence will allow the donors' intent to be honored. The following define the various funds the Hospital and/or third parties hold on behalf of the Hospital:

### UNRESTRICTED ENDOWMENT FUNDS

The Lamb, Forester, Hallden and Brooker endowment funds are unrestricted endowments. They have "income only, for general purposes of the Hospital" language that is not deemed to be a restriction on use of principal under the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") and do not require that the funds be used for any specific purpose. Because the Lamb, Forester, Hallden and Brooker funds have no specific, restrictive donor language that under the applicable statutes

would prohibit the use of the funds for general purposes, they are classified as unrestricted endowment funds.

**RESTRICTED ENDOWMENT FUNDS**

These endowment funds were established by gift instruments that set forth the intent of each donor. Use of these funds is in accordance with the donors' instructions.

**THIRD PARTY TRUSTS**

The majority of funds are held for the benefit of Waterbury Hospital by outside trustees who remit income payments to the Hospital. The income payments are either remitted to the Hospital on a recurring basis for its general purposes, or are paid to Waterbury Hospital for specific purposes, such as dispensary funding, scholarships, research and other specific Hospital purposes. The Hospital does not have any control over the expenditure of the principal of the outside funds, but rather has a permanent beneficial interest in the income.

**MISCELLANEOUS FUNDS**

The Waterbury Hospital has been named as the recipient of a number of bequests that are pending in probate court. In addition, the Waterbury Hospital has both a Pooled Income Fund and a Charitable Gift Annuity Program that it offers donors, in which charitable contributions are held subject to the payment of current income to the donors, with principal being distributed to the Hospital only after the death of a donor and all named income recipients.

**PERMANENT BED FUND**

Many gifts have been made by donors to the Waterbury Hospital, over a long period of time, for the specific purpose of providing a free bed or establishing a free bed fund for the benefit of patients who cannot otherwise afford treatment at Waterbury Hospital. These funds are all restricted bed funds, and some have further restrictions as to the group of patients who are to be given preference in making distributions. The funds are held in a consolidated Bed Fund account. The income from this fund is used to pay for charity care of patients at the Hospital as directed by the donors.

**GENERAL ENDOWMENT FUND**

The Waterbury Hospital General Endowment Fund consists of funds given outright to the Hospital for its general uses and purposes without any restrictions. It therefore is not considered an endowment under UPMIFA, but rather is classified as "Board Designated". This fund is fully expendable by the Hospital.

The table below represents the charitable assets by their individual classification as of 09/31/11:

| **Types of Funds*** | **Asset Value 09/30/11**** |
|---|---|
| Waterbury Hospital Unrestricted Use<br>Schedule A Part 1 | $ 514,180.00 |
| Waterbury Hospital Restricted Use<br>Schedule A Part 2 | $ 4,480,498.00 |
| Third Party Trusts<br>Schedule B | $39,376,379.00 |
| Miscellaneous<br>Schedule C | $ 345,429.00 |
| Permanent Bed Fund<br>Schedule D | $ 4,109,408.00 |
| General Endowment Fund<br>Schedule E | $ 1,516,272.00 |
| *** | |
| Total | $50,342,166.00 |

*See Attached Schedules A-E, Table of Trusts and Other Gifts

** Unless Another Date Indicated

*** Outright gifts and gifts allowed to be used in full by Waterbury Hospital that have in fact been fully expended in accordance with the terms established by the donors have not been included in this analysis, no remaining funds being in hand.

**CONCLUSION:**

The Hospital has made a searching and thorough review of all the charitable assets and documentation. The Hospital is unable to locate a limited number of the instruments. The Hospital made multiple attempts to acquire information. No further records of the following charitable assets were located at any of the probate courts or within the Hospital records: Charles F. Brooker - Waterbury and Derby Probate Courts have no record of this estate so the original Will cannot be located.

**11. Provide copies of all correspondence, memoranda, and any other documents that include the terms of any other offers to transfer assets or operations or change control of operations received by Waterbury Hospital.**

Please refer to **Exhibit 15**. Certain proprietary information has been redacted per executed confidentiality agreements. Additionally, Applicants have not provided any materials protected as attorney-client work product.

**12. Provide a copy of a fairness evaluation by an independent person who is an expert in such Joint Ventures that includes the expert's evaluation of each of the criteria set forth in Conn. Gen. Stat. § 19a-486c. Also provide copies of the information and documents relied upon by the expert in the preparation and issuance of the fairness evaluation.**

The Fairness Opinion is attached as **Exhibit 11**. Materials used by Principle are attached as Exhibit **12**.

**13. Explain how Waterbury Hospital determined the need for the proposal and discuss the benefits of this proposal for the Hospital (provide discussion on history and time-line).**

Please refer to Applicants' response to Question 4.

**14. List any changes to the clinical services offered at Waterbury Hospital's main campus and any/all satellite locations that result from this proposal and provide an explanation for each change. Such changes should include, but not be limited to, implementation of new services, termination of existing services, and change of location where a clinical service is offered.**

Until the Replacement Hospital is complete, the Hospital will continue to operate on its current campus. Once the Replacement Hospital is complete, certain services currently provided at the Hospital that cannot be provided in accordance with the ERDs will be provided in a separately owned and licensed ambulatory surgery center near the Replacement Hospital. Prior to construction of the Replacement Hospital and ambulatory surgery center, Waterbury Hospital will continue to perform tubal ligations on its current campus. Voluntary Interruption of Pregnancy procedures will be performed in physician offices and other outpatient settings as is the current practice. Post-closing, the JV members will engage in planning discussions regarding highly technical, costly services that may benefit by consolidation to one campus for quality purposes and healthy financial performance prior to completion of the replacement hospital. Those planning discussions are at their early stages.

Based upon the LHP management team's experience in similar transactions, it is expected that certain efficiencies will flow from the JV. For example, savings will come from increased volume discounts related to joint purchasing of medical supplies, medical equipment and professional services. Post transaction savings will be created from consolidation of certain back office functions.

Significant operational efficiencies will result from the replacement of the existing outdated hospital facilities with a single, modern hospital designed to efficiently deliver high quality health care. The Replacement Hospital will improve, among other things, work flow, record keeping and coordination among various clinical providers. The Replacement Hospital's layout will be a considerable improvement over the existing facilities' century-old designs and is expected to:

- Automate bedside registration;
- Automate HVAC to reduce overhead expenses and create "green" facility operations;
- Create a large emergency department with treatment rooms and enhanced privacy; and
- Fully automate medical records.

The Replacement Hospital will attract specialty physicians to an area that has been historically underserved and will provide local residents with a broader range of services close to home. Moreover, by providing services at one consolidated state-of-the-art facility, clinical staff will become more proficient, leading to better patient outcomes.

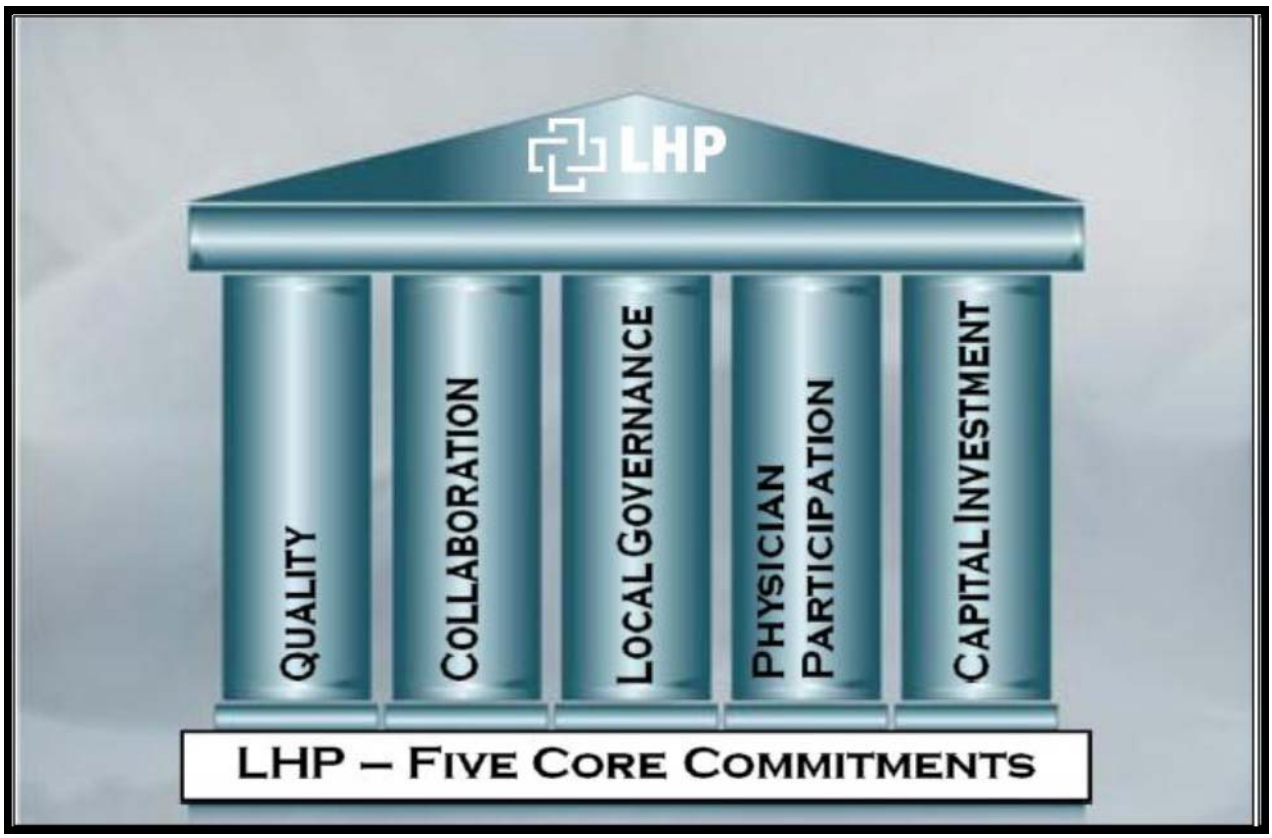
Applicants plan for a multiphase process for consolidating duplicative services currently provided at separate sites. The planning associated with this process has yet to occur, but Applicants expect to consider service consolidation in three distinct phases:

- Phase 1: Services that can be consolidated onto a single campus with little or no need to expand capacity. These *could* include services such as neonatal intensive care and open heart surgery. Applicants intend to explore whether sufficient capacity currently exists on either campus to consolidate certain services. The consolidations in Phase I would begin occurring immediately following the close of the transaction.
- Phase 2: Services that can be consolidated onto a single campus with minimal expense and minor reconfiguration of existing space. These could include services such as women's services, orthopedics, cardiac rehab and cardiovascular services.
- Phase 3: Total facility consolidation would occur upon the completion of construction and the commissioning of the Replacement Hospital.

Shortly after closing, Applicants anticipate consolidating back-office functions such as hospital administration, accounting, billing, purchasing, biomedical engineering, plant operations and information technology leading to substantial savings. Also, once the Replacement Hospital is constructed, Applicants will no longer be saddled with the current financial burden of investing significant dollars to maintain aged-out facilities and equipment in operable condition.

**15. Please provide a copy of LHP's strategic plan or a summary for the provision of plan of services to meet the needs of the Waterbury community.**

LHP has five core commitments which guide its thinking and collective actions. These core commitments are as follows:




**1. LHP's Commitment to Quality:**

We believe that the end result of all our efforts can be measured by the quality of the services that we provide to our patients. It is our desire and expectation that each of us and all of us are focused on being better today than we were yesterday.

**2. LHP's Commitment to Collaboration:**

We believe that the best results occur when we act together in a coordinated fashion. Therefore, we seek to bring together local leaders, physicians, employees and other healthcare providers to improve the outcomes of our patients and the vitality of our communities.

**3. LHP's Commitment to Local Governance and Control:**

We believe strongly in the collective wisdom of local leaders in making decisions regarding the health and welfare of their own communities.

**4. LHP's Commitment to Physician Participation:**

We regard our physicians as key partners in the development of successful health care delivery models that meet the needs of patients, communities and employees. It is our desire that, wherever decisions are made that will affect the care of our patients and the work environment at our hospitals, physicians will be at the table.

**5. LHP's Commitment to Capital Investment:**

We believe that patients, employees and physicians deserve our best efforts in providing state-of-the-art facilities and equipment. In an industry dependent upon rapidly evolving technologies, we believe that significant and continuing capital investment is critical.

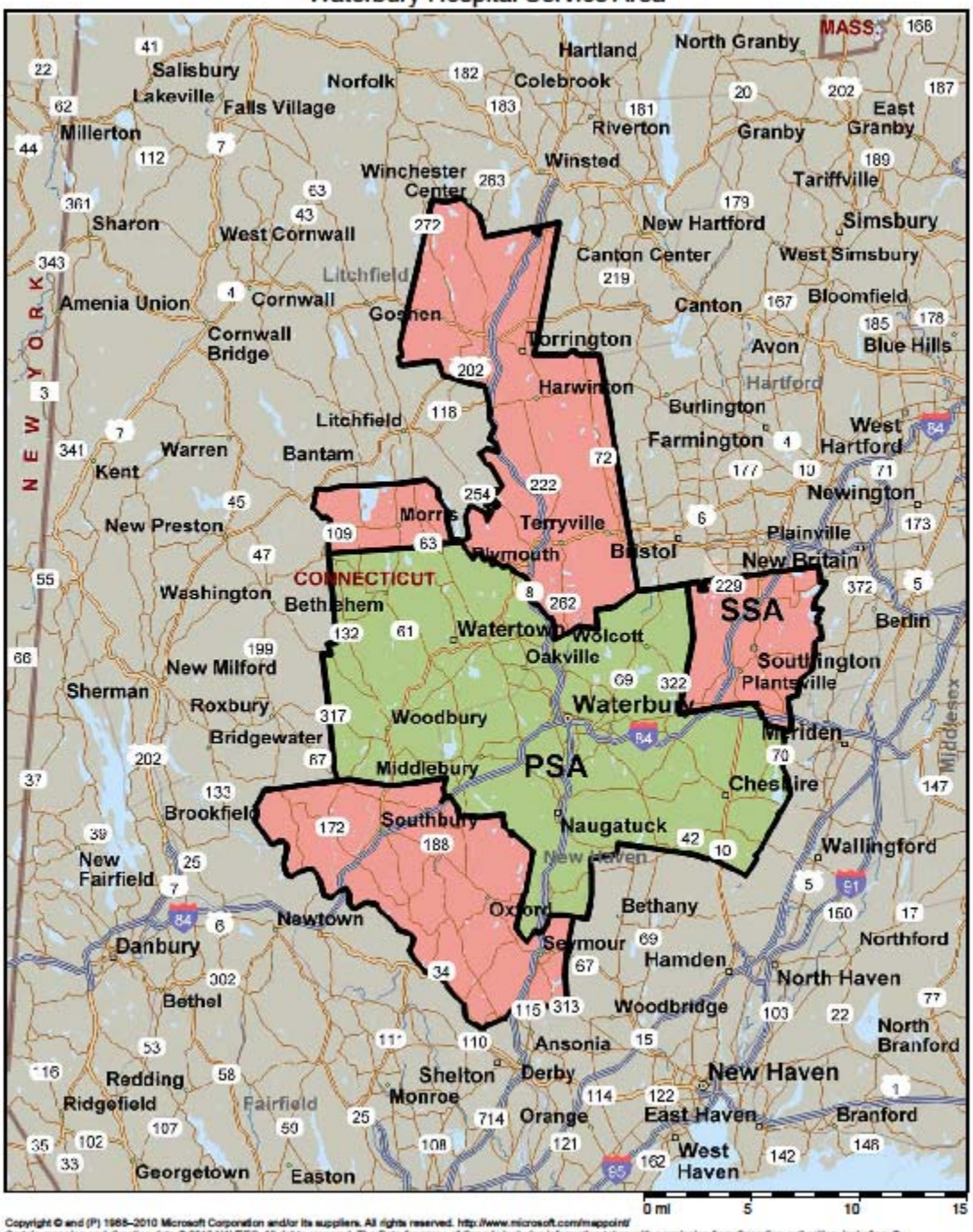
Future service enhancements will be determined by the local governing board with significant input from local physicians and community members.

**16. Describe the existing populations served by Waterbury Hospital and how the change in ownership will affect these populations. Include demographic information.**

Waterbury Hospital is located in the city of Waterbury near the junction of routes 8 and 84. Service area towns include Beacon Falls, Bethlehem, Cheshire, Middlebury, Morris, Naugatuck, Oakville, Oxford, Plantsville, Plymouth, Prospect, Seymour, Southbury, Southington, Terryville, Thomaston, Torrington, Waterbury, Watertown, Wolcott and Woodbury.

The Hospital's primary and secondary service areas are identified in the following map.

## Waterbury Hospital Service Area




Copyright © and (P) 1988–2010 Microsoft Corporation and/or its suppliers. All rights reserved. http://www.microsoft.com/mappoint/
Certain mapping and direction data © 2010 NAVTEQ. All rights reserved. The Data for areas of Canada includes information taken with permission from Canadian authorities, including: © Her Majesty the Queen in Right of Canada, © Queen's Printer for Ontario. NAVTEQ and NAVTEQ ON BOARD are trademarks of NAVTEQ. © 2010 Tele Atlas North America, Inc. All rights reserved. Tele Atlas and Tele Atlas North America are trademarks of Tele Atlas, Inc. © 2010 by Applied Geographic Systems. All rights reserved.

**Service Area Demographics**

The following table summarizes the service area population projected forward to 2015. The area population is stable and experiencing slight growth, particularly in the secondary service area. The city of Waterbury is by far the most populous municipality in GWHN's service area.

## Table E: Service Area Population

**Total Population by Town 2000-2015**

| Town | 2000 | 2010 | 2015 |
|---|---|---|---|
| Beacon Falls | 5246 | 5708 | 5916 |
| Bethlehem | 3422 | 3523 | 3444 |
| Cheshire | 28543 | 29411 | 29124 |
| Middlebury | 6451 | 7108 | 7101 |
| Naugatuck | 30989 | 31488 | 30818 |
| Prospect | 8707 | 9203 | 9552 |
| Southbury | 18567 | 19838 | 19676 |
| Thomaston | 7503 | 7837 | 7721 |
| Waterbury | 107271 | 107460 | 108489 |
| Watertown/Oakville | 21661 | 22729 | 22461 |
| Wolcott | 15215 | 16141 | 16064 |
| Woodbury | 9198 | 9316 | 9093 |
| **Primary Service Area** | **262773** | **269762** | **269459** |
| | | | |
| Morris | 2301 | 2342 | 2282 |
| Oxford | 9821 | 12678 | 14372 |
| Plymouth/Terryville | 11634 | 11864 | 12012 |
| Seymour | 15454 | 16059 | 16202 |
| Southington/Plantsville | 39728 | 42185 | 44304 |
| Torrington | 35202 | 35973 | 36057 |
| **Secondary Service Area** | **114140** | **121101** | **125229** |
| **Total Service Area** | **376913** | **390863** | **394688** |

*Source: Connecticut Economic Resource Center, Inc. 2011.*

**Table F** below arrays population by town and age segment while **Table G** compares age distribution by town to the State distribution. The GWHN service area age distribution is consistent with that of the State of Connecticut as a whole.

## Table F: Age Distribution

**Age Distribution by Service Area Town**

| Town | 0-4 | 5-17 | 18-24 | 25-49 | 50-64 | 65+ |
|---|---|---|---|---|---|---|
| Beacon Falls | 357 | 999 | 435 | 2,174 | 1,169 | 574 |
| Bethlehem | 153 | 591 | 232 | 1,106 | 940 | 501 |
| Cheshire | 1,595 | 5,258 | 2,583 | 10,138 | 6,062 | 3,775 |
| Middlebury | 364 | 1,256 | 364 | 2,235 | 1,792 | 1,097 |
| Naugatuck | 2,043 | 5,838 | 2,643 | 11,489 | 5,759 | 3,716 |
| Prospect | 549 | 1,581 | 602 | 3,223 | 2,035 | 1,213 |
| Southbury | 996 | 3,207 | 868 | 5,697 | 4,133 | 4,937 |
| Thomaston | 400 | 1,265 | 731 | 2,752 | 1,639 | 1,050 |
| Waterbury | 7,598 | 18,691 | 10,666 | 35,547 | 19,048 | 15,910 |
| Watertown/Oakville | 1,136 | 3,499 | 2,171 | 7,408 | 4,998 | 3,517 |
| Wolcott | 953 | 2,942 | 1,076 | 5,684 | 3,364 | 2,122 |
| Woodbury | 476 | 1,383 | 611 | 3,027 | 2,505 | 1,314 |
| **Primary Service Area** | **16,620** | **46,510** | **22,982** | **90,480** | **53,444** | **39,726** |
| | | | | | | |
| Morris | 114 | 361 | 172 | 746 | 586 | 363 |
| Oxford | 787 | 2,404 | 877 | 4,733 | 2,693 | 1,184 |
| Plymouth/Terryville | 625 | 1,927 | 1,175 | 4,075 | 2,424 | 1,638 |
| Seymour | 895 | 2,720 | 1,182 | 5,882 | 3,121 | 2,259 |
| Southington/Plantsville | 2,456 | 6,840 | 3,104 | 13,853 | 9,750 | 6,182 |
| Torrington | 1,858 | 5,000 | 3,429 | 11,835 | 6,997 | 6,854 |
| **Secondary Service Area** | **6,735** | **19,252** | **9,939** | **41,124** | **25,571** | **18,480** |
| **Total Service Area** | **23,355** | **65,762** | **32,921** | **131,604** | **79,015** | **58,206** |

*Source: Connecticut Economic Resource Center, Inc. 2011*

## Table G: Percent Age Distribution

**Percent Age Distribution by Service Area Town**

| Town | 0-4 | 5-17 | 18-24 | 25-49 | 50-64 | 65+ |
|---|---|---|---|---|---|---|
| Beacon Falls | 6% | 18% | 8% | 38% | 20% | 10% |
| Bethlehem | 4% | 17% | 7% | 31% | 27% | 14% |
| Cheshire | 5% | 18% | 9% | 34% | 21% | 13% |
| Middlebury | 5% | 18% | 5% | 31% | 25% | 15% |
| Naugatuck | 6% | 19% | 8% | 36% | 18% | 12% |
| Prospect | 6% | 17% | 7% | 35% | 22% | 13% |
| Southbury | 5% | 16% | 4% | 29% | 21% | 25% |
| Thomaston | 5% | 16% | 9% | 35% | 21% | 13% |
| Waterbury | 7% | 17% | 10% | 33% | 18% | 15% |
| Watertown/Oakville | 5% | 15% | 10% | 33% | 22% | 15% |
| Wolcott | 6% | 18% | 7% | 35% | 21% | 13% |
| Woodbury | 5% | 15% | 7% | 32% | 27% | 14% |
| **Primary Service Area** | **6%** | **17%** | **9%** | **34%** | **20%** | **15%** |
| | | | | | | |
| Morris | 5% | 15% | 7% | 32% | 25% | 15% |
| Oxford | 6% | 19% | 7% | 37% | 21% | 9% |
| Plymouth/Terryville | 5% | 16% | 10% | 34% | 20% | 14% |
| Seymour | 6% | 17% | 7% | 37% | 19% | 14% |
| Southington/Plantsville | 6% | 16% | 7% | 33% | 23% | 15% |
| Torrington | 5% | 14% | 10% | 33% | 19% | 19% |
| **Secondary Service Area** | **6%** | **16%** | **8%** | **34%** | **21%** | **15%** |
| **Total Service Area** | **6%** | **17%** | **8%** | **34%** | **20%** | **15%** |
| **State Total** | **6%** | **17%** | **9%** | **33%** | **20%** | **14%** |

*Source: Connecticut Economic Resource Center, Inc. 2011*

**Table H** below provides data regarding the socioeconomic condition of the GWHN service area in comparison to the State of Connecticut as a whole. The data reveals a diverse array of communities ranging from rural to urban. While several communities in GWHN's service area are relatively affluent, the city of Waterbury struggles with high unemployment and high poverty. As a result, GWHN serves a large Medicaid and uninsured population. In FY2011, Medicaid recipients accounted for more than 35% of all patient encounters at Waterbury Hospital. Uninsured individuals accounted for another 8% of Waterbury Hospital patient encounters. Central Waterbury is designated by the Health Resources and Services Administration as a Medically Underserved Area as well as a Health Professionals Shortage Area. The Joint Venture will provide the cost savings and access to capital necessary to maintain a safety net hospital in Waterbury and recruit additional physicians and midlevel providers. **The proposed Joint Venture will continue to treat individuals regardless of their ability to pay.**

**Table H: Socioeconomic Status of the Service Area**

**Socioeconomic Data 2010**

| | Town | Poverty Rate* | Median Household Income | Unemployment Rate* | Median Age |
|---|---|---|---|---|---|
| **PSA** | Beacon Falls | 3.8% | $ 66,901 | 8.8% | 38 |
| | Bethlehem | 1.8% | $ 85,096 | 7.5% | 46 |
| | Cheshire | 2.5% | $ 101,392 | 6.3% | 40 |
| | Middlebury | 1.5% | $ 91,990 | 7.0% | 45 |
| | Naugatuck | 7.1% | $ 59,472 | 9.7% | 37 |
| | Prospect | 3.4% | $ 83,866 | 7.8% | 42 |
| | Southbury | 5.5% | $ 79,194 | 6.9% | 48 |
| | Thomaston | 2.9% | $ 62,898 | 9.8% | 40 |
| | Waterbury | 20.3% | $ 38,714 | 13.4% | 37 |
| | Watertown/Oakville | 3.2% | $ 72,257 | 8.6% | 42 |
| | Wolcott | 2.6% | $ 74,018 | 8.5% | 40 |
| | Woodbury | 3.2% | $ 83,649 | 6.7% | 45 |
| **SSA** | Morris | 6.2% | $ 69,436 | 8.0% | 45 |
| | Oxford | 2.4% | $ 90,190 | 6.6% | 40 |
| | Plymouth/Terryville | 5.6% | $ 63,940 | 10.1% | 40 |
| | Seymour | 4.7% | $ 61,705 | 8.1% | 40 |
| | Southington/Plantsville | 4.2% | $ 73,453 | 7.1% | 42 |
| | Torrington | 11.0% | $ 49,614 | 10.2% | 42 |
| | **State** | **8.7%** | **$ 65,686** | **8.7%** | **40** |

*2009

*Source: Connecticut Economic Resource Center, Inc. 2011*

**17. Provide a transition plan and describe how Waterbury Hospital will ensure continuity of care of services through this plan.**

Until the Replacement Hospital is constructed, Waterbury Hospital and Saint Mary's Hospital will continue to operate on their respective campuses. The Applicants do not expect any disruption in care.

**18. Explain how Waterbury Hospital will ensure that the community it serves has continued access to affordable health care.**

The JV will continue to provide the services currently offered by the Hospital (other than those services that do not comply with the ERDs) including its clinics, psychiatric programs and emergency department. The Joint Venture will operate in accordance with the "community benefit standard" required of tax-exempt hospitals (as set forth in Revenue Ruling 69-545), including without limitation, the (i) acceptance of all Medicare and Medicaid patients, (ii) acceptance of all emergency patients without regard to ability to pay, (iii) maintenance of an open medical staff, and (iv) promotion of public health, wellness and welfare in the community through the provision of health

care at a reasonable cost. The JV will retain and continue to follow charity care and uncompensated care policies very similar to those maintained by GWHN.

Without the proposed Joint Venture, it is highly unlikely that GWHN will be able to provide services beyond the next five years, leaving the community with an enormous hole in its safety net. An aged out, inefficient physical plant; lack of access to capital; declining reimbursement; increased material and personnel costs, will cause GWHN to continue to experience operating losses that cannot be offset.

**19. Provide a description of plans that the Hospital will implement to control cost, such as discharge care coordination, implementation of electronic medical records and emergency department triaging to the appropriate level of care.**

Waterbury Hospital manages cost on an ongoing basis. Examples of recent cost saving initiatives include:

- Implementation of computerized physician order entry, online nursing documentation and electronic medical record;
- Implemented Performance Analytics and Cerner Revenue Cycle Enhancements;
- Instituted the Value Analysis Process in which clinicians and purchasing collaboratively determine clinically sound products and supplies that offer the best value;
- Group purchasing through the Northeast Purchasing Coalition;
- Reorganized management structure to increase span of control;
- Renegotiated professional services agreements;
- Renegotiated external reference laboratory contracts;
- Implemented work place safety program;
- Expanded case management hours of operation to assure appropriate level of care assignments throughout the day; and,
- Implemented multidisciplinary rounds to improve patient throughput and discharge planning.

Participation in the JV will lead to further cost control and improved efficiencies. Examples of post closing initiatives include:

- Standardization and upgrading of health information technology;
- Consolidation of back office functions;
- Group purchasing;
- State of the art replacement hospital;
- Enhanced Physician recruitment and retention efforts;
- Standardization of Performance Improvement metrics and benchmarking;
- Increased physician participation in hospital management and decision making; and
- Recognition of the contribution of our employees and retention of a skilled workforce.

**20. Will Waterbury Hospital continue to provide services to the uninsured and underinsured? In responding to this question, please describe any plans Waterbury Hospital has to work with other providers in the community, such as federally qualified health centers or community health centers, to provide specialty care to patients, or low cost programs that Waterbury Hospital will provide in the area that are tailored towards the uninsured or underinsured.**

The Joint Venture will continue to operate in accordance with the "community benefit standard" required of tax-exempt hospitals (as set forth in Revenue Ruling 69-545), including without limitation, the (i) acceptance of all Medicare and Medicaid patients, (ii) acceptance of all emergency patients without regard to ability to pay, (iii) maintenance of an open medical staff, and (iv) promotion of public health, wellness and welfare in the community through the provision of health care at a reasonable cost. The JV will retain and continue to follow charity care and uncompensated care policies very similar to those maintained by GWHN. Further, GWHN will maintain its relationships with area providers post-closing.

An example of how the Hospital will continue its relationships with community providers for the benefit of the under insured and uninsured is the Waterbury Health Access Program(WHAP). WHAP is a collaborative of Waterbury health organizations established with a federal Health Resources and Services Administration grant in 2003 under the Healthy Communities Access Program. The collaborative, a continuation of a Community Action Grant coalition founded in 2000, was established to address systemic obstacles to ongoing and high-quality medical care for uninsured and underserved patients in the Greater Waterbury region. The primary service area consists of the City of Waterbury and the 12 surrounding towns that make up the Central Naugatuck Valley Region (CNVR), including: Ansonia, Beacon Falls, Bethlehem, Cheshire, Middlebury, Naugatuck, Prospect, Southbury, Thomaston, Watertown, Wolcott, and Woodbury. WHAP targets adults 18 to 64 who are under- or uninsured, and links them with primary care and sub-specialty physicians who provide donated care while connecting patients with appropriate entitlements and pharmacy assistance. Initially, the efforts of WHAP focused on three disease areas: HIV/AIDS, Diabetes, Cancer and Depression. Following the approval of the Joint Venture, the newly created Waterbury Foundation and Saint Mary's Foundation will continue the hospitals' participation.

**21. Submit a list of all key professional, administrative and clinical department heads related to this proposal. Additionally, provide a copy of the Curriculum Vitae of each individual listed.**

Please see **Exhibit 16** for the Curriculum Vitae of the individuals listed below.

<u>Waterbury Hospital</u>
Darlene Stromstad, FACHE, President/CEO
Anil Jain, Interim CFO
John K. Evans, Interim COO
Michael J. Cemeno, CIO
David J. Pizzuto, M.D., Chief Medical Officer
Sandra Iadarola, RN, Chief Nursing Officer
Scott H. Kurtzman, M.D., FACS, Chairman, Department of Surgery
Carl B. Sherter, M.D., Chief of Medical Staff

LHP
Daniel J. Moen, Chief Executive Officer
Paul A. Kappelman, Division President
David G. Nosacka, Division Chief Financial Officer
Tom Frazier, Executive Vice President, Administration
William J. Hibbitt, Executive Vice President and Chief Financial Officer
Rebecca Hurley, Executive Vice President, General Counsel and Secretary
James B. Shannon, Executive Vice President, Development
Patricia G. Ball, Ph.D., Senior Vice President, Strategic Development and Public Affairs
Lawrence V. Schunder, Senior Vice President and Chief Information Officer

**22. Explain how the proposal contributes to the quality of health care delivery in the region.**

The proposed joint venture is a collaborative partnership in which community leaders, physicians, hospital leaders and LHP will make important decisions about how the Joint Venture fulfills its role in the community. As part of the joint venture model, the Applicants will conduct a community needs study to focus capital improvements and clinical program initiatives.

Other initiatives to improve health care delivery in the Greater Waterbury area include:

- Standardization and upgrading of health information technology
- State of the art replacement hospital
- Physician recruitment and retention efforts
- Standardization of Performance Improvement metrics and benchmarking
- Increase physician participation in hospital management and decision making
- Recognize the contribution of our employees and retain a skilled workforce

Benefits realized in other LHP collaborative partnerships include the following:

**Portneuf Medical Center-Pocatello, Idaho**

For decades, Portneuf Medical Center dreamed of replacing its two aging campuses with one updated, expanded facility. With capital investment from LHP and an ongoing collaborative partnership that embraces community and physician leadership, Portneuf Medical Center opened its new facility in 2011. Hailed as the premier health care system in Southeast Idaho, Portneuf Medical Center is also the most technologically advanced medical center in the region.

**Texas Health Presbyterian Hospital-WNJ-Sherman, TX**

Texas Health Presbyterian Hospital-WNJ, formerly Wilson N. Jones Medical Center, has served communities in North Texas and Southern Oklahoma for nearly a century. By choosing an LHP-led joint venture as its preferred strategic alternative, this hospital is providing patients with more access to better technology and equipment, as well as comprehensive, expanded services.

**Seton Medical Center-Harker Heights, TX**

In an area that has experienced dramatic growth, local physicians and other leaders recognized a community need for choice in health care providers, services and advanced technology. An LHP-led joint venture addressed these needs, constructing a new state-of-the-art facility slated to open in June 2012 that has been designed to enhance the accessibility and quality of health care in surrounding counties.

**HackensackUMC-Pascack Valley-Westwood, NJ**

When Pascack Valley Hospital in Westwood, New Jersey, closed in 2007, patient overflow could not be accommodated by nearby hospitals with consistently high occupancy. In response, HackensackUMC and LHP formed a joint venture to extend a network of some of the best health care services in America to Pascack Valley. The joint venture anticipates reopening the Pascack Valley Hospital in 2013 with expanded services and new technology to deliver high quality care close to home.

**Bay Medical Center- Sacred Heart Health System-Panama City, FL**

Located in Panama City, Florida, Bay Medical Center had long been recognized as one of the nation's top hospitals for clinical quality but suffered from a heavy load of debt that restricted its ability to flourish and grow. Following its acquisition by a joint venture between Sacred Heart Health System, Inc., and LHP, Bay Medical Center now has a new capital structure that will position the hospital to grow and expand while honoring its commitment to charity care.

**23. Identify Waterbury Hospital's ownership type(s) (e.g. Corporation, PC, LLC, etc.).**

The Waterbury Hospital and Greater Waterbury Health Network, Inc. are both Connecticut non-stock, 501(c)(3) corporations.

**24. Provide the corporate organizational chart prior to and after the proposal and include all** affiliates.

Please refer to **Exhibit 18**.

**25. Provide a list of owners and the percentages of ownership by each entity involved.**

Through its community foundation, GWHN will own 10% of the equity interest in the JV; Saint Mary's will own 10% of the equity interest through its community foundation; LHP sub will own the remaining 80% equity interest.

**26. Please provide the date on which Waterbury Hospital filed audited financial statements with OHCA. GWHN may reference these statements in responding to questions.**

GWHN's most recent audited financial statements were submitted to OHCA on February 28, 2012.

**27. List all funding or financing sources for the proposal and the dollar amount of each source. Provide applicable details such as interest rate; term; monthly payment; pledges and funds received to date; letter of interest or approval from a lending institution.**

Not applicable. This proposed transaction in this Application is an exchange of assets for a membership share in the JV and a commitment to construct a replacement hospital.

**28. Describe in detail how this proposal, which will result in a single Waterbury area hospital, will affect the financial strength of the state's health care system compared to the current existence of two hospitals: Waterbury Hospital and Saint Mary's Hospital.**

For some time, it has been clear to GWHN that the Greater Waterbury service area cannot sustain two acute care hospitals in Waterbury. Yet neither St. Mary's nor Waterbury has the capacity, nor the expansion capability, to be the sole acute care hospital in Waterbury. Further, both hospitals lack the necessary access to capital, individually or together, to build a right-sized replacement facility. The proposed JV is the best solution for the greater Waterbury community as Waterbury Hospital and Saint Mary's Hospital join LHP in creating one hospital, one owner and one future for healthcare delivery.

The JV will immediately improve the financial stability of the health care system by permitting GWHN and SMHS the opportunity to retire their debt and fund their pensions. Further, by creating one hospital system in Waterbury, the JV will eliminate duplicative services and administrative overhead, and consolidate business office functions leading to ongoing operational efficiencies. Other cost saving opportunities include eliminating duplicative professional service agreements, contracted services, plant operations, legal services, marketing, audit fees and the like. Combining these savings with the efficiencies and cost effectiveness of a new state-of-the-art hospital will result in a health care system that can re-invest in and expand access to health care services in Greater Waterbury. Such is not the case without the JV.

Without the proposed Joint Venture, it is highly unlikely that GWHN will be able to provide services beyond the next five years, leaving the community with an enormous hole in its safety net. An aged out, inefficient physical plant; lack of access to capital; declining reimbursement; increased material and personnel costs, will cause GWHN to continue to experience operating losses that cannot be offset. For a more detailed discussion, please see Applicant's response to Question 31.

**29. Provide the current and projected population mix (based on the number of patients, not based on revenue) for this proposal.**

**Table I: Patient Population Mix, All Encounters**

| | Prior to Proposal | After Proposal |
|---|---|---|
| Medicare* | 25.5% | 23.0% |
| Medicaid* | 35.5% | 40.7% |
| CHAMPUS | 0.2% | 0.3% |
| **Total Government** | **61.2%** | **64.0%** |
| Commercial Insurers | 29.1% | 25.5% |
| Uninsured | 8.0% | 8.9% |
| Workers Compensation | 1.7% | 1.6% |
| **Total Non-Government** | **38.8%** | **36.0%** |
| **Total Payor Mix** | **100%** | **100%** |

*Includes Managed Care
Source: CHIME FY2011

**Table J: Inpatient Population Mix**

| | Prior to Proposal | After Proposal |
|---|---|---|
| Medicare* | 51.2% | 50.7% |
| Medicaid* | 20.9% | 21.6% |
| CHAMPUS | 0.1% | 0.1% |
| **Total Government** | **72.2%** | **72.4%** |
| Commercial Insurers | 25.0% | 24.3% |
| Uninsured | 2.3% | 2.3% |
| Workers Compensation | 0.6% | 1.0% |
| **Total Non-Government** | **27.9%** | **27.6%** |
| **Total Payor Mix** | **100%** | **100%** |

*Includes Managed Care
Source: CHIME FY2011

In **Tables I and J** above, the column "Prior to Proposal" represents FY2011 Waterbury Hospital actual patient mix. The column "After Proposal" combines Waterbury Hospital's FY2011 patient mix with Saint Mary's actual patient mix for the same time period. The Joint Venture will have no material impact on the patient population mix. The JV and Replacement Hospital will continue to serve the same patient population.

**30. Provide the assumptions used to project the patient population mix after the proposed transfer of ownership.**

The patient population mix above assumes that both Waterbury Hospital and Saint Mary's Hospital will retain historic patient mix. The patient mix after the proposal is a reflection of both hospitals' combined patient encounters by payor for FY11. The patient mix will not change materially from historic experience as a result of the joint venture.

**31. Provide a summary of revenue, expense, and volume statistics for each entity as follows:**

- **The Hospital without the CON project, incremental to the CON project, and with the CON project (Note that the actual results for the fiscal year reported in the first column must agree with the Hospital's audited financial statements.);**
- **Waterbury Hospital without the CON project (Note that the actual results for the fiscal year reported in the first column must agree with GWHN's audited financial statements.);**
- **The Joint Venture with the CON project and incremental to the CON project.**

**Complete Financial Attachments IA through IC. The projections must include the first three full fiscal years of the project.**

Financial Attachments IA through IC are attached hereto as **Exhibit 17.**

**32. Provide the assumptions utilized in developing Financial Attachments IA through IC (e.g., full-time equivalents, volume statistics, other expenses, revenue and expense percentage increased, project commencement of operations date, etc.).**

All three Financial Attachments assume a project start date of October 1, 2012. All three schedules are in 000s.

**FINANCIAL ATTACHMENT IA ASSUMPTIONS:**

Financial Attachment IA represents GWHN FY2011 Actual results and projections for FY2012 through FY2014 without the proposal. In the face of increasing expenses, declining reimbursement and flat patient volume, Applicants expect GWHN to continue to operate at a loss without the Joint Venture.

REVENUE:

- Inpatient Revenue
  - Nongovernment increased 4% per year
  - Medicare decreased 1.5% per year
  - Medicaid and other assistance decreased 1.0% per year

- Outpatient Revenue
    - Nongovernment increased 4% per year
    - Medicare decreased 1.5% per year
    - Medicaid and other assistance decreased 1.0% per year
- Other Operating Revenue increased at 2% per year
- Patient Volume remains flat at 2012 level

EXPENSES:

- Salary and Fringe Benefits inflated 3% annually
- Other Expenses inflated 3% annually
- FTEs are reduced in FY13 and FY14 by 25 FTEs per year

**FINANCIAL ATTACHMENT IB ASSUMPTIONS:**

Financial Attachment IB provides three full years of the Joint Venture. Please note that as the Joint Venture is a new company and has no historical performance, the baseline budget of the entity without the CON is zero. Therefore, the "Incremental" columns mirror the "Projected With CON" columns. Unlike the forecast for GWHN without the JV, the Joint Venture schedule demonstrates a positive bottom line even with expenses for the Replacement Hospital construction factored in. Please note that no provision has been made for income taxes. The Joint Venture will pay local sales and real estate taxes, but is considered a "flow-through" entity for federal income tax purposes. Local sales tax and real estate taxes are included in "Other Operating Expense". Profits will be taxed at the owner level based upon each owner's tax status.

REVENUE:

- Financial Attachment IB assumes the revenue assumptions of SMH in DN # 11-31711 and the GWHN assumptions in Financial Attachment IA as articulated above.
- Volume increases by 1.5% per year.

EXPENSE:

- FTEs are reduced to reflect the elimination of duplicative administrators and department directors as well as improving span of control.
- Salaries per FTE are reduced to reflect decreases in duplicative management.
- Benefits are reduced to reflect FTE reductions.
- Professional Fees are reduced by eliminating redundant medical chairmanships and directorships.
- Contract services are reduced by eliminating redundant contracts for consultants, legal counsel, etc.
- Repairs and maintenance are reduced by increased capital expenditures.
- Insurance expenses are moved to LHP.
- Other operating expenses decrease by eliminating duplicative audits, marketing, etc.

**FINANCIAL ATTACHMENT IC ASSUMPTIONS:**

Financial Attachment IC reflects the Joint Venture impact on SMH and GWHN. Upon closing, the Joint Venture will hold one license and operate on two campuses until the Replacement Hospital in complete. The two campuses will bill and account as one, therefore, revenues and expenses in Financial Attachment IC have been allocated based upon the individual entities' historical contributions to the whole. Revenue expenses used are the same as used in Financial Attachment IA above and Financial Attachment IA in DN #11-31711. Expenses are consistent with Financial Attachment IA and IB above, as well as Financial Attachment IA in DN #11-31711.

**33. Explain any projected incremental losses from operations contained in the financial projections that result from the implementation and operation of the CON proposal.**

Not applicable.

**34. As a result of the proposal, will there be any change to existing reimbursement contracts between the Applicants and payers (e.g., Medicare, Medicaid, commercial)? Explain.**

It is currently anticipated that upon closing, the Joint Venture will hold one acute care hospital license, initially operating on two campuses. As a newly licensed entity, the Joint Venture will need to negotiate new reimbursement contracts with payers and complete a Change of Ownership process with the Centers for Medicare and Medicaid Services.

**35. Provide the specific amount and form of capital (e.g., money or property) that will be contributed by Waterbury Hospital and Southwest CHS to fund the total cost of the project.**

This proposal does not involve an asset purchase. GWHN will contribute substantially all of its assets to the JV and receive a 10% ownership interest in the JV. LHP will contribute $108,000,000, which is evidenced by a promissory note, to the JV and retain an 80% interest.

**36. Provide the percentages from the total capital contributions that will be utilized to eliminate the Hospital's debt, reduced pension liability and to fund capital projects and other facility improvements.**

This proposal does not involve an asset purchase. LHP has agreed to grant an equity interest to GWHN and is contributing a promissory note in the amount of $108 million toward the construction of a Replacement Hospital in exchange for GWHN's contribution of assets. Please refer to Applicant's response to Question 3 regarding elimination of Hospital liabilities.

| NAME OF MEMBER | VALUE OF SHARING PERCENTAGE | NUMBER OF UNITS | SHARING PERCENTAGE |
|---|---|---|---|
| **Greater Waterbury Health Network, Inc.** | **$27,000,000** | **270 Units** | **10%** |
| **Saint Mary's Health System, Inc.** | **$27,000,000** | **270 Units** | **10%** |
| **LHP Southwest Connecticut, LLC** | **$216,000,000** | **2,160 Units** | **80%** |

# EXHIBIT 1:  CONTRIBUTION AND SALE AGREEMENT

---

# CONTRIBUTION AGREEMENT

**BY AND AMONG**

**GREATER WATERBURY HEALTH NETWORK, INC.**

**AND**

**SOUTHWEST CONNECTICUT HEALTH SYSTEM, LLC**

**AND**

**LHP SOUTHWEST CONNECTICUT, LLC**

**AND**

**LHP HOSPITAL GROUP, INC.**

---

**_____, 2012**

**TABLE OF CONTENTS**

***Section*** ***Page***


1. FORMATION OF THE COMPANY; AGREEMENT TO CONTRIBUTE .....
   1.1 Formation of the Company .....
   1.2 Agreement to Contribute.....
   1.3 Ownership Structure of the Company.....
2. CONTRIBUTIONS TO THE COMPANY .....
   2.1 Assets .....
   2.2 Excluded Assets.....
   2.3 Assumed Liabilities .....
   2.4 Excluded Liabilities .....
   2.5 Net Working Capital, Estimates, and Audits .....
2.6 DISCLAIMER OF WARRANTIES.....
3. CLOSING .....
   3.1 Closing .....
   3.2 Actions of GWHN at Closing.....
   3.3 Actions of LHP and LHP Sub at Closing .....
   3.4 Actions of the Company at Closing.....
4. REPRESENTATIONS AND WARRANTIES OF GWHN .....
   4.1 Existence and Capacity.....
   4.2 Powers; Consents; Absence of Conflicts With Other Agreements, Etc .....
   4.3 Binding Agreement.....
   4.4 Financial Statements .....
   4.5 Certain Post-Balance Sheet Results.....
   4.6 Licenses.....
   4.7 Medicare Participation/Accreditation .....
   4.8 Regulatory Compliance .....
   4.9 Equipment.....
   4.10 Real Property .....
   4.11 Title.....
   4.12 Employee Benefit Plans.....
   4.13 Litigation or Proceedings.....

**TABLE OF CONTENTS**
(continued)

***Section*** ***Page***


4.14 Environmental Laws .....
4.15 Hill-Burton and Other Liens .....
4.16 Taxes .....
4.17 Employee Relations .....
4.18 Agreements and Commitments .....
4.19 The Contracts .....
4.20 Supplies .....
4.21 Insurance .....
4.22 Third Party Payor Cost Reports .....
4.23 Medical Staff Matters .....
4.24 Quality and Condition of Assets .....
4.25 Intellectual Property; Computer Software .....
4.26 Accounts Receivable and Notes Receivable .....
4.27 Experimental Procedures .....
4.28 Compliance Program .....
4.29 Partial Subsidiaries .....
4.30 Full Disclosure .....
4.31 Knowledge .....
5. REPRESENTATIONS AND WARRANTIES OF LHP, LHP SUB, AND THE COMPANY .....
5.1 Existence and Capacity .....
5.2 Powers; Consents; Absence of Conflicts With Other Agreements, Etc .....
5.3 Binding Agreement .....
5.4 Financial Statements .....
5.5 Litigation or Proceedings .....
5.6 Financing .....
6. COVENANTS OF GWHN PRIOR TO CLOSING .....
6.1 Information .....
6.2 Operations .....
6.3 Negative Covenants .....

**TABLE OF CONTENTS**
(continued)

***Section*** ***Page***


6.4 Governmental Approvals .....
6.5 FTC Notification .....
6.6 Additional Financial Information .....
6.7 No-Shop Clause .....
6.8 Insurance Ratings .....
6.9 Tail Insurance .....
6.10 Medical Staff Disclosure .....
6.11 Efforts to Close .....
6.12 Satisfaction of Bond Obligations .....
7. COVENANTS OF LHP SUB PRIOR TO CLOSING .....
7.1 Governmental Approvals .....
7.2 FTC Notification .....
7.3 Title Commitment .....
7.4 Surveys .....
7.5 Efforts to Close .....
7.6 Closing of SMHS Transaction .....
8. CONDITIONS PRECEDENT TO OBLIGATIONS OF LHP SUB AND THE COMPANY .....
8.1 Representations/Warranties .....
8.2 Pre-Closing Confirmations .....
8.3 Actions/Proceedings .....
8.4 Adverse Change .....
8.5 Insolvency .....
8.6 Opinion of Counsel to GWHN .....
8.7 Consents to Assignments .....
8.8 Vesting/Recordation .....
8.9 Due Diligence Investigation .....
8.10 Required Consents .....
8.11 Closing Documents .....
8.12 Closing of SMHS Transaction .....

**TABLE OF CONTENTS**
(continued)

***Section*** ***Page***


9. CONDITIONS PRECEDENT TO OBLIGATIONS OF GWHN .....
9.1 Representations/Warranties .....
9.2 Governmental Matters .....
9.3 Actions/Proceedings .....
9.4 Insolvency .....
9.5 Opinion of Counsel to LHP Sub .....
9.6 Closing Documents .....
10. COVENANT NOT TO COMPETE .....
11. ADDITIONAL AGREEMENTS .....
11.1 Termination Prior to Closing; Termination Fee .....
11.2 Post Closing Access to Information .....
11.3 Preservation and Access to Records After the Closing .....
11.4 CON Disclaimer .....
11.5 Tax and Medicare Effect .....
11.6 Reproduction of Documents .....
11.7 Cooperation on Tax Matters .....
11.8 Cost Reports .....
11.9 Misdirected Payments, Etc .....
11.10 Employee Matters .....
11.11 Board of Trustees .....
11.12 Uncompensated Care Policies .....
11.13 Medical Staff Matters .....
11.14 Use of Controlled Substance Permits .....
11.15 Replacement Hospital .....
11.16 Shortfall Loan .....
11.16 Connecticut Transfer Act .....
12. INDEMNIFICATION .....
12.1 Indemnification by GWHN .....
12.2 Indemnification by LHP Sub .....

**TABLE OF CONTENTS**
(continued)

***Section*** ***Page***


12.3 Indemnification by the Company.....
12.4 Limitations.....
12.5 Notice and Control of Litigation.....
12.6 Notice of Claim.....
12.7 MITIGATION OF DAMAGES.....
13. MISCELLANEOUS.....
13.1 Schedules and Other Instruments.....
13.2 Additional Assurances.....
13.3 Consented Assignment.....
13.4 Consents, Approvals, and Discretion.....
13.5 Legal Fees and Costs.....
13.6 Liquidated Damages.....
13.7 Choice of Law; Venue.....
13.8 Benefit/Assignment.....
13.9 Brokerage Fees.....
13.10 Cost of Transaction.....
13.11 Confidentiality.....
13.12 Public Announcements.....
13.13 Waiver of Breach.....
13.14 Notice.....
13.15 Severability.....
13.16 Gender and Number.....
13.17 Divisions and Headings.....
13.18 Survival.....
13.19 Dispute Resolution.....
13.20 Affiliates.....
13.21 Waiver of Jury Trial.....
13.22 Accounting Date.....
13.23 No Inferences.....
13.24 No Third Party Beneficiaries.....

**TABLE OF CONTENTS**
(continued)

***Section*** ***Page***

13.25 Enforcement of Agreement.....
13.26 Entire Agreement/Amendment.....
13.27 LHP Guaranty.....
13.28 Other Owners of Assets.....
13.29 Risk of Loss.....
13.30 Equipment Leases.....

## EXHIBITS


| *Description* | *Exhibit* |
|---|---|
| Company Entities | A |
| Articles of Organization and Operating Agreement | B |
| Form of Capital Contribution Promissory Note | C |
| Second Amended and Restated Operating Agreement | D |
| Opinion of Counsel to GWHN | E |
| Opinion of Counsel to LHP Sub | F |
| Limited Power of Attorney | G |


## SCHEDULES


| *Description* | *Schedule* |
|---|---|
| Owned Real Property | 2.1(a) |
| Leased Real Property | 2.1(b) |
| Personal Property | 2.1(c) |
| Licenses and Permits | 2.1(d) |
| Ownership Interests | 2.1(e) |
| Personal Property Leases | 2.1(f) |
| Contracts | 2.1(g) |
| Prepaids | 2.1(h) |
| Physician Accounts Receivable | 2.1(o) |
| Other Excluded Assets | 2.2(q) |
| Certain Assumed Liabilities | 2.3 |
| Certain Excluded Liabilities | 2.4 |
| Net Working Capital | 2.5 |
| Certain Contractual Matters | 4.2(c) |
| Financial Statements | 4.4 |
| Certain Post-Balance Sheet Results | 4.5 |
| Licenses | 4.6 |
| Medicare Participation/Accreditation | 4.7 |
| Regulatory Compliance | 4.8 |
| Equipment | 4.9 |
| Real Property | 4.10 |
| Rights of First Refusal | 4.11 |
| Employee Benefit Plans | 4.12 |
| Litigation or Proceedings | 4.13 |
| Environmental Laws | 4.14 |
| Hill-Burton and Other Liens | 4.15 |
| Employee Relations | 4.17 |
| Agreements and Commitments | 4.18 |
| Certain Contracts | 4.19 |
| Insurance | 4.21 |
| Third Party Payor Cost Reports | 4.22 |
| Medical Staff Matters | 4.23 |
| Intellectual Property; Computer Software | 4.25 |

Compliance Program .....4.28
Partial Subsidiaries.....4.29
Required Consents .....8.15



WH000067

## GLOSSARY OF DEFINED TERMS


| *Defined Term* | *Section* |
|---|---|
| Act | 1.1 |
| Accessibility Laws | 4.11(d) |
| Affiliate | 13.18 |
| Agreement | Introduction |
| Assets | 2.1 |
| Assignment and Assumption Agreement | 3.2(c) |
| Assumed Liabilities | 2.3 |
| Balance Sheet Date | 4.4 |
| Benefit Plans | 4.13 |
| Bill of Sale | 3.2(b) |
| CTDEP | 11.16 |
| CERCLA | 4.14 |
| Closing | 3.1 |
| Closing Date | 3.1 |
| Closing Documents | 4.30 |
| CMS | 4.7 |
| Code | 4.12 |
| Commencement Delay Fee | 11.15(d) |
| Company | Introduction |
| Company Entity or Company Entities | Recital B |
| Construction Delay Fee | 11.15(c) |
| Contracts | 2.1(i) |
| DOL | 4.12(b) |
| ECAF | 3.4(i) |
| Effective Time | 3.1 |
| EFT Account | 2.1(m) |
| Environmental Laws | 4.14 |
| ERDs | 11.15(a)(ii) |
| ERISA | 4.12(a) |
| ERISA Affiliate | 4.12(a) |
| Excluded Assets | 2.2 |
| Excluded Contracts | 2.2(p) |
| Excluded Liabilities | 2.4 |
| Facilities | Recital A |
| Financial Statements | 4.4 |
| Force Majeure | 11.15(c) |
| FTC | 6.5 |
| GAAP | 2.5(a) |
| Government Entity | 4.8 |
| GWHN | Introduction |
| GWHN Initial Contribution | 1.2 |
| GWHN Cost Reports | 11.8 |
| HIPAA | 4.8 |

Hospital ..... Recital A
HQI Program ..... 4.7
HSR Act ..... 6.5
HWH ..... 11.15(a)(ii)
Indemnified Party ..... 12.5
Indemnifying Party ..... 12.5
Intellectual Property ..... 4.25
Interim Statements ..... 6.6
IRS ..... 4.12(b)
Justice Department ..... 6.5
Knowledge of GWHN ..... 4.31
Leased Real Property ..... 2.1(b)
LHP ..... Introduction
LHP Sub ..... Introduction
LHP Sub Initial Contribution ..... 1.2
LHP Sub Capital Contribution Promissory Note ..... 1.2
Licenses and Permits ..... 2.1(d)
LLC Agreement ..... 1.3
Loan Agreement ..... 6.12
Material Adverse Effect ..... 8.5
Net Working Capital ..... 2.5(a)
ORYX ..... 4.7
Owned Real Property ..... 2.1(a)
Partial Subsidiaries ..... 4.29(f)
PBGC ..... 4.12(b)
Permitted Exceptions ..... 3.2(a)
Personal Property ..... 2.1(c)
QNet ..... 4.7
RCRA ..... 4.14
Real Property ..... 2.1(b)
Replacement Hospital ..... 11.15
Required Consents ..... 8.14
Restricted Area ..... Article 10
Shortfall Loan ..... 11.16
SMHS ..... 1.3
State Health Agency ..... 4.6
Surveys ..... 7.4
Taxes ..... 2.3(f)
Tax Returns ..... 4.16
Target Net Working Capital ..... 2.5(a)
Termination Fee ..... 11.1(b)
Title Commitment ..... 7.3
Title Company ..... 7.3
Title Policy ..... 7.3
Transfer Act ..... 2.4(p)
WARN Act ..... 4.17(d)

# CONTRIBUTION AGREEMENT

**THIS CONTRIBUTION AGREEMENT** (the "Agreement") is made and entered into as of the _____ day of _____, 2012, by and among **GREATER WATERBURY HEALTH NETWORK, INC.**, a Connecticut non-stock corporation ("GWHN"), **SOUTHWEST CONNECTICUT HEALTH SYSTEM, LLC**, a Connecticut limited liability company (the "Company"), **LHP SOUTHWEST CONNECTICUT, LLC**, a Delaware limited liability company ("LHP Sub"), and **LHP HOSPITAL GROUP, INC.**, a Delaware corporation ("LHP").

**RECITALS:**

**A.** GWHN owns and operates The Waterbury Hospital, an acute care teaching hospital having 357 licensed beds (the "Hospital"), together with various parking facilities, medical office buildings, and other related health care assets located in and around Waterbury, Connecticut (the Hospital and such other health care assets being collectively referred to as the "Facilities"). For the avoidance of doubt, the parties hereby agree and acknowledge that the term "Facilities" does not include the Partial Subsidiaries (as hereinafter defined) or any of the health care facilities and assets owned by them.

**B.** The Company has been formed to own and operate, whether directly or indirectly, health care assets and businesses such as the Facilities and the businesses conducted at and by the Facilities. The Company owns or controls, directly or indirectly, the organizations listed on Exhibit A attached hereto (individually, a "Company Entity" and collectively, the "Company Entities").

**C.** GWHN has agreed to convey to the Company and/or the Company Entities, as applicable, on the Closing Date (as defined in Section 3.1), substantially all of the assets used in, necessary for, held in connection with, or otherwise arising from or relating to the operation of the Facilities, subject to and in accordance with the terms and conditions of this Agreement.

**D.** LHP Sub has agreed to contribute to the Company on the Closing Date One Hundred Eight Million Dollars ($108,000,000), subject to and in accordance with the terms and conditions of this Agreement.

**E.** LHP is a party to this Agreement for purposes of guaranteeing the obligations of LHP Sub as set forth herein.

**AGREEMENT:**

**NOW, THEREFORE**, for and in consideration of the premises, and the agreements, covenants, representations, and warranties hereinafter set forth, and other good and valuable consideration, the receipt and adequacy of which are forever acknowledged and confessed, the parties hereto agree as follows:

## 1. FORMATION OF THE COMPANY; AGREEMENT TO CONTRIBUTE.

***1.1 Formation of the Company***. On March 29, 2012, the Company was formed by LHP Sub in accordance with the Connecticut Limited Liability Company Act (the "Act") pursuant to the Articles of Organization and Operating Agreement attached hereto as Exhibit B.

***1.2 Agreement to Contribute***. Subject to the terms and conditions of this Agreement, and in reliance upon the representations, warranties, and covenants of LHP, LHP Sub, and the Company set forth herein, on the Closing Date, GWHN shall convey to the Company the Assets (hereinafter defined), as described in Section 2.1 (the "GWHN Initial Contribution"). Subject to the terms and conditions of this Agreement, and in reliance upon the representations, warranties, and covenants of GWHN set forth herein, on the Closing Date, LHP Sub shall contribute to the Company an interest-bearing capital contribution promissory note in the original principal amount of One Hundred Eight Million Dollars ($108,000,000) (the "LHP Sub Capital Contribution Promissory Note"). The LHP Sub Capital Contribution Promissory Note shall be in the form attached as Exhibit C hereto and incorporated herein by reference. The funds advanced under the LHP Sub Capital Contribution Promissory Note shall be used by the Company, at the request of the Company from time to time following the Closing Date, as provided in the LLC Agreement (as hereinafter defined).

***1.3 Ownership Structure of the Company***. Prior to the Effective Time, the members of the Company will be LHP Sub and Saint Mary's Health System, Inc. a Connecticut non-profit corporation ("SMHS"). Subject to the terms and conditions of this Agreement, at the Closing (hereinafter defined), and after GWHN has contributed the GWHN Initial Contribution and LHP Sub has contributed the LHP Sub Capital Contribution Promissory Note, GWHN, LHP Sub, and SMHS shall enter into a Second Amended and Restated Operating Agreement, in the form attached hereto as Exhibit D (the "LLC Agreement"), which will, among other things, provide that the membership interest of LHP Sub in the Company shall be 80%, the membership interest of GWHN in the Company shall be 10%, and the membership interest of SMHS in the Company shall be 10%.

## 2. CONTRIBUTIONS TO THE COMPANY.

***2.1 Assets***. Subject to the terms and conditions of this Agreement, as of the Closing, GWHN agrees to sell, convey, transfer, and deliver (or cause to be sold, conveyed, transferred, and delivered) to the Company and the Company Entities all of the assets owned or used by GWHN in connection with the operation of the Facilities, other than the Excluded Assets, which contributed assets shall include, without limitation, the following (the "Assets"):

***(a)*** all of the real property that is owned by GWHN and used in connection with the operation of the Facilities, including, without limitation, the real property described in Schedule 2.1(a), together with all buildings, improvements, and fixtures located thereupon, all construction in progress, and all rights, privileges, and easements appurtenant thereto (collectively, the "Owned Real Property");

***(b)*** all of the real property that is leased by GWHN and used in connection with the operation of the Facilities, to the extent assignable or transferable, including, without limitation, the real property described in Schedule 2.1(b) (collectively, the "Leased Real

Property") (the Owned Real Property and the Leased Real Property are collectively referred to in this Agreement as the "Real Property");

***(c)*** all of the tangible personal property owned by GWHN with respect to the operation of the Facilities, including all equipment, furniture, fixtures, machinery, vehicles, office furnishings, and leasehold improvements, a current list and the general location of which are set forth on Schedule 2.1(c) (collectively, the "Personal Property");

***(d)*** all of GWHN's rights, to the extent assignable or transferable, to all licenses, provider numbers, permits, approvals, certificates of need, certificates of exemption, franchises, accreditations and registrations, and other governmental licenses, permits, or approvals issued or pending with respect to the development, ownership, and operation of the Facilities (collectively, the "Licenses and Permits"), including, without limitation, the Licenses and Permits described in Schedule 2.1(d);

***(e)*** all of GWHN's stock, partnership, membership, or other ownership interests, to the extent assignable or transferable, in each of the entities identified on Schedule 2.1(e), together with all minutes and other records relating to such entities that are in the possession of GWHN as of the Closing Date;

***(f)*** all of GWHN's interest, to the extent assignable or transferable, in and to all personal property leases with respect to the operation of the Facilities listed in Schedule 2.1(f);

***(g)*** all of GWHN's interest, to the extent assignable or transferable, in and to all commitments, contracts, leases, and agreements with respect to the operation of the Facilities listed in Schedule 2.1(g) (the "Contracts"), but specifically excluding the Excluded Contracts;

***(h)*** all of those advance payments, prepayments, prepaid expenses, deposits, and the like that exist as of the Closing Date that were made with respect to the operation of the Facilities, the current categories and amounts of which are set forth on Schedule 2.1(h);

***(i)*** all inventories of supplies, drugs, food, janitorial and office supplies, and other disposables and consumables located at the Facilities, or used with respect to the operation of the Facilities (the term "usable" in this clause meaning non-obsolete and consumable within the ordinary course of business of the Facilities, consistent with past practices);

***(j)*** to the extent transferable, all documents, records, operating manuals, files, and computer software with respect to the operation of the Facilities, including, without limitation, all patient records, medical records, employee records, financial records, equipment records, construction plans and specifications, medical and administrative libraries, operating manuals, proprietary manuals, marketing materials, policy and procedure manuals, files, catalogs, data, and studies or analyses;

***(k)*** all goodwill associated with the Facilities and the Assets;

***(l)*** the names, symbols, trade names, trademarks and service marks (or variations thereof), and telephone numbers used with respect to the operation of the Facilities, all goodwill associated therewith, and all applications and registrations associated therewith;

***(m)*** the electronic funds transfer account of the Facilities (the "EFT Account") (other than any cash in such EFT Account at Closing, which shall be an Excluded Asset) and all information necessary to access the EFT Account;

***(n)*** any current assets with respect to the operation of the Facilities that are not otherwise specifically described above in this Section 2.1 and that are included in Net Working Capital (hereinafter defined);

***(o)*** all accounts, notes, interest, and other receivables of GWHN relating to the Facilities, including those certain accounts, notes, or other amounts receivable from physicians listed in Schedule 2.1(o), and all claims, rights, interests, and proceeds related thereto, including all accounts and other receivables, disproportionate share payments, and all rights to receive funds relating to upper payment limits, arising from the rendering of services to inpatients and outpatients at the Facilities, billed and unbilled, recorded and unrecorded, for services provided by GWHN while owner of the Assets whether payable by private pay patients, private insurance, third party payors, Medicare, Medicaid, TRICARE, Blue Cross, or by any other source;

***(p)*** to the extent assignable by GWHN, all warranties (express or implied) and rights and claims assertable by (but not against) GWHN related to the Assets;

***(q)*** the Facilities' website(s), together with the content therein, to the extent transferrable and subject to any rights retained by GWHN in and to any trademarks, trade names, trade dress, or similar intellectual property;

***(r)*** all other property, other than the Excluded Assets, of every kind, character, or description owned by GWHN and used or held for use in the Facilities or the Assets, whether or not reflected on the financial statements, wherever located and whether or not similar to the items specifically set forth above, and all other businesses and ventures owned by GWHN in connection with the operations of the Facilities or the Assets; and

***(s)*** the interest of GWHN in all property of the foregoing types, arising or acquired in the ordinary course of the business of GWHN in respect of the Facilities between the date hereof and the Closing.

GWHN shall convey good and marketable title to the Assets and all parts thereof to the Company and the Company Entities, free and clear of all claims, assessments, security interests, liens, restrictions, and encumbrances, other than the Permitted Exceptions (hereinafter defined) and the Assumed Liabilities (hereinafter defined).

***2.2 Excluded Assets***. Those assets of GWHN owned or used in connection with the operation of the Facilities described below shall be retained by GWHN (collectively, the "Excluded Assets") and shall not be conveyed to the Company and the Company Entities:

***(a)*** cash, cash equivalents, and short-term investments, including, without limitation, cash in the EFT Account as of the Closing Date;

***(b)*** board-designated, restricted, and trustee-held or escrowed funds (such as funded depreciation, debt service reserves, self insurance trusts, working capital trust assets, and

assets and investments restricted as to use), trusts related to employee benefits, amounts reserved in connection with any unfunded Benefit Plans (hereinafter defined) listed in Section 4.12 that do not have a trust, trusts related to self-insurance, donor-restricted assets, beneficial interests in charitable trusts, and accrued earnings on all of the foregoing;

***(c)*** all intercompany receivables of GWHN with any of its Affiliates;

***(d)*** any current assets of GWHN that are not included in Net Working Capital (hereinafter defined);

***(e)*** any asset that would revert to the employer upon the termination of any of the Benefit Plans (as defined collectively in Section 4.12(a)), including assets representing a surplus or overfunding of any such plans;

***(f)*** all rights to refunds, credits, deposits, prepayments, or the equivalent owing to GWHN from any taxing authority resulting from periods prior to the Effective Time, and the right to pursue appeals of same;

***(g)*** the taxpayer and other identification numbers, seals, minute books, corporate records, and other documents relating to the organization, maintenance, and existence of GWHN;

***(h)*** all claims, rights, interests, and proceeds (whether received in cash or by credit to amounts otherwise due to a third party) with respect to amounts overpaid with respect to the Facilities to any third party with respect to periods prior to the Closing Date;

***(i)*** all bank accounts relating to the Facilities, other than the EFT Account;

***(j)*** all writings and other items that are protected from discovery by the attorney-client privilege, the attorney work product doctrine, or any other cognizable privilege or protection of GWHN;

***(k)*** any cost report settlements in respect of cost report periods ended on or prior to closing;

***(l)*** any assets owned and provided by vendors of goods or services to the Facilities;

***(m)*** unclaimed property of any third party in respect of the operation of the Facilities, including, without limitation, property that is subject to applicable escheat laws;

***(n)*** all rights, claims, and choses in action of GWHN in respect of the operation of the Facilities with respect to periods prior to the Closing Date, and any payments, awards, or other proceeds resulting therefrom;

***(o)*** all interests in, and assets related to, Children's Center of Greater Waterbury Health Network, Inc. and Health Alliance Insurance Company, Inc., including the name Waterbury Hospital Foundation;

***(p)*** all rights and interests of the Seller in and to the commitments, contracts, leases, and agreements set forth on Schedule 2.2(p) (the "Excluded Contracts");

***(q)*** the portions of inventory, prepaid expenses and the like, and other Assets disposed of, expended, or canceled, as the case may be, by the Facilities prior to the Closing Date in the ordinary course of business; and

***(r)*** any other assets identified in Schedule 2.2(q).

***2.3 Assumed Liabilities***. In connection with the conveyance of the Assets to the Company and the Company Entities, the Company and the Company Entities shall assume, effective as of the Effective Time, the future payment and performance of the following liabilities (the "Assumed Liabilities") of GWHN in respect of the Facilities:

***(a)*** all obligations accruing after the Effective Time with respect to the Contracts or the Personal Property Leases;

***(b)*** the trade accounts payable and current liabilities of the Facilities as of the Effective Time, but only to the extent such accounts payable and current liabilities are included in the calculation of Net Working Capital (hereinafter defined);

***(c)*** obligations and liabilities as of the Effective Time in respect of accrued paid time off benefits of employees of GWHN at the Facilities who are hired by LHP Sub as of the Effective Time, and related taxes, but only to the extent such accrued paid time off benefits, and related taxes, are included in Net Working Capital (hereinafter defined);

***(d)*** the long-term debt and capital lease obligations set forth on Schedule 2.3;

***(e)*** tax liabilities or obligations in respect of the Facilities and the Assets with respect to periods commencing on or after the Effective Time, including any federal, state, local, or foreign net income, gross income, gross receipts, windfall profit, severance, property, production, sales, use, license, excise, franchise, employment, unemployment, payroll, withholding, alternative or add on minimum, ad valorem, value added, transfer, stamp, or environmental tax, escheat payments or any other tax, custom, duty, impost, levy, governmental fee, or other like assessment or charge (together with any and all interest, penalties, additions to tax, and additional amounts imposed with respect thereto) (collectively, "Taxes"); and

***(f)*** all Taxes allocable to the Company pursuant to Section 2.5(e) hereof;

***(g)*** the liability for asbestos remediation reflected on the Financial Statements; and

***(h)*** any liability owed or due and owing for periods after the Effective Time, with respect to any Benefit Plan listed in Schedule 4.12, including liability for any pension, profit sharing, deferred compensation, or any other employee health and welfare benefit plans, or any benefit plan reflected in Schedule 4.12, liability for any EEOC claim, ADA claim, FMLA claim, wage and hour claim, unemployment compensation claim, or workers' compensation claim, and any liabilities or obligations to former employees of GWHN under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

The Company shall not be liable for (i) any claims arising from GWHN's assignment and the Company Entities' assumption of the Assumed Liabilities; (ii) uncured defaults in the performance of the Assumed Liabilities for periods prior to the Effective Time; (iii) unpaid amounts in respect of the Assumed Liabilities that are due as of the Effective Time (that are not reflected in Net Working Capital or on Schedule 2.3); and/or (iv) rights or remedies claimed by third parties under any of the Assumed Liabilities that broaden or vary the rights and remedies such third parties would have had against GWHN and the Facilities if the sale and purchase of the Assets were not to occur.

***2.4 Excluded Liabilities***. Except for the Assumed Liabilities, the Company and the Company Entities shall not assume and under no circumstances shall the Company or the Company Entities be obligated to pay or assume, and none of the assets of the Company and the Company Entities shall be or become liable for or subject to any liability, indebtedness, commitment, or obligation of GWHN, whether known or unknown, fixed or contingent, recorded or unrecorded, currently existing or hereafter arising or otherwise (collectively, the "Excluded Liabilities"), including, without limitation, the following Excluded Liabilities:

***(a)*** any debt, obligation, expense, or liability that is not an Assumed Liability;

***(b)*** claims or potential claims for medical malpractice or general liability relating to events asserted to have occurred prior to the Effective Time;

***(c)*** those claims and obligations (if any) specified in Schedule 2.4 hereto;

***(d)*** any liabilities or obligations associated with or arising out of any of the Excluded Assets;

***(e)*** liabilities and obligations of GWHN in respect of the Facilities with respect to periods prior to the Effective Time arising under the terms of the Medicare, Medicaid, CHAMPUS/TRICARE, Blue Cross, or other third party payor programs, and any liability arising pursuant to the Medicare, Medicaid, CHAMPUS/TRICARE, Blue Cross, or any other third party payor programs as a result of the consummation of any of the transactions contemplated under this Agreement;

***(f)*** Taxes incurred by the Facilities with respect to periods prior to the Effective Time (provided, however, that this clause (f) shall not apply to any and all taxes payable with respect to any employee benefits constituting Assumed Liabilities under Section 2.3(c) hereof and any Taxes allocable to the Company under Section 2.5(e) hereof);

***(g)*** liability for any and all claims by or on behalf of employees of GWHN relating to periods prior to the Effective Time including, without limitation, liability for any pension, profit sharing, deferred compensation, or any other employee health and welfare benefit plans, liability for any EEOC claim, ADA claim, FMLA claim, wage and hour claim, unemployment compensation claim, or workers' compensation claim, and any liabilities or obligations to former employees of GWHN under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (provided, however, that this clause (g) shall not apply to any and all employee benefits constituting Assumed Liabilities under Section 2.3(c) hereof);

***(h)*** any obligation or liability accruing, arising out of, or relating to any federal, state, or local investigations of, or claims or actions against, GWHN, the Facilities, or any of their employees, medical staff, agents, vendors, or representatives with respect to acts or omissions prior to the Effective Time;

***(i)*** any civil or criminal obligation or liability accruing, arising out of, or relating to any acts or omissions of GWHN, its Affiliates, or their directors, officers, employees, representatives, and agents claimed to violate any constitutional provision, statute, ordinance, or other law, rule, regulation, interpretation, or order of any governmental entity arising out of acts occurring before the Effective Time;

***(j)*** liabilities or obligations arising as a result of any breach by GWHN or the Facilities at any time of any contract or commitment that is not assumed by the Company;

***(k)*** liabilities or obligations arising out of any breach by GWHN or the Facilities prior to the Effective Time of any Contract;

***(l)*** any obligation or liability asserted under the federal Hill-Burton program or other restricted grant and loan programs with respect to the ownership or operation of the Facilities or the Assets;

***(m)*** any debt, obligation, expense, or liability of GWHN arising out of or incurred solely as a result of any transaction occurring after the Effective Time or for any violation by GWHN of any law, regulation, or ordinance at any time (including, without limitation, those pertaining to fraud, environmental, health care regulatory, and ERISA matters);

***(n)*** all liabilities and obligations relating to any oral agreements, oral contracts, or oral understandings with any referral sources including, but not limited to, physicians, unless reduced to writing and expressly assumed as part of the Contracts;

***(o)*** any liability arising out of the act of assignment of any of the Contracts to the Company Entities at the Closing; and

***(p)*** the obligations and liabilities arising in connection with the Connecticut Transfer Act, 22 Conn. Gen. Stat. § 134 *et seq.* (the "Transfer Act"), as set forth in Section 11.16.

***2.5 Net Working Capital, Estimates, and Audits***.

***(a) Net Working Capital***. The respective membership interest percentages of GWHN, LHP Sub, and SMHS in the Company have been determined based upon the Net Working Capital of GWHN as of _____ ("Target Net Working Capital"). To the extent that the Net Working Capital contributed by GWHN to the Company exceeds or is less than the Target Net Working Capital, then any excess amount shall be paid by the Company to GWHN, and any deficit amount shall be paid by GWHN to the Company. As used herein, the term "Net Working Capital" shall mean the aggregate current assets of GWHN in respect of the Facilities conveyed to the Company pursuant to Section 2.1 hereof (excluding those Excluded Assets that would otherwise be included in current assets), minus the aggregate current liabilities of GWHN in respect of the Facilities assumed by the Company pursuant to Section 2.3 hereof

(excluding those Excluded Liabilities that would otherwise be included in current liabilities), all as determined in accordance with generally accepted accounting principles ("GAAP"), but in any case with respect to the computation of Net Working Capital (i) the following being included in current assets: assumable prepaid expenses (excluding insurance-related prepaid expenses), usable inventories and supplies (priced at actual invoice cost), patient accounts receivable (net of allowances for contractual adjustments and uncollectibles based upon an evaluation of historical collections to gross revenues and discounted by ten percent (10%) for timing and cost of collection), non-patient accounts receivable as agreed, and other current assets as agreed, and (ii) the following being included in current liabilities: accounts payable, accrued expenses (excluding sales tax payable, items incurred but not recorded, and bank loans), accrued paid time off benefits and salary and related taxes (for employees of GWHN at the Facilities who are hired by LHP Sub), and other current liabilities as agreed.

***(b) Estimates and Adjustments.*** At least ten (10) business days prior to Closing, GWHN shall deliver to LHP Sub a reasonable estimate of Net Working Capital as of the end of the most recently ended calendar month prior to the Closing Date for which financial statements are available and containing reasonable detail and supporting documents showing the derivation of such estimate. Subject to the mutual agreement of GWHN and LHP Sub, the estimated Net Working Capital together with the principles, specifications, and methodologies for determining the estimated Net Working Capital shall be specified in Schedule 2.5 and shall be used for purposes of calculating any payments due either from or to GWHN as of the Closing. Within ninety (90) days after the Closing, LHP Sub shall deliver to GWHN its determination of the Net Working Capital as of the Effective Time (following the same principles, specifications, and methodologies used to determine the estimated Net Working Capital as set forth on Schedule 2.5). LHP Sub shall have full access to the financial books and records of GWHN pertaining to the Facilities prior to, and for ninety (90) days following, the Closing, to confirm or audit working capital computations. Should GWHN disagree with LHP Sub's determination of Net Working Capital, it shall notify LHP Sub within sixty (60) days after LHP Sub's delivery of its determination of Net Working Capital. If GWHN and LHP Sub fail to agree within thirty (30) days after GWHN's delivery of notice of disagreement on the amount of Net Working Capital, such disagreement shall be resolved in accordance with the procedure set forth in Section 2.5(c). Within five (5) business days after determination of the actual Net Working Capital as of the Effective Time, any increase from the estimated Net Working Capital shall be paid by the Company to GWHN, and any decrease from the estimated Net Working Capital shall be paid by GWHN to the Company.

***(c) Dispute of Adjustments.*** In the event that GWHN and LHP Sub are not able to agree on the actual Net Working Capital within thirty (30) days after GWHN's delivery of notice of disagreement, GWHN and LHP Sub each shall have the right to require that such disputed determination be submitted to Deloitte LLP (or the appropriate subsidiary thereof), or if Deloitte LLP (or the appropriate subsidiary thereof) is not available for any reason or does not maintain its independent status, such other independent certified public accounting firm upon which GWHN and LHP Sub may then mutually agree in writing (the "Accounting Firm") for computation or verification in accordance with the provisions of this Agreement. The Accounting Firm shall review the matters in dispute and, acting as arbitrators, shall promptly decide the proper amounts of such disputed entries (which decision shall also include a final calculation of Net Working Capital). The submission of the disputed matter to the Accounting Firm shall be the exclusive remedy for resolving accounting disputes relative to the

determination of Net Working Capital. The Accounting Firm's determination shall be binding upon GWHN and LHP Sub. The Accounting Firm's fees and expenses shall be borne equally by GWHN and LHP Sub.

***(d) Physical Inventory.*** If requested by LHP Sub at least ten (10) business days prior to the Closing, GWHN shall cause a physical inventory to be taken of the inventory and supplies on hand at the Facilities by either (i) employees or representatives of GWHN at the Facilities or its Affiliates or (ii) an independent third party selected by GWHN, the cost of which independent third party shall be borne by GWHN, as near in time as possible to the Closing and with the results extended and adjusted through the Effective Time. It shall be in GWHN's sole discretion as to whether employees or representatives of GWHN at the Facilities or an independent third party are used to conduct such physical inventory. GWHN shall permit representatives or employees of LHP Sub to observe such inventory process. All inventory items shall be valued at cost on a first-in first-out basis. The parties acknowledge that the inventory to be taken pursuant to this Section 2.5(d) shall not be conducted until immediately prior to the Closing and, as such, the results of such inventory may not be available until some time after the Closing. Accordingly, the parties agree that for purposes of determining the estimated Net Working Capital, inventory with respect to the operation of the Facilities shall be valued as reflected by the latest available unaudited balance sheet of GWHN in respect of the Facilities if the results of such inventory are not available. For purposes of determining the actual Net Working Capital, inventory shall be valued as determined pursuant to this Section 2.5(d).

***(e) Prorations***. Except as otherwise provided herein (for example, in the determination of Net Working Capital) or as settled at Closing, within ninety (90) days after the Closing Date, GWHN and the Company shall prorate as of the Closing Date any amounts that become due and payable on and after the Closing Date, or that have been paid in advance by either party prior to the Closing Date with respect to periods after the Closing Date, with respect to (i) the Contracts, (ii) ad valorem taxes, if any, on the Assets (which shall be prorated at the Closing), (iii) property taxes, if any, on the Assets (which shall be prorated at the Closing), and (iv) all utilities servicing any of the Assets, including water, sewer, telephone, electricity, and gas service. The parties shall cooperate to avoid, to the extent legally possible, the payment of duplicate Taxes, and each party shall furnish, at the request of the other, proof of payment of any Taxes or other documentation that is a prerequisite to avoid payment of duplicate Taxes. Any such amounts that are not available within ninety (90) days after the Closing Date shall be similarly prorated as soon as practicable thereafter.

***2.6 Disclaimer of Warranties***. Except as expressly set forth in Section 4 hereof, the Assets transferred to the Company and any Company Entities will be transferred in their physical condition at the Effective Time, "AS IS, WHERE IS, AND WITH ALL FAULTS AND NONCOMPLIANCE WITH LAWS" WITH NO WARRANTY OF HABITABILITY OR FITNESS FOR HABITATION, with respect to the Real Property, land, buildings, and improvements, and WITH NO WARRANTIES, INCLUDING, WITHOUT LIMITATION, THE WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, with respect to the physical condition of the Personal Property and the inventory and supplies.

**3. CLOSING.**

***3.1 Closing***. Subject to the satisfaction or waiver by the appropriate party of all of the conditions precedent to Closing specified in Sections 8 and 9 hereof, the consummation of the transactions contemplated by and described in this Agreement (the "Closing") shall take place at the offices of Carmody & Torrance LLP, 50 Leavenworth Street, Waterbury, Connecticut 06721, at 10:00 a.m. local time, on or before _____, 20__, or on such other date or at such other location as the parties may mutually designate in writing (the date of consummation is referred to herein as the "Closing Date"). The Closing shall be deemed to have occurred and to be effective as between the parties immediately following the closing of the transaction described in the SMHS Contribution Agreement (as such term is defined in the LLC Agreement) as of 12:01 a.m. Eastern Time on the Closing Date (the "Effective Time").

***3.2 Actions of GWHN at Closing***. At the Closing and unless otherwise waived in writing by LHP Sub and/or the Company, as applicable, GWHN shall deliver to LHP Sub and/or the Company, as applicable, the following:

***(a)*** Special Warranty Deed, fully executed by GWHN in recordable form, conveying to the applicable Company Entity good and marketable fee title to the Owned Real Property, and Assignment and Assumption of Leases, fully executed by GWHN in recordable form, assigning to the applicable Company Entity leasehold title to the Leased Real Property, in each case subject only to current taxes not yet due and payable as of the Closing Date and such other covenants, conditions, restrictions, easements, and exceptions to title as are set forth on Schedule 3.2(a) hereto (collectively, the "Permitted Exceptions");

***(b)*** A General Assignment, Conveyance, and Bill of Sale (the "Bill of Sale"), fully executed by GWHN, conveying to the applicable Company Entity good and marketable title to all tangible assets that are a part of the Assets and valid title to all intangible assets that are a part of the Assets, free and clear of all liabilities, claims, liens, security interests, and restrictions other than the Assumed Liabilities and the Permitted Exceptions;

***(c)*** An Assignment and Assumption Agreement (the "Assignment and Assumption Agreement"), fully executed by GWHN, conveying to the applicable Company Entity GWHN's interest in the Contracts;

***(d)*** All instruments, documents, and affidavits required by the Title Company (as defined in Section 7.3) to issue the Title Policy (as defined in Section 7.3) as described in and provided by Section 8.3 hereof that are consistent with the Connecticut Standards of Title;

***(e)*** The LLC Agreement in substantially the form of Exhibit D attached hereto fully executed by GWHN;

***(f)*** Copies of resolutions duly adopted by the Board of Directors of GWHN, authorizing and approving the performance of the transactions contemplated hereby and the execution and delivery of this Agreement and the documents described herein, certified as true and of full force as of the Closing, by the appropriate officers or other representatives of GWHN;

***(g)*** Certificates of the President or a Vice President of GWHN, certifying that each covenant and agreement of GWHN to be performed prior to or as of the Closing pursuant to

this Agreement has been performed and each representation and warranty of GWHN is true and correct on the Closing Date, as if made on and as of the Closing;

***(h)*** Certificates of incumbency for the officers or representatives of GWHN executing this Agreement and any other agreements or instruments contemplated herein or making certifications for the Closing dated as of the Closing Date;

***(i)*** Certificates of existence of GWHN from the state in which it is incorporated, dated the most recent practical date prior to the Closing;

***(j)*** The opinion of counsel to GWHN as provided by Section 8.7 hereof;

***(k)*** All Certificates of Title and other documents evidencing an ownership interest conveyed as part of the Assets;

***(l)*** An affidavit stating that GWHN is not a "foreign person" as defined in Section 1445(f)(3) of the Code, as amended;

***(m)*** All necessary state and local real estate conveyance tax forms duly executed by GWHN;

***(n)*** Final execution copy of the Transfer Act Form III and Environmental Condition Assessment Form ("ECAF") with a $3,000 filing fee, as more fully described in Section 11.16; and

***(o)*** Such other instruments and documents as LHP Sub and/or the Company reasonably deems necessary to effect the transactions contemplated hereby.

***3.3 Actions of LHP and LHP Sub at Closing***. At the Closing and unless otherwise waived in writing by GWHN and/or the Company, as applicable, LHP or LHP Sub, as applicable, shall deliver to GWHN and/or the Company, as applicable, the following:

***(a)*** To the Company from LHP Sub, the LHP Sub Capital Contribution Promissory Note in substantially the form of Exhibit C attached hereto fully executed by LHP Sub;

***(b)*** The LLC Agreement in substantially the form of Exhibit D attached hereto fully executed by LHP Sub;

***(c)*** Copies of resolutions duly adopted by the Board of Directors of each of LHP Sub and LHP authorizing and approving the performance of the transactions contemplated hereby and the execution and delivery of this Agreement and the documents described herein, certified as true and in full force as of the Closing, by the appropriate officers of LHP Sub and LHP, respectively;

***(d)*** Certificates of the President or a Vice President of each of LHP and LHP Sub, certifying that each covenant and agreement of LHP or LHP Sub, as applicable, to be performed prior to or as of the Closing pursuant to this Agreement has been performed and each

representation and warranty of LHP or LHP Sub, as applicable, is true and correct on the Closing Date, as if made on and as of the Closing;

***(e)*** Certificates of incumbency for the respective officers of LHP Sub and LHP executing this Agreement and any other agreements or instruments contemplated herein or making certifications for the Closing dated as of the Closing Date;

***(f)*** Certificates of existence and good standing of LHP Sub and LHP from the state in which each is formed or incorporated, dated the most recent practical date prior to Closing;

***(g)*** The opinion of counsel to LHP and LHP Sub as provided by Section 9.5 hereof; and

***(h)*** Such other instruments and documents as GWHN and/or the Company reasonably deems necessary to effect the transactions contemplated hereby.

***3.4 Actions of the Company at Closing***. At the Closing and unless otherwise waived in writing by GWHN and/or LHP Sub, as applicable, the Company shall deliver to GWHN and/or LHP Sub, as applicable, the following:

***(a)*** The Bill of Sale, fully executed by the Company, accepting from GWHN or other applicable entity title to all tangible and intangible assets that are part of the Assets;

***(b)*** The Assignment and Assumption Agreement, fully executed by the Company, pursuant to which the Company shall assume the future performance of the Contracts as herein provided;

***(c)*** The LLC Agreement in substantially the form of Exhibit D attached hereto fully executed by SMHS;

***(d)*** Copies of resolutions duly adopted by the Board of Directors of SMHS, authorizing and approving the execution and delivery of the LLC Agreement on behalf of SMHS, certified as true and of full force as of the Closing, by the appropriate officers or representatives of SMHS;

***(e)*** Copies of resolutions duly adopted by the Board of Directors of the Company, authorizing and approving the performance of the transactions contemplated hereby and the execution and delivery of this Agreement and the documents described herein, certified as true and of full force as of the Closing, by the appropriate officers or representatives of the Company;

***(f)*** Certificates of an officer of the Company, certifying that each covenant and agreement of the Company to be performed prior to or as of the Closing pursuant to this Agreement has been performed;

***(g)*** Certificates of incumbency for the respective officers of the Company executing this Agreement and any other agreements or instruments contemplated herein or making certifications for the Closing dated as of the Closing Date;

***(h)*** Certificates of existence of the Company from the State of Connecticut, dated the most recent practical date prior to Closing;

***(i)*** The promissory note and other instruments and documents reasonably necessary to evidence the Shortfall Loan (as hereinafter defined); and

***(j)*** Such other instruments and documents as GWHN and/or LHP Sub reasonably deems necessary to effect the transactions contemplated hereby.

**4. REPRESENTATIONS AND WARRANTIES OF GWHN**. As of the date hereof, and, when read in light of any Schedules that have been updated in accordance with the provisions of Section 13.1 hereof, as of the Closing Date, GWHN represents and warrants to LHP Sub and the Company the following:

***4.1 Existence and Capacity***. GWHN is a non-stock corporation, duly organized and validly existing under the laws of the State of Connecticut. GWHN has the requisite power and authority to enter into this Agreement, to perform its obligations hereunder, and to conduct its business as now being conducted.

***4.2 Powers; Consents; Absence of Conflicts With Other Agreements, Etc***. The execution, delivery, and performance by GWHN of this Agreement and all other agreements referenced herein, or ancillary hereto, to which it is a party, and the consummation by GWHN of the transactions contemplated by this Agreement and the documents described herein, as applicable:

***(a)*** are within its corporate powers, are not in contravention of law or of the terms of its organizational documents, and have been duly authorized by all appropriate corporate action;

***(b)*** except as provided in Sections 6.4 and 6.5 below, do not require any approval or consent of, or filing with, any governmental agency or authority bearing on the validity of this Agreement that is required by law or the regulations of any such agency or authority;

***(c)*** except as set forth in Schedule 4.2(c), will neither conflict with, nor result in any breach or contravention of, or the creation of any lien, charge, or encumbrance under, any indenture, agreement, lease, instrument, or understanding to which it is a party or by which it is bound, except for such breaches or contraventions that may result from the failure to obtain the consent of the counterparty thereto in connection with the assignment of any Contract to the Company and for which GWHN remains liable;

***(d)*** will not violate any material statute, law, rule, or regulation of any governmental authority to which it or the Assets may be subject; and

***(e)*** will not violate any judgment, decree, writ, or injunction of any court or governmental authority to which it or the Assets may be subject.

***4.3 Binding Agreement***. This Agreement and all the other Closing Documents are and will constitute the valid and legally binding obligations of GWHN, and are and will be

enforceable against it in accordance with the respective terms hereof or thereof, subject to (a) applicable bankruptcy, reorganization, insolvency, moratorium, and other laws affecting creditors' rights generally from time to time in effect and (b) limitations on the enforcement of equitable remedies.

***4.4 Financial Statements***. GWHN has delivered to LHP Sub copies of the following financial statements in respect of the Facilities (collectively, the "Financial Statements"), which Financial Statements are maintained on an accrual basis, and copies of which are attached hereto as Schedule 4.4:

***(a)*** Unaudited Balance Sheet dated as of _____, 20__ (the "Balance Sheet Date");

***(b)*** Unaudited Income Statement for the _____-month period ended on the Balance Sheet Date; and

***(c)*** Audited Balance Sheets, Income Statements, and Statements of Cash Flows for the fiscal years ended September 30, 2008, 2009, and 2010 [to be revised when 2011 available].

Such unaudited Financial Statements conform to GAAP consistently applied, except as set forth on Schedule 4.4. Such audited Financial Statements have been prepared in accordance with GAAP, applied on a consistent basis throughout the periods indicated. Such Balance Sheets present fairly the financial condition of GWHN with respect to the Facilities as of the dates indicated thereon, and such Income Statements present fairly the results of operations of GWHN with respect to the Facilities for the periods indicated thereon.

***4.5 Certain Post-Balance Sheet Results***. Except as set forth in Schedule 4.5 hereto, since the Balance Sheet Date there has not been any:

***(a)*** material damage, destruction, or loss (whether or not covered by insurance) affecting the Facilities or the Assets;

***(b)*** material adverse change in the condition, financial or otherwise, of the Assets, the business or prospects of the Facilities, or the results of operations of the Facilities;

***(c)*** threatened employee strike, material work stoppage, or material labor dispute pertaining to the Facilities;

***(d)*** sale, assignment, transfer, or disposition of any item of property, plant, or equipment included in the Assets and having a net book value in excess of Seventy-Five Thousand Dollars ($75,000) (other than supplies), except in the ordinary course of business with comparable replacement thereof;

***(e)*** any general increase in the compensation payable by GWHN in respect of the Facilities to any of its or their employees or independent contractors or any increase in, or institution of, any bonus, insurance, pension, profit-sharing or other employee benefit plan, remuneration, or arrangements made to, for, or with such employees;

***(f)*** dividend, distribution, or extraordinary payment by GWHN in respect of the Facilities;

***(g)*** change in the composition of the medical staff of the Facilities, other than normal turnover occurring in the ordinary course of business;

***(h)*** change in the rates charged by the Facilities for their services, other than those made in the ordinary course of business;

***(i)*** adjustment or write-off of accounts receivable or reduction in reserves for accounts receivable outside the ordinary course of business;

***(j)*** change in the accounting methods or practices employed by GWHN in respect of the Facilities, other than those required by any changes in GAAP, or change in depreciation or amortization policies; or

***(k)*** transaction pertaining to the Facilities by GWHN outside the ordinary course of business.

***4.6 Licenses***. Each of the Facilities is duly licensed pursuant to the applicable laws of the State of Connecticut. The pharmacies, laboratories, and all other ancillary departments located at the Facilities or operated for the benefit of the Facilities that are required to be specially licensed are duly licensed by the Connecticut Department of Public Health or other appropriate licensing agency (the "State Health Agency"). GWHN has all other material licenses, registrations, permits, and approvals that are needed or required by law to operate the business related to or affecting the Facilities or any ancillary services related thereto. GWHN has delivered to LHP Sub an accurate list and summary description (Schedule 4.6) of all such licenses, registrations, and permits and of all other franchises, certificates of need, and certificate of need applications owned or held by GWHN relating to the ownership, development, or operation of the Facilities or the Assets, all of which are now and as of the Closing shall be in good standing, except as disclosed on Schedule 4.6.

***4.7 Medicare Participation/Accreditation***. The Hospital is qualified for participation in the Medicare, Medicaid, and CHAMPUS programs, has a current and valid provider contract with such programs, is in compliance with the conditions of participation in such programs, and has received all approvals or qualifications necessary for capital reimbursement for the Hospital. The Hospital is duly accredited, with no contingencies, by The Joint Commission (the "Joint Commission") for the three (3) year period set forth on Schedule 4.7. A copy of the most recent accreditation letter from The Joint Commission pertaining to the Hospital has been made available to LHP Sub. The billing practices employed by the Facilities with respect to all third party payors, including the Medicare, Medicaid, and CHAMPUS programs and private insurance companies, have been in compliance in all material respects with all applicable laws, regulations, and policies of the Medicare, Medicaid, and CHAMPUS programs and such private insurance companies. GWHN in respect of the Facilities has not billed or received any payment or reimbursement from any such payors in excess of amounts allowed by law. Neither GWHN nor any of its officers, directors, managing employees, or controlling shareholders are excluded from participation in the Medicare, Medicaid, or CHAMPUS programs, nor has GWHN received any notice that any such exclusion is threatened. Except as set forth in a writing delivered by

GWHN to LHP Sub that specifically makes reference to this Section 4.7 or as set forth on Schedule 4.7, GWHN has not received any notice from any of the Medicare, Medicaid, or CHAMPUS programs or any other third party payor programs of any pending or threatened investigations or surveys, and to the knowledge of GWHN, no such investigations or surveys are pending, threatened, or imminent. GWHN has registered with the QNet Exchange ("QNet") as required by The Centers for Medicare and Medicaid Services ("CMS") under its Hospital Quality Initiative Program (the "HQI Program"). SMUHS has submitted all quality data required under the HQI Program to CMS or its agent, and all quality data required under the ORYX Core Measure Performance Measurement System ("ORYX") to The Joint Commission, for all calendar quarters concluded prior to the date of this Agreement, except for any quarter for which the respective reporting deadlines have not yet expired. All such submissions of quality data have been made in accordance with applicable reporting deadlines and in the form and manner required by CMS and The Joint Commission, respectively. GWHN has not received notice of any reduction in reimbursement under the Medicare program resulting from its failure to report quality data to CMS or its agent as required under the HQI Program. GWHN has provided LHP Sub with the HQI Program "validation results" for all calendar quarters concluded prior to the date of this Agreement, except for any quarter for which the respective reporting deadlines have not yet expired.

***4.8 Regulatory Compliance***. Except as set forth in a writing delivered by GWHN to LHP Sub that specifically makes reference to this Section 4.8 or as set forth on Schedule 4.8, the operations of the Facilities are in compliance in all material respects with all applicable statutes, rules, regulations, and requirements of the Government Entities having jurisdiction over the Facilities and the operations of the Facilities or their related ancillary services. As used herein, "Government Entity" means any government or any agency, bureau, board, directorate, commission, court, department, official, political subdivision, tribunal, or other instrumentality of any government, whether federal, state, or local. GWHN has timely filed all reports, data, and other information required to be filed with any Government Entity. Neither GWHN nor, to the knowledge of GWHN, any of its officers, directors, agents, or employees has committed a violation of federal or state laws regulating health care fraud, including but not limited to the federal Anti-Kickback Law, 42 U.S.C. §1320a-7b, the Stark Laws, 42 U.S.C. §1395nn, as amended, and the False Claims Act, 31 U.S.C. §3729, et seq. To the knowledge of GWHN, GWHN in respect of the Facilities is in compliance in all material respects with the administrative simplification provisions required under the Health Insurance Portability and Accountability Act of 1996, as amended ("HIPAA"), including the electronic data interchange regulations and the health care privacy regulations, as of the applicable effective dates for such requirements.

***4.9 Equipment***. GWHN has delivered to LHP Sub a depreciation schedule as of the Balance Sheet Date (Schedule 4.9) that takes into consideration all the equipment associated with, or constituting any part of, the Facilities and the Assets. Since the Balance Sheet Date, GWHN has not sold or otherwise disposed of any item of equipment having a net book value in excess of Seventy-Five Thousand Dollars ($75,000) associated with, or constituting any part of, the Facilities and the Assets, except in the ordinary course of business or unless replaced by comparable replacement equipment.

***4.10 Real Property***. GWHN owns good and marketable fee simple and/or leasehold title, as the case may be, to the Real Property, together with all buildings, improvements, and

component parts thereon and all appurtenances and rights thereto. The Real Property will be conveyed to the Company Entities free and clear of any and all liens, encumbrances, or other restrictions except the Permitted Exceptions. With respect to the Real Property, except as set forth in Schedule 4.10:

***(a)*** GWHN has not received during the past five (5) years written notice of a violation of any applicable ordinance or other law, order, regulation, or requirement;

***(b)*** The Real Property and its operation are in compliance in all material respects with all applicable zoning ordinances, and the consummation of the transactions contemplated herein will not result in a violation of any applicable zoning ordinance or the termination of any applicable zoning variance now existing, and the buildings and improvements constituting the Real Property comply in all material respects with all building codes;

***(c)*** The Real Property is subject to no easements, restrictions, ordinances, or other limitations on title that could make such property unusable for its current use or the title uninsurable or unmarketable or that materially restrict or impair the use, marketability, or insurability of the Real Property other than the Permitted Exceptions;

***(d)*** To the Knowledge of GWHN, all of the Real Property currently in use for the operations of the Facilities is in compliance in all material respects with the applicable provisions of the Rehabilitation Act of 1973, Title III of the Americans with Disabilities Act, and the provisions of any comparable state statute relative to accessibility (these laws are referred to, collectively, as the "Accessibility Laws"), and there is no pending, noticed, or, to the knowledge of GWHN, threatened litigation, administrative action, or complaint (whether from a state, federal, or local government or from any other person, group, or entity) relating to compliance of any of the Real Property with the Accessibility Laws;

***(e)*** There are no tenants or other persons or entities occupying any space in the Real Property other than pursuant to tenant leases described in Schedule 4.10, and no tenants have paid rent in advance for more than one month and no improvement credit or other tenant allowance of any nature is owed to any tenant, nor is any landlord improvement work required, except as disclosed in Schedule 4.10;

***(f)*** Attached to Schedule 4.10 is a "rent roll" that sets forth for those leases where GWHN in respect of the Facilities is landlord: (i) the names of then current tenants; (ii) the rental payments for the then current month under each of the leases; (iii) a list of all then delinquent rental payments; (iv) a list of all concessions granted to tenants; (v) a list of all tenant deposits and a description of any application thereof, and (vi) a list of all uncured material defaults under the leases known to GWHN;

***(g)*** GWHN has not received written notice of condemnation or of any special assessment relating to any part of the Real Property, of any existing or proposed plans to modify or realign any street or highway, or any existing or proposed eminent domain proceeding by any Government Entity that would result in the taking of all or any part of the Real Property or that would adversely affect the current use of any part of the Real Property;

***(h)*** To the Knowledge of GWHN, all permanent certificates of occupancy and all other material licenses, permits, authorizations, consents, certificates, and approvals required by all governmental authorities having jurisdiction and the requisite certificates of the local board of fire underwriters (or other body exercising similar functions) have been issued for the Real Property (and all individual items constituting the Real Property), have been paid for, are in full force and effect, and will not be invalidated, violated, or otherwise adversely affected by the transfer of the Real Property to the Company Entities;

***(i)*** To the Knowledge of GWHN, water, sanitary sewer, storm sewer, drainage, electric, telephone, gas, and other public utility systems are available to the Real Property, as currently developed, and are directly connected to the lines and/or other facilities of the respective public authorities or utility companies providing such services or accepting such discharge, either adjacent to the Real Property or through easements or rights of way appurtenant to and forming a party of the Real Property; and, to the knowledge of GWHN, such easements or rights-of-way have been fully granted, all charges therefor have been fully paid by GWHN, and all charges for the aforesaid utility systems and the connection of the Real Property to such systems, including without limitation connections fees, "tie-in" charges, and other charges now or hereafter to become due and payable, have been fully paid by GWHN; and the water and sanitary sewer service described above is supplied by public authority;

***4.11 Title***. Except as provided in Schedule 4.11, GWHN owns good, valid, and marketable title to all of the Assets, subject to no material mortgage, lien, pledge, security interest, conditional sales agreement, right of first refusal, option, restriction, liability, encumbrance, or charge other than the Permitted Exceptions and the Assumed Liabilities.

***4.12 Employee Benefit Plans***.

***(a)*** Schedule 4.12 contains a list of all benefit plans maintained by GWHN within the last five (5) years with respect to GWHN's employees at the Facilities (whether tax-qualified or nonqualified, currently effective or terminated, written or unwritten) including, without limitation, any of the following:

(i) employee pension benefit plan (as defined in Section 3(2) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA")), including, without limitation, any pension, profit-sharing, or stock bonus plan (as described in Section 401(a) of the Internal Revenue Code of 1986, as amended ("Code"), and related provisions thereof), defined benefit plan or defined contribution plan (as defined in ERISA Sections 3(34) and 3(35)), governmental plan, or church plan;

(ii) annuity contracts purchased by GWHN for its employees at the Facilities in accordance with Code Section 403(b) including, without limitation, any group annuity contracts, individual annuity contracts, and custodial account arrangements under Code Section 403(b)(7), regardless of whether contributions are made to such annuity contracts on a pre-tax or after-tax basis;

(iii) employee welfare benefit plan (as defined in ERISA Section 3(1)) including, without limitation, any health (including, without limitation, medical, dental, or vision) plan, life-insurance plan, death benefit plan, short-term disability plan, long-term

disability plan, accident plan, accidental death and dismemberment plan, long-term care plan, or employee assistance plan;

(iv) fringe benefit plan, including, without limitation, any specified fringe benefit plan (as defined in Code Section 6039D), cafeteria plan, or tuition assistance plan;

(v) executive compensation or incentive plan, including, without limitation, any bonus plan, incentive-compensation plan, deferred-compensation plan, non-qualified profit-sharing plan, stock-option plan, stock-appreciation-right plan, stock-bonus plan, stock-purchase plan, employee-stock-ownership plan, or savings plan;

(vi) post-termination benefits plan including, without limitation, any severance plan, change-in-control plan, supplemental-unemployment plan, layoff plan, salary-continuation plan, or non-qualified retirement plan; or

(vii) vacation, holiday, sick-leave, paid-time-off, or other employee compensation plan, procedure, program, payroll practice, policy, agreement, commitment, contract, or understanding;

and any trust, escrow, or other agreement related to any such plan or other arrangement that (i) is maintained or contributed to by GWHN or any other corporation or trade or business controlled by, controlling, or under common control with GWHN (within the meaning of Code Section 414 or ERISA Sections 4001(a)(14) or 4001(b)) ("ERISA Affiliate"), or with respect to which GWHN or any ERISA Affiliate has or may have any liability; or (ii) provides benefits, or describes a plan, procedure, program, payroll practice, policy, agreement, commitment, contract, or understanding applicable to any current or former director, officer, employee, or service provider of GWHN or any ERISA Affiliate, or the dependents of any thereof, regardless of how (or whether) liabilities for the provision of benefits are accrued or assets are acquired or dedicated with respect to the funding thereof. All such plans or arrangements that are set forth on Schedule 4.12 are referred to hereinafter collectively as the "Benefit Plans."

***(b)*** GWHN has delivered to LHP Sub accurate and complete copies of (i) the current documents comprising each Benefit Plan (or, with respect to any Benefit Plan that is unwritten, a detailed written description thereof); (ii) all current trust agreements or other funding instruments related to each Benefit Plan; (iii) all rulings, letters, and opinions regarding each Benefit Plan from the Internal Revenue Service ("IRS"), the U.S. Department of Labor ("DOL"), Pension Benefit Guaranty Association ("PBGC"), or any other governmental body that pertain to each Benefit Plan that have been issued within the last three (3) years and any open requests therefor; (iv) the annual reports filed with any governmental body with respect to each Benefit Plan during the current year and each of the three (3) preceding years; (v) all current contracts with third-party administrators, consultants, and other independent contractors that relate to each Benefit Plan; (vi) all current summary plan descriptions, summaries of material modifications and memoranda, and other written communications regarding each Benefit Plan currently in effect; and (vii) documents evidencing compliance with the privacy requirements under HIPAA relating to each Benefit Plan.

***(c)*** Except as provided on Schedule 4.12:

(i) Neither GWHN nor any ERISA Affiliate has any liability under any Benefit Plan for which the Company has or will have any liability (other than liability for any regular annual contributions required under such Benefit Plans), contingent or otherwise, under Titles I or IV of ERISA or the Code, including, without limitation, any liability with respect to any "multiemployer plan" (as defined in ERISA Sections 3(37)(A) or Section 4001(a)(3) or Code Section 414(f)), multiple employer plan (as described in Code Section 413(c)), or "single-employer plan" (as defined in ERISA Section 4001(a)(15)), whether or not terminated; self-insured or self-funded "multiple employer welfare arrangement" as such term is defined in ERISA Section 3(40); prohibited transaction (pursuant to Code Section 4975 or ERISA Section 406) with any Benefit Plan that is not subject to an exemption under Code Section 4975 or ERISA Section 408 or the regulations thereto; excise tax or penalty imposed under ERISA or the Code with respect to any Benefit Plan; or breach of any responsibilities or obligations imposed upon fiduciaries by Title I of ERISA with respect to any Benefit Plan.

(ii) Each Benefit Plan that is an "employee pension benefit plan" as defined in ERISA Section 3(2) and each related trust agreement, annuity contract, or other funding instrument is and has been since its inception intended to be qualified and tax-exempt under the provisions of Code Sections 401(a) and 501(a), or, if applicable, Code Section 403(b), and, for each such Benefit Plan that is not stated on a master and prototype (M&P) and/or volume submitter plan on which reliance is and can be based on a favorable opinion or advisory letter without the adopting employer having requested an individual determination letter, has been determined by the IRS pursuant to an individual favorable determination letter to be so qualified and tax-exempt or an application for such determination has been made and is currently pending; has not participated in any voluntary compliance or self-correction programs established by the IRS (or the DOL with respect to any fiduciary issues), or entered into a closing agreement with the IRS with respect to the form or operation of any Benefit Plan; is and during the six (6) years preceding the Effective Time has been in material compliance with its terms and, both as to form and in operation, with the requirements prescribed by any and all laws that are applicable to such Benefit Plan, including, without limitation, ERISA and the Code; does not have and during the six (6) years preceding the Effective Time has not had any "unfunded accrued liability," as such term is defined under ERISA Section 3(30); has not experienced any "reportable events," as such term is defined under ERISA Section 4043; has not had any "accumulated funding deficiencies," as such term is defined under ERISA Section 302(a)(2) (prior to amendment by P.L. 109-280) or Code Sections 412(a) or 4971 (whether or not waived), nor for years after amendment by P.L. 109-280 any "funding shortfalls" as defined in Code section 430(c); does not have any liabilities required to be disclosed on any annual report (Form 5500 series) that have not been disclosed; and has not been partially or fully terminated (through the cessation of contributions thereto or otherwise).

(iii) With respect to each Benefit Plan that is not an "employee pension benefit plan" as defined in ERISA Section 3(2), such plan is in material compliance with its terms and, both as to form and operation, with the requirements prescribed by any and all laws that are applicable to such Benefit Plan, including, without limitation, ERISA, to the extent applicable, and the Code; such plan may be terminated at the time of Closing according to its terms without any prior notice; no commitments have been made to provide lifetime or retiree benefits under any such plan; and no persons have any vested rights under any such plan.

(iv) Each Benefit Plan that is a "group health plan" as defined in ERISA Section 607(1) or Code Section 5000(b)(1) and that is maintained by GWHN or any ERISA Affiliate has been operated at all times during the six (6) years preceding the Effective Time in material compliance with ERISA, to the extent applicable, the Code, the Social Security Act, and HIPAA.

(v) All required contributions to all Benefit Plans and all premiums, fees, or other payments required to be made in connection with any Benefit Plan have either been timely made or are reflected in the financial statements on an accrual basis. All returns, reports, and disclosure statements required to be made under the Code, ERISA, to the extent applicable, or other applicable law with respect to the Benefit Plans have been timely filed or delivered.

(vi) No Benefit Plan is currently or has been within the last three (3) years under audit, inquiry, or investigation by the IRS, DOL, or PBGC, and there are no outstanding issues with reference to the Benefit Plans pending before any governmental agency. Other than routine claims for benefits, there are no actions, mediations, audits, arbitrations, suits, claims, or investigations pending, or to the knowledge of GWHN or any ERISA Affiliate, threatened against or with respect to any of the Benefit Plans or their assets, and there are no threatened or pending claims by or on behalf of the Benefit Plans or by any employee of GWHN at the Facilities alleging a breach or breaches of fiduciary duties or violations of other applicable state or federal law that could result in liability on the part of either GWHN or the Benefit Plans under any law, nor is there any basis for such a claim.

(vii) GWHN does not have any contracts, agreements, plans, or arrangements under which the contemplated transaction will result in any (i) payments (whether of separation pay or otherwise) becoming due from GWHN or any ERISA Affiliate to any current or former employee, director, or consultant, or (ii) vesting, acceleration of payment, or increase in the amount of any benefit payable to or in respect of any such current or former employee, director, or consultant of GWHN or any ERISA Affiliate that will, in turn, result in any liability to the Company.

***4.13 Litigation or Proceedings***. GWHN has delivered to LHP Sub an accurate list and summary description (Schedule 4.13) of all pending or, to the knowledge of GWHN, threatened litigation or proceedings with respect to the Facilities and the Assets. GWHN is not in default under any order of any court or federal, state, municipal, or other governmental department, commission, board, bureau, agency, or instrumentality wherever located. Except as set forth in a writing delivered by GWHN to LHP Sub that specifically makes reference to this Section 4.13 or as set forth on Schedule 4.13, there are no claims, actions, suits, proceedings, or investigations pending or, to the knowledge of GWHN, threatened against GWHN, the Facilities, or the Assets, at law or in equity, or before or by any federal, state, municipal, or other governmental department, commission, board, bureau, agency, or instrumentality wherever located.

***4.14 Environmental Laws***. Except as set forth on Schedule 4.14 hereto, to the knowledge of GWHN (i) the Real Property is not subject to any material environmental hazards, risks, or liabilities, (ii) GWHN is not in material violation of any federal, state, or local statutes, regulations, laws, or orders pertaining to the protection of human health and safety or the environment (collectively, "Environmental Laws"), including, without limitation, the Comprehensive Environmental Response Compensation and Liability Act, as amended

("CERCLA"), and the Resource Conservation and Recovery Act, as amended ("RCRA"), and (iii) GWHN has received no notice alleging or asserting either a violation of any Environmental Law or an obligation to investigate, assess, remove, or remediate any property, including but not limited to the Real Property, under or pursuant to any Environmental Law. Except as set forth on Schedule 4.14, to the knowledge of GWHN, no Hazardous Substances (which for purposes of this Section 4.14 shall mean and include polychlorinated biphenyls, asbestos, and any substances, materials, constituents, wastes, or other elements that are included under or regulated by any Environmental Law, including, without limitation, CERCLA and RCRA, but shall not include any chemicals, materials, or substances routinely used in cleaning and maintenance activities for the Real Property) have been, and through the Closing Date will be, disposed of on or released or discharged from or onto, or threatened to be released from or onto, the Real Property (including groundwater) by GWHN, or to GWHN's knowledge, any third party, in violation of any applicable Environmental Law. Except as set forth on Schedule 4.14, neither GWHN nor, to GWHN's knowledge, any prior owners, operators, or occupants of the Real Property, have allowed any Hazardous Substances to be discharged, processed, or otherwise released on the Real Property in a manner that is in violation of any Environmental Law, and GWHN has complied in all material respects with all Environmental Laws applicable to any part of the Real Property. The Facilities contain asbestos-containing material. Schedule 4.14 lists numerous reports, correspondence, operation and maintenance manuals, and other documents related to the asbestos-containing materials. These documents do not individually or collectively constitute a comprehensive asbestos survey of the Facilities or the Real Property. Without in any way limiting the generality of the foregoing, to the knowledge of GWHN: (i) all current or former underground storage tanks located on the Real Property and information in GWHN's possession relating to the capacity, uses, dates of installation, and contents of such tanks located on the Real Property are identified in the environmental reports listed on Schedule 4.14; (ii) there are not now, nor have there ever been, any collection dumps, pits, and disposal facilities or surface impoundments located on the Real Property for the containment of Hazardous Substances except as identified in Schedule 4.14; and (iii) all existing underground storage tanks have been maintained in material compliance with all Environmental Laws. Except as set forth on Schedule 4.14, to the knowledge of GWHN, GWHN holds all material environmental permits required in connection with the use by GWHN of the Real Property or the operation of the Facilities and, to the extent permitted by law, GWHN shall cause such environmental permits to be transferred to the Company (with the Company's necessary cooperation and assistance), all of which, to GWHN's knowledge, are in good standing and are not subject to meritorious challenge. The representations and warranties made in this Section 4.14 are the exclusive representations and warranties of GWHN relating to environmental matters and shall supersede any and all other Sections in this Agreement including, but not limited to, Sections 4.6, 4.8, and 4.10(a).

***4.15 Hill-Burton and Other Liens***. Except as set forth on Schedule 4.15 hereto, neither GWHN nor any of its predecessors has received any loans, grants, or loan guarantees pursuant to the Hill-Burton Act program, the Health Professions Educational Assistance Act, the Nurse Training Act, the National Health Planning and Resources Development Act, and the Community Mental Health Centers Act, as amended, or similar laws or acts relating to health care facilities. The transactions contemplated hereby will not result in any obligation on the Company or any of its Affiliates to repay any of such loans, grants, or loan guarantees, nor subject the Company, its Affiliates, or the Assets to any lien, restriction, or obligation, including any requirement to provide uncompensated care.

***4.16 Taxes***.

***(a)*** GWHN has filed on a timely basis, or validly extended the time for filing, all federal, state, and local tax returns required to be filed by it with respect to Taxes incurred relating to the Facilities (collectively, the "Tax Returns"). All Tax Returns are true and correct in all material respects and accurately reflect in all material respects the tax liabilities of GWHN. All amounts shown due on the Tax Returns have been or will be paid on a timely basis (including any interest or penalties and amounts due state unemployment authorities) to the appropriate tax authorities.

***(b)*** GWHN has withheld in all material respects proper and accurate amounts from the compensation of its employees at the Facilities in compliance with all withholding and similar provisions of the Code, including employee withholding and social security taxes, and any and all other applicable laws. All such amounts have been duly and validly remitted to the proper taxing authority.

***(c)*** No deficiencies for any Taxes relating to the Facilities have been asserted or, to the knowledge of GWHN, threatened, and no audit on any Tax Returns is currently under way or, to the knowledge of GWHN, threatened. There are no outstanding agreements by GWHN for the extension of time for the assessment of any Taxes. GWHN has not taken any action in respect of any Taxes that may have a material adverse impact upon the Facilities or the Assets as of or subsequent to Closing.

***(d)*** GWHN has not received written notice of tax liens on any of the Assets.

***4.17 Employee Relations***.

***(a)*** Except as set forth on Schedule 4.17, all employees at the Facilities are employees of GWHN, and there has not been in the last three (3) years, there is not presently pending, there is not presently threatened (to the knowledge of GWHN), and no event has occurred or circumstance exists (to the knowledge of GWHN) that could provide the basis for, (i) any strike, slowdown, picketing, work stoppage, or employee grievance process, or (ii) any proceeding against or affecting GWHN relating to an alleged violation of any legal requirements pertaining to labor relations, including, without limitation, any charge, complaint, or unfair labor practices claim filed by an employee, union, or other person with the National Labor Relations Board or any comparable governmental body, organizational activity, or other labor dispute against or affecting GWHN, the Hospital, or their premises.

***(b)*** Except as set forth in Schedule 4.17, with respect to the employees of GWHN at the Facilities: (i) no collective bargaining agreement exists or is currently being negotiated by GWHN; (ii) no application for certification of a collective bargaining agent is pending; (iii) no demand has been made upon GWHN for recognition by a labor organization; (iv) no union representation question exists; (v) no union organizing activities are, to the knowledge of GWHN, taking place; and (vi) none of the employees of GWHN is represented by any labor union or organization.

***(c)*** Except as set forth in Schedule 4.17, GWHN has complied in all material respects with all legal requirements relating to employment, employment practices, terms and

conditions of employment, equal employment opportunity, nondiscrimination, immigration, wages, hours, benefits, payment of employment, social security, and similar taxes, occupational safety and health, and plant closing; GWHN is not liable for the payment of any material compensation, damages, taxes, fines, penalties, interest, or other amounts, however designated, for failure to comply with any of the foregoing legal requirements; there are no pending or, to the knowledge of GWHN, threatened claims before the Equal Employment Opportunity Commission (or any comparable state civil or human rights commission or other entity), complaints before the Occupational Safety and Health Administration (or any comparable state safety or health administration or other entity), wage and hour claims, unemployment compensation claims, workers' compensation claims, or the like.

***(d)*** Schedule 4.17 states the number of employees terminated by GWHN within ninety (90) days prior to the Closing Date, laid off by GWHN within the six (6) months prior to the Closing Date, or whose hours of work have been reduced by more than fifty percent (50%) by GWHN in the six (6) months prior to the Closing Date, and contains a complete and accurate list of the following information for such employees: (i) the date of termination, layoff, or reduction in work hours; (ii) the reason for termination, layoff, or reduction in work hours; and (iii) the location to which the employee was assigned. In relation to the foregoing, except as set forth in Schedule 4.17, GWHN has not violated the Worker Adjustment and Retraining Notification Act ("WARN Act") or any similar state or local legal requirements.

***(e)*** To the knowledge of GWHN, no officer, director, agent, employee, consultant, or independent contractor of GWHN is bound by any contract that purports to limit the ability of such officer, director, agent, employee, consultant, or independent contractor (i) to engage in or continue or perform any conduct, activity, duties, or practice relating to the business of GWHN in respect of the Facilities; or (ii) to assign to GWHN or to any other person any rights to any invention, improvement, or discovery. To the knowledge of GWHN, no former or current employee of GWHN at the Facilities is a party to, or is otherwise bound by, any contract that in any way adversely affected, affects, or will affect the ability of the Company following Closing to conduct the business as heretofore carried on by GWHN at the Facilities.

***4.18 Agreements and Commitments***. Schedule 2.1(g) sets forth the Contracts that will be assumed by the Company Entities. GWHN has also delivered to LHP Sub an accurate list (Schedule 4.18) of all material commitments, contracts, leases, and agreements, written or oral, that materially affect the Facilities, the Assets, or the operation of any thereof, to which GWHN is a party or by which GWHN, the Facilities, the Assets, or any portion thereof is bound, including, without limitation, (a) physician agreements, (b) agreements with health maintenance organizations, preferred provider organizations, or other alternative delivery systems, (c) joint venture or partnership agreements, (d) employment contracts or any other contracts, agreements, or commitments to or with individual employees or agents, (e) contracts or commitments materially affecting ownership of, title to, use of, or any interest in real estate including any tenant leases, (f) equipment leases, (g) equipment maintenance agreements, (h) agreements with municipalities, (i) collective bargaining agreements or other contracts or commitments to or with any labor unions, labor organizations, or other employee representatives or groups of employees, (j) loan agreements, bonds, mortgages, liens, or other security agreements, (k) patent licensing agreements or any other agreements, licenses, or commitments with respect to patents, patent applications, trademarks, trade names, service marks, technical assistance, copyrights, or other like terms affecting the Facilities or the Assets, (l) contracts or commitments providing for

payments based in any manner on the revenues or profits of the Facilities or the Assets, (m) agreements, licenses, or commitments relating to data processing programs, software, or source codes utilized in connection with the Facilities or the Assets, and (n) contracts or commitments, whether in the ordinary course of business or not, that involve future payments, performance of services, or delivery of goods or material, to or by GWHN, of any amount or value in excess of Fifty Thousand Dollars ($50,000) on an annual basis.

***4.19 The Contracts***. GWHN has delivered to LHP Sub an accurate list (Schedule 2.1(g)) of the Contracts. GWHN has made available to LHP Sub true and correct copies of the Contracts, and has given, and will give, the agents, employees, and representatives of LHP Sub access to the originals of the Contracts in its possession. GWHN represents and warrants with respect to the Contracts that:

***(a)*** The Contracts constitute valid and legally binding obligations of GWHN and are enforceable against GWHN in accordance with their terms;

***(b)*** Each Contract constitutes the entire agreement by and between the respective parties thereto with respect to the subject matter thereof;

***(c)*** All obligations required to be performed by GWHN under the terms of the Contracts have been performed, no material breach has occurred under any of the Contracts, no act or omission by GWHN has occurred or failed to occur that, with the giving of notice, the lapse of time, or both would constitute a material default under the Contracts, and each of such Contracts is now in full force and effect;

***(d)*** Except as expressly set forth on Schedule 4.19, none of the Contracts requires consent to the assignment and assumption of such Contracts by the Company Entities; and

***(e)*** Except as expressly set forth on Schedule 4.19, the assignment of the Contracts to and assumption of such Contracts by the Company Entities will not result in any penalty or premium, or variation of the rights, remedies, benefits, or obligations of any party thereunder.

***4.20 Supplies***. The inventory and supplies constituting part of the Assets are substantially of a quality and quantity usable and salable in the ordinary course of business of the Facilities. Obsolete items have been written off the Financial Statements. Inventory and supplies are carried at cost, on a first-in, first-out basis, and are properly stated in the Financial Statements. The inventory levels are based on past practices of GWHN at the Facilities.

***4.21 Insurance***. Schedule 4.21 is an accurate schedule of the insurance policies or self-insurance funds maintained by GWHN covering the ownership and operations of the Facilities and the Assets, including the type of insurance, policy numbers, identity of insurers, amounts, and coverage. All of such policies are in full force and effect with no premium arrearage. GWHN has given in a timely manner to its insurers all notices required to be given under its insurance policies with respect to all of the claims and actions covered by insurance, and no insurer has denied coverage of any such claims or actions. GWHN has not (a) received any notice or other communication from any such insurance company canceling or materially

amending any of such insurance policies, and to the knowledge of GWHN no such cancellation or amendment is threatened or (b) failed to give any required notice or present any claim that is still outstanding under any of such policies with respect to the Facilities or any of the Assets.

***4.22 Third Party Payor Cost Reports***. GWHN has duly filed all required cost reports in respect of the Facilities for all the fiscal years through and including the fiscal year ended September 30, 2010. All of such cost reports accurately reflect the information required to be included thereon and such cost reports do not claim and neither the Facilities nor GWHN has received reimbursement in any amount in excess of the amounts provided by law or any applicable agreement. Schedule 4.22 indicates which of such cost reports have not been audited and finally settled and a brief description of any and all notices of program reimbursement, proposed or pending audit adjustments, disallowances, appeals of disallowances, and any and all other unresolved claims or disputes in respect of such cost reports. GWHN has established adequate reserves in respect of the Facilities to cover any potential reimbursement obligations that may exist in respect of any such third party cost reports, and such reserves are set forth in the Financial Statements.

***4.23 Medical Staff Matters***. GWHN has provided to LHP Sub true, correct, and complete copies of the bylaws and rules and regulations of the medical staff of the Hospital, as well as a list of all current members of the medical staff. Except as set forth in Schedule 4.23, there are no adverse actions with respect to any medical staff members of the Hospital or any applicant thereto for which a medical staff member or applicant has requested a judicial review hearing that has not been scheduled or has been scheduled but has not been completed, and there are no pending or, to the knowledge of GWHN, threatened disputes with applicants, staff members, or health professional affiliates, and GWHN knows of no basis therefor, and all appeal periods in respect of any medical staff member or applicant against whom an adverse action has been taken have expired.

***4.24 Quality and Condition of Assets***. The Assets and the Excluded Assets constitute all assets that are held or used by GWHN or any of its Affiliates for the conduct of the business and operation of the Facilities in the manner conducted as of the date of this Agreement. Except as set forth in Schedule 4.24, all buildings, structures, facilities, equipment, and other material items of tangible property and assets included in the Assets are free from material defects and in good operating condition and repair, and are usable in the regular and ordinary course of business, and conform in all material respects to all applicable laws, ordinances, codes, rules, and regulations relating to their use and operation by GWHN in respect of the Facilities.

***4.25 Intellectual Property; Computer Software***. Schedule 4.25 lists and briefly describes all material trademarks, service marks, trade names, patents, copyrights, inventions, processes, and applications therefor (whether registered or common law) currently owned or used by GWHN in respect of the Facilities (collectively, the "Intellectual Property"). No proceedings have been instituted or are pending or, to the knowledge of GWHN, threatened that challenge the validity of the ownership by GWHN of such Intellectual Property. GWHN has not licensed anyone to use such Intellectual Property and has no knowledge of the use or the infringement of any such Intellectual Property by any other person. GWHN owns (or possesses adequate and enforceable licenses or other rights to use) all material Intellectual Property and all material computer software programs and similar systems used in the conduct of its business.

***4.26 Accounts Receivable and Notes Receivable.*** All accounts receivable and notes receivable constituting a part of the Assets represent and constitute bona fide indebtedness owing to GWHN in respect of the Facilities for services actually performed or for goods or supplies actually provided in the amounts indicated on the Financial Statements with no known set-offs, deductions, compromises, or reductions (other than reasonable allowances for bad debts and contractual allowances in an amount consistent with historical policies and procedures of GWHN in respect of the Facilities and that are taken into consideration in the preparation of the Financial Statements). GWHN has made available to LHP Sub a complete and accurate aging report of all such accounts receivable and a schedule of all accounts receivable that have been assigned to collection agencies or are otherwise held or assigned for collection.

***4.27 Experimental Procedures.*** GWHN has not performed or permitted the performance of any experimental or research procedures or studies involving patients in the Hospital not authorized and conducted in accordance with the procedures of the Institutional Review Board of the Hospital.

***4.28 Compliance Program***. GWHN has provided to LHP Sub a copy of the Hospital's current compliance program materials, including without limitation, all program descriptions, compliance officer and committee descriptions, ethics and risk area policy materials, training and education materials, auditing and monitoring protocols, reporting mechanisms, and disciplinary policies. Except as set forth in a writing delivered by GWHN to LHP Sub that specifically makes reference to this Section 4.28 or to the extent set forth on Schedule 4.28, GWHN in respect of the Facilities (a) is not a party to a Corporate Integrity Agreement with the Office of Inspector General of the United States Department of Health and Human Services, (b) has no reporting obligations pursuant to any settlement agreement entered into with any Government Entity, (c) to the knowledge of GWHN, has not been the subject of any government payor program investigation conducted by any federal or state enforcement agency within the past three (3) years, (d) has not been a defendant in any unsealed *qui tam*/False Claims Act litigation within the past three (3) years, (e) has not been served with or received, within the past three (3) years, any search warrant, subpoena, civil investigative demand, or contact letter by or from any federal or state enforcement agency (except in connection with medical services provided to third parties who may be defendants or the subject of investigation into conduct unrelated to the operation of the health care businesses conducted by GWHN at the Facilities), and (f) except as set forth in Schedule 4.28, has not received any complaints within the past three (3) years from employees, independent contractors, vendors, physicians, or any other person that would indicate that GWHN in respect of the Facilities has violated any law or regulation. Schedule 4.28 includes a description of each audit and investigation conducted by GWHN at the Facilities pursuant to its compliance program during the past three (3) years. For purposes of this Agreement, the term "compliance program" refers to provider programs of the type described in the compliance guidance published by the Office of Inspector General of the Department of Health and Human Services.

***4.29 Partial Subsidiaries.***

***(a)*** Schedule 4.29 sets forth for each Partial Subsidiary (as defined herein): (i) its name and jurisdiction of incorporation or organization; (ii) the number of authorized shares of each class of its capital stock or other equity or non-equity interests; (iii) the number of issued and outstanding shares of each class of its capital stock or other equity or non-equity interests,

the names of the holders thereof, and the number of shares or other equity or non-equity interests held by each such holder; (iv) the number of shares of its capital stock or other equity interests held in treasury; and (v) its directors and officers, general partners, or managers, as the case may be.

***(b)*** Each Partial Subsidiary: (i) if it is a for profit or nonprofit corporation, is duly incorporated and validly existing under the laws of the state of its incorporation and is duly qualified and in good standing as a foreign corporation in the jurisdiction of its principal place of business if not incorporated therein; (ii) if it is a limited liability company, is duly organized, validly existing, and, if applicable, in good standing under the laws of the state of its organization and is duly qualified and, if applicable, in good standing as a foreign limited liability company in the jurisdiction of its principal place of business if not organized therein; and (iii) if it is a partnership, trust, or other entity, is duly formed, validly existing, and, if applicable, in good standing in the jurisdiction of its principal place of business if not formed therein. To the Knowledge of GWHN, each Partial Subsidiary has full corporate, limited liability company, partnership, trust, or other applicable power and authority and all licenses and permits (including authorizations to do business in any applicable state) necessary to carry on the businesses in which it is engaged and in which it presently proposes to engage, and to own and use the properties owned and used by it.

***(c)*** GWHN has delivered to LHP Sub accurate and complete copies, as applicable, of the articles of incorporation, charter, bylaws, operating agreement, partnership agreement, or shareholder or membership agreement, as amended to date and in its possession, of each Partial Subsidiary. Except as set forth on Schedule 4.29 hereto, all of the issued and outstanding shares of capital stock or other equity or non-equity interests of each Partial Subsidiary that have been issued to GWHN have been duly authorized and are validly issued, fully paid, and nonassessable. To the Knowledge of GWHN, none of the Partial Subsidiaries is in default under or in violation of any provision of its articles of incorporation, charter, bylaws, operating agreement, partnership agreement, or shareholders or membership agreement.

***(d)*** Except as set forth in Schedule 4.29, to the Knowledge of GWHN (i) there is no outstanding subscription, option, convertible or exchangeable security, preemptive right, warrant, call, or agreement (other than this Agreement) relating to the stock or other equity or non-equity interests of the Partial Subsidiaries or other obligation or commitment of any Partial Subsidiary to issue any shares of capital stock or other equity interests; and (ii) there are no voting trusts or other agreements, arrangements, or understandings applicable to the exercise of voting or any other rights with respect to any shares of Partial Subsidiary stock or other equity or non-equity interests. GWHN has good, marketable, and indefeasible title to all shares of the stock or other equity or non-equity interests of the Partial Subsidiaries set forth in Schedule 4.29 and, except as set forth on Schedule 4.29, has the absolute right to sell, assign, transfer, and deliver the same to the Company, free and clear of all claims, security interests, liens, pledges, charges, escrows, options, proxies, rights of first refusal, preemptive rights, mortgages, hypothecations, prior assignments, title retention agreements, indentures, security agreements, or any other limitation, encumbrance, or restriction of any kind.

***(e)*** Except as set forth in Schedule 4.29, to the Knowledge of GWHN, the Partial Subsidiaries do not control directly or indirectly or have any direct or indirect equity

participation in any corporation, limited liability company, partnership, trust, or other business association.

***(f)*** For purposes of this Agreement, the term "Partial Subsidiaries" means any and all corporations, partnerships, and limited liability companies in which GWHN or its Affiliates own or hold common stock, partnership interests, or membership interests amounting to less than 100% of the total outstanding common stock, partnership interests, or membership interests of such entity, and which common stock, partnership interests, or membership interests will be assigned by GWHN or its Affiliates to the Company as part of the Assets.

***4.30 Full Disclosure***. This Agreement, the Schedules hereto, and all Closing Documents (hereinafter defined) furnished and to be furnished to LHP Sub, the Company, and their representatives by GWHN pursuant hereto, when taken in their entirety, do not and will not include any untrue statement of a material fact. Copies of all documents referred to in any Schedule hereto in the possession of GWHN have been delivered or made available to LHP Sub and its representatives and constitute true, correct, and complete copies thereof and include all amendments, exhibits, schedules, appendices, supplements, or modifications thereto or waivers thereunder. The term "Closing Documents" means those documents executed and delivered at the Closing pursuant to Section 3 above.

***4.31 Knowledge***. References in this Agreement to "GWHN's Knowledge," "Knowledge of GWHN," and words of similar intent or effect mean and refer to (i) all matters with respect to which GWHN has received written notice, or (ii) the actual knowledge of the Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer, the Chief Nursing Officer, the Controller, and the **[Director of Plant Operations]** of the Hospital, without independent investigation. No constructive or imputed knowledge shall be attributed to any such individual by virtue of any position held, relationship to any other person or legal entity, or other reason.

**5. REPRESENTATIONS AND WARRANTIES OF LHP, LHP SUB, AND THE COMPANY**. As of the date hereof, and, when read in light of any Schedules that have been updated in accordance with the provisions of Section 13.1 hereof, as of the Closing Date, LHP and LHP Sub jointly and severally represent and warrant to GWHN and the Company the following:

***5.1 Existence and Capacity***. LHP Sub is a limited liability company, duly organized and validly existing in good standing under the laws of the State of Delaware. LHP Sub has the requisite power and authority to enter into this Agreement, to perform its obligations hereunder, and to conduct its business as now being conducted. LHP is a corporation, duly organized and validly existing in good standing under the laws of the State of Delaware. LHP has the requisite power and authority to enter into this Agreement, to perform its obligations hereunder, and to conduct its business as now being conducted. The Company is a limited liability company, duly organized and validly existing in good standing under the laws of the State of Connecticut. The Company has the requisite power and authority to enter into this Agreement, to perform its obligations hereunder, and to conduct its business as now being conducted. Each Company Entity is a limited liability company, duly organized and validly existing in good standing under the laws of the State of Connecticut. Each Company Entity has the requisite power and authority to conduct its business as now being conducted.

***5.2 Powers; Consents; Absence of Conflicts With Other Agreements, Etc***. The execution, delivery, and performance by LHP Sub, LHP, and the Company of this Agreement and all other agreements referenced herein, or ancillary hereto, to which LHP Sub, LHP, or the Company is a party, and the consummation of the transactions contemplated herein by LHP Sub, LHP, and the Company:

***(a)*** are within its corporate or limited liability company powers, are not in contravention of law or of the terms of its organizational documents, and have been duly authorized by all appropriate corporate action;

***(b)*** except as provided in Sections 7.1 and 7.2 below, do not require any approval or consent of, or filing with, any governmental agency or authority bearing on the validity of this Agreement that is required by law or the regulations of any such agency or authority;

***(c)*** will neither conflict with, nor result in any breach or contravention of, or the creation of any lien, charge, or encumbrance under, any indenture, agreement, lease, instrument, or understanding to which it is a party or by which it is bound;

***(d)*** will not violate any statute, law, rule, or regulation of any governmental authority to which it may be subject; and

***(e)*** will not violate any judgment, decree, writ, or injunction of any court or governmental authority to which it may be subject.

***5.3 Binding Agreement***. This Agreement and all the other Closing Documents are and will constitute the valid and legally binding obligations of LHP Sub, LHP, or the Company, respectively, and are and will be enforceable against LHP Sub, LHP, or the Company, respectively, in accordance with the respective terms hereof and thereof, subject to (a) applicable bankruptcy, reorganization, insolvency, moratorium, and other laws affecting creditors' rights generally from time to time in effect and (b) limitations on the enforcement of equitable remedies..

***5.4 Financial Statements***. LHP has delivered to GWHN copies of unaudited financial statements as of _____, which conform to GAAP consistently applied, and audited financial statements for the fiscal years ended December 31, _____, which have been prepared in accordance with GAAP, applied on a consistent basis throughout the periods indicated. Such financial statements present fairly the financial condition and the results of operations, as applicable, of LHP and LHP Sub for the periods indicated thereon.

***5.5 Litigation or Proceedings***. There are no claims, actions, suits, proceedings, or investigations pending or, to LHP's knowledge, threatened, that: (a) adversely affect or seek to prohibit, restrain, or enjoin the execution and delivery of this Agreement; (b) adversely affect or question the validity or enforceability of this Agreement; (c) question the power or authority of LHP, LHP Sub, or the Company to carry out the transactions contemplated by, or to perform its obligations under, this Agreement; or (d) would result in any change that would adversely affect in any material respect the ability of LHP, LHP Sub, or the Company to perform any of its obligations hereunder.

***5.6 Financing***. LHP Sub will have and will apply at the time of Closing sufficient cash or other immediately available funds necessary to enable LHP Sub to consummate the transactions contemplated hereby in accordance with the terms hereof.

**6. COVENANTS OF GWHN PRIOR TO CLOSING**. Between the date of this Agreement and the Closing:

***6.1 Information***. GWHN shall afford to the officers and authorized representatives and agents (which shall include accountants, attorneys, bankers, and other consultants) of LHP Sub full and complete access to and the right to inspect the plants, properties, books, and records of the Facilities, and will furnish LHP Sub with such additional financial and operating data and other information as to the business and properties of GWHN pertaining to the Facilities as LHP Sub may from time to time reasonably request without regard to where such information may be located. LHP Sub's right of access and inspection shall be exercised in such a manner as not to interfere unreasonably with the operations of the Facilities and the delivery of patient care. LHP Sub agrees that no inspections shall take place and no employees or other personnel of the Facilities shall be contacted by LHP Sub without LHP Sub's first providing reasonable notice to GWHN and coordinating such inspection or contact with GWHN.

***6.2 Operations***. GWHN shall, with respect to the Assets:

***(a)*** carry on its business pertaining to the Facilities in substantially the same manner as presently conducted and not make any material change in personnel, operations, finance, accounting policies, or real or personal property pertaining to the Facilities;

***(b)*** maintain the Facilities and all parts thereof in good operating condition, ordinary wear and tear excepted;

***(c)*** perform all of its material obligations under agreements relating to or affecting the Facilities or the Assets;

***(d)*** keep in full force and effect present insurance policies or other comparable insurance pertaining to the Facilities; and

***(e)*** use its commercially reasonable efforts to maintain and preserve its business organizations intact, retain its present employees at the Facilities, and maintain its relationships with physicians, suppliers, customers, and others having business relations with the Facilities.

***6.3 Negative Covenants***. GWHN shall not, with respect to the business or operation of the Facilities or otherwise regarding the Assets, without the prior written consent of LHP Sub:

***(a)*** amend or terminate any of its Contracts, enter into any contract or commitment, or incur or agree to incur any liability, except as provided herein or in the ordinary course of business and in no event greater than Seventy-Five Thousand Dollars ($75,000) per item;

***(b)*** enter into any contract or commitment with physicians or other referral sources;

***(c)*** increase compensation payable or to become payable or make any bonus payment to or otherwise enter into one or more bonus agreements with any employee at the Facilities, except increases in compensation or bonus payments or agreements that (i) do not exceed the greater of five percent (5%) of the affected employee's existing compensation or Seventy-Five Thousand Dollars ($75,000) and (ii) are otherwise made in the ordinary course of business in accordance with existing personnel policies;

***(d)*** create, assume, or permit to exist any new debt, mortgage, pledge, or other lien or encumbrance upon any of the Assets in an amount in excess of Seventy-Five Thousand Dollars ($75,000), whether now owned or hereafter acquired;

***(e)*** acquire (whether by purchase or lease) or sell, assign, lease, or otherwise transfer or dispose of any property, plant, or equipment having a net book value in excess of Seventy-Five Thousand Dollars ($75,000), except in the ordinary course of business;

***(f)*** purchase capital assets other than in accordance with the approved capital budget of GWHN previously provided to LHP Sub;

***(g)*** Add, modify, or discontinue the provision of any material clinical service by the Facilities, open a new location for the provision of any material clinical service, or close the location at which any such material clinical service is currently provided;

***(h)*** Hire or terminate the employment of any employee of the Facilities at the level of manager or higher (including, without limitation, any officer of the Facilities); or

***(i)*** take any action outside the ordinary course of business of the Facilities or their related ancillary services.

***6.4 Governmental Approvals***. GWHN shall (i) use its commercially reasonable efforts to obtain all governmental approvals (or exemptions therefrom) necessary or required to allow GWHN to perform its obligations under this Agreement (including, without limitation, approvals of the applications to the Attorney General and Commissioner of Public Health of the State of Connecticut relating to the admission of GWHN to the Company, the construction of the Replacement Hospital, and/or any other projects or activities in the community that LHP Sub, in its reasonable discretion, deems necessary as a predicate for the transactions contemplated herein); and (ii) assist and cooperate with LHP Sub and its representatives and counsel in obtaining all governmental consents, approvals, and licenses that LHP Sub deems necessary or appropriate and in the preparation of any document or other material that may be required by any governmental agency as a predicate to or as a result of the transactions contemplated herein (including, without limitation, approvals of the applications to the Attorney General and Commissioner of Public Health of the State of Connecticut relating to the admission of GWHN to the Company, the construction of the Replacement Hospital, and/or any other projects or activities in the community that LHP Sub, in its reasonable discretion, deems necessary as a predicate for the transactions contemplated herein).

***6.5 FTC Notification***. GWHN shall, if and to the extent required by law, file all reports or other documents required or requested of it by the Federal Trade Commission ("FTC") or the United States Department of Justice ("Justice Department") under the Hart-Scott-Rodino

Antitrust Improvements Act of 1976 ( "HSR Act"), and all regulations promulgated thereunder, concerning the transactions contemplated hereby, and comply promptly with any requests by the FTC or Justice Department for additional information concerning such transactions, so that the waiting period specified in the HSR Act will expire as soon as reasonably possible after the execution and delivery of this Agreement. GWHN agrees to furnish to LHP Sub such information concerning GWHN as LHP Sub needs to perform its obligations under Section 7.2 of this Agreement.

***6.6 Additional Financial Information***. Within two (2) business days after they are created (but in any event no later than fifteen (15) days following the end of each calendar month prior to Closing), GWHN shall deliver or cause to be delivered to LHP Sub true and complete copies of the management prepared unaudited balance sheets and the related unaudited statements of income (collectively, the "Interim Statements") of, or relating to, GWHN in respect of the Facilities for each month then ended, which presentation shall be true, correct, and complete in all material respects, shall have been prepared from and in accordance with the books and records of GWHN in respect of the Facilities, and shall fairly present the financial position and results of operations of GWHN in respect of the Facilities as of the date and for the period indicated, all in accordance with GAAP consistently applied, except that such financial statements need not include required footnote disclosures. To the extent permitted by law, GWHN shall notify LHP Sub in writing and shall keep LHP Sub informed of any unexpected emergency or other materially adverse unanticipated change in the business of any of the Facilities and of any governmental complaints, investigations, or adjudicatory proceedings (or governmental communications indicating that the same may be contemplated) or of any other such matter.

***6.7 No-Shop Clause***. GWHN agrees that, from and after the date of the execution and delivery of this Agreement by GWHN until the termination of this Agreement, GWHN will not, without the prior written consent of LHP Sub or except as otherwise permitted by this Agreement: (i) offer for sale the Assets (or substantially all of the Assets) or any ownership interest in any entity owning any of the Assets, (ii) solicit offers to buy all or substantially all of the Assets or any ownership interest in any entity owning any of the Assets, (iii) hold discussions with any party (other than LHP Sub or the Company) looking toward such an offer or solicitation or looking toward a merger, consolidation, joint venture, or similar transaction involving any entity owning any of the Assets, or (iv) enter into any agreement with any party (other than LHP Sub or the Company) with respect to the sale or other disposition of the Assets (or substantially all of the Assets) or any ownership interests in any entity owning any of the Assets or with respect to any merger, consolidation, joint venture, or similar transaction involving any entity owning any of the Assets. GWHN will promptly communicate to LHP Sub the substance of any inquiry or proposal concerning any such transaction.

***6.8 Insurance Ratings***. GWHN will take all action reasonably requested by LHP Sub to enable the Company to succeed to the Workers' Compensation and Unemployment Insurance ratings, and other ratings for insurance or other purposes established by GWHN for the Facilities. The Company shall not be obligated to succeed to any such ratings, except as the Company may elect to do so.

***6.9 Tail Insurance***. Prior to the Closing, GWHN shall, at its sole cost and expense, obtain "tail" insurance to insure against professional and general liabilities of the Facilities

(including any physicians employed by the Facilities) relating to all periods prior to the Closing. The insurance shall have coverage levels equal to the current policies insuring GWHN. The purchase by GWHN of any such "tail" insurance shall in no way affect the calculation of Net Working Capital for purposes of this Agreement. **[In addition, where no such insurance is in place or available on commercially reasonable terms, GWHN shall fund and maintain loss reserves for a reasonable period, including self-insured retentions, in a dedicated trust account with funding levels reasonably acceptable to GWHN, LHP Sub, and the Company.]**

***6.10 Medical Staff Disclosure***. GWHN shall deliver to LHP Sub a confidential written disclosure containing a brief description of all adverse actions taken against medical staff members or applicants in the past three (3) years that, to the knowledge of GWHN, could result in claims or actions against GWHN and that are not disclosed in the minutes of the meetings of the Medical Executive Committee of the Medical Staff of the Hospital, which have been provided to LHP Sub.

***6.11 Efforts to Close***. GWHN shall use its commercially reasonable efforts to proceed toward the Closing and to satisfy the conditions to Closing, consistent with the other terms contained herein. GWHN shall notify LHP Sub as soon as practicable of any event or matter that comes to its attention that may reasonably be expected to prevent or materially delay the conditions to the obligations of GWHN being met.

***6.12 Satisfaction of Bond Obligations***. At its sole cost and expense, GWHN shall do all things necessary, desirable, and appropriate to cause the complete and valid payment or, if necessary, defeasance of its obligations under that certain Loan Agreement and Security Agreement dated as of December 1, 2010 by and between GWHN, the Hospital, RBS Citizens, National Association, and the State of Connecticut Health and Educational Facilities Authority (the "Loan Agreement"), which secures the State of Connecticut Health and Educational Facilities Authority Revenue Bonds, Waterbury Hospital Issue, Series D, such that all liens and mortgages secured by the Loan Agreement shall be released at the time of the Closing.

**7. COVENANTS OF LHP SUB AND THE COMPANY PRIOR TO CLOSING.** Between the date of this Agreement and the Closing:

***7.1 Governmental Approvals***. LHP Sub and the Company each shall (i) use its commercially reasonable efforts to obtain all governmental approvals (or exemptions therefrom) necessary or required to allow LHP Sub or the Company, as applicable, to perform its obligations under this Agreement (including, without limitation, approvals of the applications to the Attorney General and Commissioner of Public Health of the State of Connecticut relating to the admission of GWHN to the Company, the construction of the Replacement Hospital, and/or any other projects or activities in the community that LHP Sub, in its reasonable discretion, deems necessary as a predicate for the transactions contemplated herein), (ii) assist and cooperate with GWHN and its representatives and counsel in obtaining all governmental consents, approvals, and licenses that GWHN deems necessary or appropriate and in the preparation of any document or other material that may be required by any governmental agency as a predicate to or as a result of the transactions contemplated herein (including, without limitation, approvals of the applications to the Attorney General and Commissioner of Public Health of the State of Connecticut relating to the admission of GWHN to the Company, the construction of the

Replacement Hospital, and/or any other projects or activities in the community that LHP Sub, in its reasonable discretion, deems necessary as a predicate for the transactions contemplated herein), and (iii) diligently pursue the approval of the Application for a Joint Venture submitted by SMHS and LHP to the Attorney General and Commissioner of Public Health of the State of Connecticut relating to the admission of SMHS to the Company.

***7.2 FTC Notification***. LHP Sub shall, if and to the extent required by law, file or cause to be filed all reports or other documents required or requested of it by the FTC or the Justice Department under the HSR Act, and all regulations promulgated thereunder, concerning the transactions contemplated hereby, and comply promptly with any requests by the FTC or Justice Department for additional information concerning such transactions, so that the waiting period specified in the HSR Act will expire as soon as reasonably possible after the execution and delivery of this Agreement. LHP Sub agrees to furnish to GWHN such information concerning LHP Sub and the Company as GWHN needs to perform its obligations under Section 6.5 of this Agreement.

***7.3 Title Commitment***. The Company shall obtain, at its sole cost and expense, a current title commitment (the "Title Commitment") issued by Land Services USA (the "Title Company"), together with legible copies of all exceptions to title referenced therein. The Title Commitment shall set forth the state of title to the Real Property, together with all exceptions or conditions to such title, including, without limitation, all easements, restrictions, rights-of-way, covenants, reservations, and all other encumbrances affecting the Real Property that would appear in an owner's title policy, if issued. The Title Commitment shall contain the express commitment of the Title Company to issue an Owner's Title Policy (the "Title Policy") to the Company in an amount equal to the amount being allocated by the parties to the Real Property insuring good and marketable title to the Real Property with the standard printed exceptions endorsed or deleted as agreed by the Company.

***7.4 Surveys***. GWHN shall deliver copies of all existing surveys of the Real Property to LHP Sub. The Company shall obtain, at its sole cost and expense, current as-built surveys of the Real Property (the "Surveys"). The Surveys shall meet the requirements of an ALTA/ASCM survey and otherwise be in form and detail satisfactory to LHP Sub. Unless otherwise agreed by LHP Sub, the Surveys shall (i) be currently dated; (ii) show the location on the Real Property of all improvements, fences, evidences of abandoned fences, lakes, ponds, creeks, streams, rivers, easements, roads, and rights-of-way; (iii) identify all easements and rights-of-way by reference to the recording information applicable to the documents creating such easements or rights-of-way; (iv) show any encroachments onto the Real Property from any adjacent property, any encroachments from the Real Property onto adjacent property, and any encroachments into any easement or restricted area within the Real Property; (v) locate all existing improvements (such as buildings, power lines, fences, and the like); (vi) locate all dedicated public streets or other roadways providing access to the Real Property, including all curb cuts and all alleys; (vii) locate all set-back lines and similar restrictions covering the Real Property or any part thereof and any violations of such restrictions; and (viii) show thereon a legal description of the boundaries of the Real Property by metes and bounds or other appropriate legal description. Each Survey shall contain the surveyor's certification to the Company, LHP Sub, GWHN, and the Title Company that (i) the Survey was made on the ground; (ii) there are no visible or recorded easements, discrepancies, conflicts, encroachments, or overlapping of improvements except as shown on the Survey; (iii) the Survey correctly shows all visible or recorded easements or rights of way across

the Real Property or any other easements or rights of way of which the surveyor has been advised, including, without limitation, those matters affecting title reflected in the Title Commitment; (iv) the Survey correctly shows the location of all buildings, structures, and other improvements situated on the Real Property; (v) the Survey conforms to all applicable minimum guidelines for surveys of comparable property as set forth in applicable laws, regulations, or professional standards; (vi) all streets abutting the Real Property and all means of ingress to and egress from the Real Property have been completed, dedicated, and accepted for public maintenance by the relevant municipal body; (vii) except as shown thereon, the Real Property is not located within the 100 year flood plain or other flood hazard area; (viii) the Survey is a true, correct, and accurate representation of the Real Property; and (ix) such other matters as may be required by the Title Company to allow it to issue the Title Policy.

***7.5 Efforts to Close***. LHP Sub and the Company each shall use its commercially reasonable efforts to proceed toward the Closing and to satisfy the conditions to Closing, consistent with the other terms contained herein. LHP Sub shall notify GWHN as soon as practicable of any event or matter that comes to the attention of LHP Sub that may reasonably be expected to prevent or materially delay the conditions to LHP Sub's and the Company's obligations being met.

***7.6 Closing of SMHS Transaction***. LHP Sub and the Company shall not consummate the transaction described in the SMHS Contribution Agreement (as such term is defined in the LLC Agreement), and SMHS shall not be admitted as a member of the Company, unless and until all conditions to the obligations of LHP Sub and the Company to consummate the transactions contemplated by this Agreement as set forth in Section 8 have been satisfied, other than (i) conditions that by their terms are to be satisfied by actions to be taken at the Closing (provided that such actions are capable of being satisfied at the Closing) and (ii) the condition set forth in Section 8.12 of this Agreement.

**8. CONDITIONS PRECEDENT TO OBLIGATIONS OF LHP SUB AND THE COMPANY**. Notwithstanding anything herein to the contrary, the obligations of LHP Sub and the Company to consummate the transactions described herein are subject to the fulfillment, on or prior to the Closing Date, of the following conditions precedent unless (but only to the extent) waived in writing by LHP Sub and the Company at the Closing:

***8.1 Representations/Warranties***. The representations and warranties of GWHN contained in this Agreement shall be true in all material respects when made and, when read in light of any Schedules that have been updated in accordance with the provisions of Section 13.1 hereof, as of the Closing Date as though such representations and warranties had been made on and as of such Closing Date. Each and all of the terms, covenants, and conditions of this Agreement to be complied with or performed by GWHN and GWHN on or before the Closing Date pursuant to the terms hereof shall have been duly complied with and performed in all material respects.

***8.2 Pre-Closing Confirmations***. LHP Sub and the Company shall have obtained documentation or other evidence satisfactory to LHP Sub and the Company in their sole discretion that each of LHP Sub and the Company has:

***(a)*** Received satisfactory approval from all Government Entities whose approval is required to complete the transactions herein contemplated (including, without limitation, satisfactory approvals of the applications to the Attorney General and Commissioner of Public Health of the State of Connecticut relating to the admission of GWHN to the Company, the construction of the Replacement Hospital, and/or any other projects or activities in the community that LHP Sub, in its reasonable discretion, deems necessary as a predicate for the transactions contemplated herein);

***(b)*** Received confirmation from all applicable licensure agencies that, upon the Closing, either (i) all licenses required by law to operate the Facilities as currently operated will be transferred to, or issued or reissued in the name of, the Company, or (ii) the Company will be permitted to operate the Facilities as currently operated from and after the Closing until such time as all appropriate licenses are issued or reissued in the name of the Company;

***(c)*** Obtained reasonable assurances that Medicare and Medicaid certification of the Facilities for their operation by the Company will be effective as of the Closing and that the Company may participate in and receive reimbursement from such programs effective as of the Closing;

***(d)*** Reasonably assured itself that all waiting periods under the HSR Act have been terminated or expired and that any additional approvals required from the Justice Department and/or the FTC relating to the transactions contemplated herein have been obtained and are in form and substance satisfactory to LHP Sub in its reasonable discretion; and

***(e)*** Obtained such other consents and approvals as may be legally or contractually required for the consummation of the transactions described herein.

***8.3 Actions/Proceedings***. No action or proceeding before a court or any other Government Entity, unless resolved, shall have been instituted to restrain or prohibit the transactions herein contemplated, and no Government Entity shall have taken any other action or made any request of any party hereto as a result of which LHP Sub reasonably and in good faith deems it inadvisable to proceed with the transactions hereunder.

***8.4 Adverse Change***. Since the date hereof, there has not occurred any event, change, or occurrence that, individually or together with any other event, change, or occurrence, would reasonably be expected to have a material adverse effect on the Assets (whether or not covered by insurance) or on the business, operations, results of operations, prospects, or condition (financial or otherwise) of the Facilities (a "Material Adverse Effect"); provided, however, that, notwithstanding anything to the contrary contained in this Agreement, the following will be presumed not to constitute a Material Adverse Effect: (a) general economic or industry conditions generally applicable to hospitals or health care facilities within the United States or the State of Connecticut; (b) changes or proposed changes to any law, reimbursement rates or policies of governmental entities; (c) requirements, reimbursement rates, policies, or procedures of third party payors or accreditation commissions or organizations that are generally applicable to hospitals or health care facilities within the United States; (d) state or federal statutory or regulatory changes that are generally applicable to hospitals or health care facilities within the United States; (e) changes in GAAP; (f) effects that are cured, or susceptible to cure without unreasonable effort, by GWHN; (g) actions specifically required of the parties pursuant to this

Agreement; or (h) a Net Loss on a Consolidated Basis for any fiscal year ended September 30, 2011 or later that does not exceed $[redacted]. The definition of "Material Adverse Effect" as set forth in this Section 8.5 shall be used solely for interpreting this Section 8.5 and not for interpreting the phrase "material adverse effect" or "material adverse change" as used in any other context elsewhere in this Agreement.

***8.5 Insolvency***. GWHN shall not (i) be in receivership or dissolution, (ii) have made any assignment for the benefit of creditors, (iii) have admitted in writing its inability to pay its debts as they mature, (iv) have been adjudicated a bankrupt, or (v) have filed a petition in voluntary bankruptcy, a petition or answer seeking reorganization, or an arrangement with creditors under the federal bankruptcy law or any other similar law or statute of the United States or any state, nor shall any such petition have been filed against GWHN.

***8.6 Opinion of Counsel to GWHN***. LHP Sub and the Company shall have received an opinion from counsel to GWHN dated as of the Closing Date and addressed to LHP Sub and the Company, in form and substance satisfactory to counsel for LHP Sub, covering the matters set forth in Exhibit E hereto.

***8.7 Consents to Assignments***. All consents, waivers, and estoppels of third parties that are reasonably necessary, in the opinion of LHP Sub, to complete effectively the transactions herein contemplated shall have been obtained and are in form and substance reasonably satisfactory to LHP Sub.

***8.8 Vesting/Recordation***. GWHN shall have furnished to the Company, in form and substance satisfactory to LHP Sub, assignments or other instruments of transfer and consents and waivers by others, necessary or appropriate to transfer to and effectively vest in the Company all right, title, and interest in and to the Assets, in proper statutory form for recording if such recording is necessary or appropriate.

***8.9 Due Diligence Investigation***. LHP Sub and the Company shall have completed the due diligence investigation of the Facilities and the Assets, and the results of such investigation shall have been found satisfactory to LHP Sub and the Company. **[NOTE: Assuming that the Agreement is executed at or near the time of closing, when the due diligence investigation will have been completed, Section 8.9 can be deleted.]**

***8.10 Required Consents***. The Company shall have received consents to the assignment to the Company or the applicable Company Entity of those certain contracts and leases set forth on Schedule 8.15 from the counterparties to such contracts and leases, which consents are in a form reasonably acceptable to LHP Sub (the "Required Consents").

***8.11 Closing Documents***. All Closing Documents required by Section 3.2 shall have been delivered to LHP Sub or the Company, as applicable.

***8.12 Closing of SMHS Transaction***. LHP Sub and the Company shall have consummated the transaction described in the SMHS Contribution Agreement (as such term is defined in the LLC Agreement), and SMHS shall have been admitted as an additional member of the Company.

**9. CONDITIONS PRECEDENT TO OBLIGATIONS OF GWHN**. Notwithstanding anything herein to the contrary, the obligations of GWHN to consummate the transactions described herein are subject to the fulfillment, on or prior to the Closing Date, of the following conditions precedent unless (but only to the extent) waived in writing by GWHN at the Closing:

***9.1 Representations/Warranties***. The representations and warranties of LHP, LHP Sub, and the Company contained in this Agreement shall be true in all material respects when made and, when read in light of any Schedules that have been updated in accordance with the provisions of Section 13.1 hereof, as of the Closing Date as though such representations and warranties had been made on and as of such Closing Date. Each and all of the terms, covenants, and conditions of this Agreement to be complied with or performed by LHP, LHP Sub, and the Company on or before the Closing Date pursuant to the terms hereof shall have been duly complied with and performed in all material respects.

***9.2 Governmental Matters***. All material consents, authorizations, orders, and approvals of (or filings or registrations with) any Government Entity or other party required in connection with the execution, delivery, and performance of this Agreement shall have been obtained or made by LHP Sub and/or the Company when so required, except for any documents required to be filed, or consents, authorizations, orders, or approvals required to be issued, after the Closing Date.

***9.3 Actions/Proceedings***. No action or proceeding before a court or any other Government Entity, unless resolved, shall have been instituted or threatened to restrain or prohibit the transactions herein contemplated, and no Government Entity shall have taken any other action or made any request of any party hereto as a result of which GWHN reasonably and in good faith deems it inadvisable to proceed with the transactions hereunder.

***9.4 Insolvency***. None of LHP, LHP Sub, or the Company shall (i) be in receivership or dissolution, (ii) have made any assignment for the benefit of creditors, (iii) have admitted in writing its inability to pay its debts as they mature, (iv) have been adjudicated a bankrupt, or (v) have filed a petition in voluntary bankruptcy, a petition or answer seeking reorganization, or an arrangement with creditors under the federal bankruptcy law or any other similar law or statute of the United States or any state, nor shall any such petition have been filed against any of LHP, LHP Sub, or the Company.

***9.5 Opinion of Counsel to LHP Sub***. GWHN shall have received an opinion from counsel to LHP, LHP Sub, and the Company dated as of the Closing Date and addressed to GWHN, in form and substance satisfactory to counsel for GWHN, covering the matters set forth in Exhibit F hereto.

***9.6 Closing Documents***. All Closing Documents required by Section 3.3 shall have been delivered to GWHN or the Company, as applicable.

**10. COVENANT NOT TO COMPETE**. GWHN hereby covenants that at all times from the Closing Date until the later to occur of (y) the fifth (5th) anniversary of the Closing Date or (z) the date three (3) years after GWHN or any Affiliate thereof ceases to be a member of the Company, GWHN and its Affiliates shall not, directly or indirectly, except as a member, consultant, or contractor to or of the Company (or any Affiliate of the Company), own, lease,

manage, operate, control, or participate in any manner with the ownership, leasing, management, operation, or control of any business that offers services in competition with the Facilities, including but not limited to any acute care hospital, specialty hospital, rehabilitation facility, diagnostic imaging center, inpatient or outpatient psychiatric or substance abuse facility, ambulatory or other type of surgery center, nursing home, skilled nursing facility, home health or hospice agency, or physician clinic or physician medical practice, within a thirty-mile radius of the Hospital (the "Restricted Area"), without the Company's prior written consent (which the Company may withhold in its sole and absolute discretion); provided, however, that (i) GWHN and its Affiliates will not be precluded from participating in activities that promote health care services for residents of the communities historically served by GWHN and its Affiliates through the Hospital, including the following activities: development, ownership, and operation of indigent or charity care clinics and services; preventative care programs and services and educational programs; health screening services; and other similar services or programs intended to better serve the health care needs of the community's indigent population in the Restricted Area that are not directly competitive with services provided by the Company, and (ii) GWHN and its Affiliates will not be precluded from participating in activities that are otherwise permitted by Section 10.1 of the LLC Agreement or described in Schedule 10 of this Agreement. In the event of a breach of this Section 10, GWHN recognizes that monetary damages shall be inadequate to compensate the Company and the Company shall be entitled, without the posting of a bond or similar security, to an injunction restraining such breach, with the costs (including attorneys' fees) of securing such injunction to be borne by GWHN. Nothing contained herein shall be construed as prohibiting the Company from pursuing any other remedy available to it for such breach or threatened breach. All parties hereto hereby acknowledge the necessity of protection against the competition of GWHN and its Affiliates and that the nature and scope of such protection has been carefully considered by the parties. GWHN further acknowledges and agrees that the covenants and provisions of this Section 10 form part of the consideration under this Agreement and are among the inducements for LHP Sub and the Company entering into and consummating the transactions contemplated herein. The period provided and the area covered are expressly represented and agreed to be fair, reasonable, and necessary. The consideration provided for herein is deemed to be sufficient and adequate to compensate for agreeing to the restrictions contained in this Section 10. If, however, any court determines that the foregoing restrictions are not reasonable, such restrictions shall be modified, rewritten, or interpreted to include as much of their nature and scope as will render them enforceable.

## 11. ADDITIONAL AGREEMENTS.

### *11.1 Termination Prior to Closing; Termination Fee.*

***(a)*** Notwithstanding anything herein to the contrary, this Agreement may be terminated at any time: (i) on or prior to the Closing Date by mutual consent of GWHN and LHP Sub; (ii) by LHP Sub by written notice to GWHN if any event occurs or condition exists that causes GWHN to be unable to satisfy one or more conditions to the obligations of LHP Sub to consummate the transactions contemplated by this Agreement as set forth in Section 8; (iii) by GWHN by written notice to LHP Sub if any event occurs or condition exists which causes LHP Sub to be unable to satisfy one or more conditions to the obligation of GWHN to consummate the transactions contemplated by this Agreement as set forth in Section 9; (iv) by GWHN or LHP Sub if the Closing Date shall not have taken place on or before _____, 201_ (which date

may be extended by mutual agreement of GWHN and LHP Sub); or (v) by either GWHN or LHP Sub pursuant to Section 13.1 hereof.

***(b)*** In the event that this Agreement is terminated by GWHN pursuant to Section 11.1(a)(iv) and at the time of such termination (x) all the conditions to the obligations of LHP Sub and the Company to consummate the transactions contemplated by this Agreement as set forth in Section 8 have been satisfied (other than conditions that by their terms are to be satisfied by actions to be taken at the Closing, provided that such actions are, as of the time of such termination, capable of being satisfied at the Closing), and (y) GWHN is in compliance in all material respects with the terms of this Agreement, then the Company shall, within five (5) business days after receipt of written notice of such termination, pay to GWHN by wire transfer of immediately available funds to an account designated by GWHN a fee equal to $[redacted] (the "Termination Fee").

***11.2 Post Closing Access to Information***. GWHN and LHP Sub acknowledge that subsequent to Closing each party may need access to information or documents in the control or possession of the Company for the purposes of concluding the transactions herein contemplated, audits, compliance with governmental requirements and regulations, and the prosecution or defense of third party claims. Accordingly, GWHN, LHP Sub, and the Company agree that for a period of not less than ten (10) years after Closing the Company will make reasonably available to each party and their agents, independent auditors, counsel, and/or governmental agencies upon written request and at the expense of the requesting party such records (as defined in Section 11.3) as may be available relating to the Assets for periods prior and subsequent to Closing to the extent necessary to facilitate concluding the transactions herein contemplated, audits, compliance with governmental requirements and regulations, and the prosecution or defense of claims.

***11.3 Preservation and Access to Records After the Closing***. After the Closing, the Company shall, in the ordinary course of business and as required by law, keep and preserve in their original form all medical and other records of the Facilities that exist as of the Closing and constitute a part of the Assets delivered to the Company at the Closing. For purposes of this Agreement, the term "records" includes all documents, electronic data, and other compilations of information in any form. The Company acknowledges that as a result of entering into this Agreement and operating the Facilities it will gain access to patient and other information that is subject to state, federal, and GWHN's own internal rules and regulations regarding confidentiality. The Company agrees to abide by any such rules and regulations relating to the confidential information it acquires. The Company agrees to maintain the patient records delivered to the Company at the Closing at the Facilities after Closing in accordance with applicable law (including, if applicable, Section 1861(v)(i)(I) of the Social Security Act (42 U.S.C. §1395(v)(l)(i)), the privacy and security requirements of HIPAA, including, but not limited to, the Administrative Simplification subtitle of HIPAA, and applicable state requirements with respect to medical privacy and security and requirements of relevant insurance carriers, all in a manner consistent with the maintenance of patient records generated at the Facilities after the Closing. Upon reasonable notice, during normal business hours, at the sole cost and expense of GWHN and upon the Company's receipt of appropriate consents and authorizations, the Company will afford to the representatives of GWHN, including its counsel and accountants, full and complete access to, and copies of, the records transferred to the Company at the Closing (including, without limitation, access to patient records in respect of patients treated by GWHN at the Facilities). Upon reasonable notice, during normal business

hours and at the sole cost and expense of GWHN, the Company shall also make its officers, agents, and employees available to GWHN at reasonable times and places after the Closing. In addition, GWHN shall be entitled, at GWHN's sole risk, to remove from the Facilities copies of any such patient records, but only for purposes of threatened or pending litigation (including any administrative proceeding or investigation) involving a patient to whom such records refer, as certified in writing prior to removal by counsel retained by GWHN in connection with such litigation and only upon the Company's receipt of appropriate consents and authorizations. Any patient record so removed from the Facilities shall be promptly returned to the Company following its use by GWHN. Any access to the Facilities, its records, or the Company's personnel granted to GWHN in this Agreement shall be upon the condition that any such access not materially interfere with the business operations of the Company.

***11.4 CON Disclaimer***. This Agreement shall not be deemed to be an acquisition or obligation of a capital expenditure or of funds within the meaning of the certificate of need statute of any state, until the appropriate governmental agencies shall have granted a certificate of need or the appropriate approval or ruled that no certificate of need or other approval is required.

***11.5 Tax and Medicare Effect***. None of the parties (nor such parties' counsel or accountants) has made or is making any representations to any other party (nor such party's counsel or accountants) concerning any of the tax or Medicare effects of the transactions provided for in this Agreement, as each party hereto represents that each has obtained, or may obtain, independent tax and Medicare advice with respect thereto and upon which it, if so obtained, has solely relied.

***11.6 Reproduction of Documents***. This Agreement and all documents relating hereto, including, without limitation, (a) consents, waivers, and modifications that may hereafter be executed, (b) the documents delivered at the Closing, and (c) financial statements, certificates, and other information previously or hereafter furnished to GWHN, the Company, or LHP Sub, may, subject to the provisions of Section 13.10 hereof, be reproduced by GWHN, the Company, and LHP Sub by any photographic, photostatic, microfilm, micro-card, miniature photographic, or other similar process and GWHN, the Company, and LHP Sub may destroy any original documents so reproduced. GWHN, the Company, and LHP Sub agree and stipulate that any such reproduction shall be admissible in evidence as the original itself in any judicial, arbitral, or administrative proceeding (whether or not the original is in existence and whether or not such reproduction was made by GWHN, the Company, or LHP Sub in the regular course of business) and that any enlargement, facsimile, or further reproduction of such reproduction shall likewise be admissible in evidence.

***11.7 Cooperation on Tax Matters***. Following the Closing, the parties shall cooperate fully with each other and shall make available to the other, as reasonably requested and at the expense of the requesting party, and to any taxing authority (to the extent required by law), all information, records, or documents in their possession relating to the Assets, the Facilities, and the Assumed Liabilities as is reasonably necessary for the preparation and filing of any Tax Return, claim for refund of Taxes, or other filings relating to Taxes, or in connection with any audit or other proceeding instituted by any taxing authority. In the case of any audit, examination, or other proceeding with respect to Taxes for which GWHN is or may be liable pursuant to this Agreement, the Company shall promptly inform GWHN, and the Company shall

execute or cause to be executed powers of attorney or other documents necessary to enable GWHN to take all actions reasonably deemed necessary by GWHN with respect to such audit, examination, or proceeding to the extent such audit, examination, or proceeding may affect the amount of Taxes for which GWHN is liable pursuant to this Agreement. GWHN shall have the right to control any such audit, examination, or proceeding, and, if there is a reasonable basis therefor, to initiate any claim for refund, file any amended return, or take any other action that it deems appropriate with respect to such Taxes.

***11.8 Cost Reports***. GWHN, at its expense, shall prepare and timely file all terminating and other cost reports required or permitted by law to be filed under the Medicare and Medicaid or other third party payor programs and the State Health Agency for periods ending on or prior to the Closing Date, or as a result of the consummation of the transactions described herein (the "GWHN Cost Reports"). The Company shall provide GWHN with access to all records and data necessary for completion of GWHN Cost Reports. The Company shall forward to GWHN any and all correspondence relating to GWHN Cost Reports within five (5) business days after receipt by the Company. The Company shall remit any receipts of funds relating to GWHN Cost Reports within ten (10) business days after receipt by the Company and shall forward to GWHN any demand for payments within three (3) business days after receipt by the Company. GWHN shall retain all rights to the GWHN Cost Reports including any amounts receivable or payable in respect of such reports or reserves relating to such reports. Such rights shall include the right to appeal any Medicare or Medicaid determinations relating to GWHN Cost Reports. GWHN shall retain the originals of GWHN Cost Reports, correspondence, work papers and other documents relating to GWHN Cost Reports; provided, however, that GWHN shall make certain that the Hospital retains copies of such cost reports, correspondence, work papers and other documents in order that they are available to the Company following the Closing Date.

***11.9 Misdirected Payments, Etc***. GWHN and the Company covenant and agree to remit, with reasonable promptness, to the other any payments received, which payments are on or in respect of accounts or notes receivable owned by (or are otherwise payable to) the other. In addition, and without limitation, in the event of a determination by any governmental or third-party payor that payments to GWHN or the Facilities resulted in an overpayment or other determination that funds previously paid by any program or plan to GWHN or the Facilities must be repaid, GWHN shall be responsible for repayment of said monies (or defense of such actions) if such overpayment or other repayment determination was for services rendered prior to the Closing Date, and the Company shall be responsible for repayment of said monies (or defense of such actions) if such overpayment or other repayment determination was for services rendered after the Closing Date. In the event that, following Closing, the Company suffers any offsets against reimbursement under any third-party payor or reimbursement programs due to the Company, relating to amounts owing under any such programs by GWHN or any of its Affiliates, GWHN shall immediately upon written demand from the Company pay to the Company the amounts so billed or offset.

***11.10 Employee Matters***. As of the Closing Date, GWHN shall terminate all of its employees at the Facilities, and LHP Sub (or an Affiliate thereof) shall offer employment to all active employees in good standing as of the Closing Date who satisfy customary pre-employment screening procedures, in positions similar to those then being provided by GWHN. Nothing herein shall be deemed to affect or limit in any way normal management prerogatives of LHP Sub or its Affiliate with respect to employees or to create or grant to any such employees

third party beneficiary rights or claims of any kind or nature. In respect of the employees employed by LHP Sub or its Affiliate, and except as limited by the terms of applicable collective bargaining agreements, LHP Sub or its Affiliate shall provide such employees with regionally competitive wages and employee benefits comparable to the benefits generally offered to employees of other hospitals owned and operated by LHP or its Affiliates and shall honor prior length of service for purposes of determining eligibility and vesting in its benefit plans; provided, however, that no such prior service credit need be given in respect of any new plan commenced or participated in by LHP or its Affiliates and generally applicable to other hospitals owned and operated by LHP or its Affiliates in which no prior service credit is given to or recognized for other plan beneficiaries. In extending such benefits, LHP or its Affiliate shall give such employees credit for the satisfaction of pre-existing condition limitations in its welfare benefit plans to the same extent that such employees have satisfied such limitations under the current welfare benefit plans of GWHN. LHP Sub or its Affiliate shall lease the employees to the Company on a "cost" basis. Notwithstanding anything to the contrary contained in this Section 11.10, neither LHP Sub nor any Affiliate thereof shall have any obligation to offer employment to, or continue to employ, any employee at the Facilities who has been excluded from participation in federal health care programs. **[NOTE: Section 11.10 of the proposed Contribution and Sale Agreement by and among Saint Mary's Health System, Inc., Southwest Connecticut Health System, LLC, LHP Southwest Connecticut, LLC, and LHP Hospital Group, Inc. is to be revised so that it mirrors the language above.]**

***11.11 Board of Trustees***. The Company shall appoint a Board of Trustees for the Hospital, as provided in the LLC Agreement.

***11.12 Uncompensated Care Policies***. The Company shall operate the Hospital in accordance with the "community benefit standards" set forth in Revenue Ruling 69-545, including, without limitation, the (i) acceptance of all Medicare and Medicaid patients, (ii) acceptance of all emergency patients without regard to ability to pay, (iii) maintenance of an open medical staff, (iv) provision of public health programs of educational benefit to the community, and (v) general promotion of public health, wellness, and welfare to the community through the provision of healthcare at a reasonable cost. The Company shall cause the Hospital to treat any patient presented to the emergency room in accordance with the "community benefit standards" as described above and to remain eligible to participate in the Medicare and Medicaid programs. This covenant shall be subject in all respects to changes in governmental law, policy, or regulation.

***11.13 Medical Staff Matters.*** The Company shall work together with the medical staff of the Hospital to develop the medical staff bylaws, rules and regulations, medical staff committee structure, credentialing plan, and fair hearing plan of the Hospital following the Closing.

***11.14 Use of Controlled Substance Permits***. To the extent permitted by applicable law, the Company Entities shall have the right, for a period not to exceed one hundred twenty (120) days following the Closing Date, to operate under the licenses and registrations of GWHN relating to controlled substances and the operations of pharmacies and laboratories, until the Company Entities are able to obtain their own such licenses and registrations. In furtherance thereof, GWHN shall execute and deliver to the Company Entities at or prior to the Closing limited powers of attorney substantially in the form of Exhibit G hereto. The Company Entities

shall apply for all such permits as soon as reasonably practicable before and after the Closing Date and shall diligently pursue such applications. The Company Entities shall also indemnify and hold GWHN harmless from and against all claims, damages, losses, and other costs incurred, or required by law to be paid, resulting in whole or in part from the use of such permits by the Company Entities following the Closing.

***11.15 Replacement Hospital***. The Company shall, at its sole cost and expense, undertake the development and construction of a new, state-of-the-art general acute care hospital (the "Replacement Hospital") to replace the current Hospital facilities as well as the hospital facilities previously owned by SMHS. It is presently anticipated that the cost of the Replacement Hospital will be approximately $400 million.

***(a)*** The location, size, and plans and specifications for the Replacement Hospital shall be determined by the Board of Directors of the Company; provided, however, that:

(i) The Replacement Hospital shall have at least 350 acute care beds in private patient rooms and shall contain space sufficient to permit future expansion of the Replacement Hospital and the addition of acute care beds (except as otherwise Approved by the Board of Directors of the Company, as such term is defined in the LLC Agreement);

(ii) The Replacement Hospital shall be located within the [redacted]

(iii) The Company shall use commercially reasonable efforts to cause construction of the Replacement Hospital to be commenced within 12 months following the date upon which the Company receives the necessary regulatory approvals for its construction (including, without limitation, any applicable certificates of need for the Replacement Hospital) and to be completed within 60 months after the date upon which construction of the Replacement Hospital has commenced;

(iv) The Company shall use commercially reasonable efforts to encourage construction contractors and subcontractors engaged with respect to the Replacement Hospital to maintain a workforce at the Replacement Hospital site such that at least 50% of the workers on the Replacement Hospital reside in the greater Waterbury, Connecticut area for a period of time that is not merely transitory in nature; and

(v) The Replacement Hospital shall continue to be a teaching hospital that will offer graduate medical education through one or more physician residency programs.

***(b)*** Arrangements will be made under which a health care provider other than the Company will maintain the clinical services and programs currently being provided by GWHN that do not comply with the Ethical and Religious Directives for Catholic Health Care Services (the "GWHN Legacy Services"). It is presently anticipated that such arrangements could involve two distinct phases: (i) a transition arrangement pursuant to which the GWHN Legacy Services (other than elective abortions) would continue to be provided in the same manner as they are at the time of Closing so long as (y) the Company receives no revenues from the provision of such procedures or services and (z) such transition arrangement is discontinued at such time as the free-standing ambulatory surgery center described in clause (ii) is operational,

and (ii) an arrangement pursuant to which a health care provider other than the Company would provide the GWHN Legacy Services (other than elective abortions) in a free-standing ambulatory surgery center.

***(c)*** In the event that, on or before the date 24 months following the date upon which the Company receives the necessary regulatory approvals for the construction of the Replacement Hospital (including, without limitation, any certificates of need or other regulatory approvals for the Replacement Hospital and/or any other projects or activities in the community that LHP Sub, in its sole discretion, deems necessary as a predicate for the commencement of construction of the Replacement Hospital), (i) the Company has not issued a notice to proceed to the contractor or construction manager, as the case may be, with respect to all or a substantial portion of the construction of the Replacement Hospital, or if the construction of the Replacement Hospital is to proceed in phases, then with respect to the first phase of the construction of the Replacement Hospital, and (ii) such failure to commence is not due to Force Majeure or other event or circumstance outside the control of the Company, the Company shall, within five (5) business days following written notice from GWHN of such failure to commence, pay to GWHN by wire transfer of immediately available funds to an account designated by GWHN a fee equal to $[redacted] (the "Commencement Delay Fee"). For purposes of this Section 11.15(c), the term "Force Majeure" shall mean [redacted].

***11.16 Shortfall Loan.*** If, as of the Closing Date, the cash, cash equivalents, and short-term investments available to GWHN are insufficient to enable GWHN to satisfy all obligations (including the obligations described in Section 6.12) necessary to contribute the Assets to the Company free and clear of all claims, assessments, security interests, liens, restrictions, and encumbrances other than the Permitted Exceptions and the Assumed Liabilities, the Company shall loan to GWHN the amount of any such shortfall (the "Shortfall Loan"); provided, however, that the Shortfall Loan shall not exceed $[redacted]. The Shortfall Loan shall be evidenced by an interest-bearing promissory note in form and substance satisfactory to the Company and shall be repaid solely from GWHN's pro rata share of any distributions made by the Company to its members, as described more particularly in the LLC Agreement**.** The documents evidencing the Shortfall Loan shall prohibit GWHN from creating a security interest in GWHN's interests in the Company in favor of any party other than the Company.

***11.17 Connecticut Transfer Act.*** This transaction is subject to the Transfer Act. Accordingly, GWHN shall prepare a Transfer Act Form III and the accompanying ECAF for the Hospital to satisfy the requirements of the Transfer Act in connection with the transaction contemplated herein. Copies of the Form III and the ECAF will be provided to the Company at least thirty (30) days prior to the Closing Date so that the Company may review and provide reasonable comments. GWHN shall sign the Form III as the "Transferor" and GWHN or its designee shall sign the Form III as the "Certifying Party" responsible for completing all the required environmental investigation and remediation at the Hospital in accordance with the

Transfer Act, the Connecticut Remediation Standard Regulations, and other applicable Environmental Laws. The Company shall sign the Form III as the "Transferee." GWHN shall furnish copies of the Form III and the ECAF to the Company prior to the Closing Date for the Company's execution. Within ten (10) days after the Closing Date, GWHN shall (i) file the fully executed Form III and the ECAF with the Connecticut Department of Energy and Environmental Protection ("CTDEP"); (ii) pay the initial $3,000 filing fee and any and all subsequent Transfer Act fees; and (iii) provide written confirmation to the Company that the Transfer Act filing has been completed (with a copy of such filing). GWHN or its designee shall conduct and complete any actions required by the CTDEP as a result of the filing of the Form III and the ECAF, as necessary to comply with the requirements of the Transfer Act to obtain written confirmation from CTDEP or a "verification" from a "Licensed Environmental Professional" that the Hospital has been remediated in full compliance with the Connecticut Remediation Standard Regulations. All undefined terms in this Section 11.15 shall have the meanings set forth in the Transfer Act.

**12. INDEMNIFICATION.**

***12.1 Indemnification by GWHN***. Subject to the limitations set forth in Section 12.4 hereof, GWHN shall defend and indemnify and hold each of LHP Sub and the Company, and each of their respective affiliates, officers, directors, employees, agents, or independent contractors, wholly harmless from and against any and all losses, liabilities, damages, costs (including, without limitation, court costs and costs of appeal), and expenses (including, without limitation, reasonable attorneys' fees) that such persons incur as a result of, or with respect to (i) any misrepresentation or breach of warranty by GWHN under this Agreement, (ii) any breach by GWHN of, or any failure by GWHN to perform, any covenant or agreement of, or required to be performed by, GWHN under this Agreement, (iii) any of the Excluded Liabilities, or (iv) any claim made by a third party with respect to the operation of the Facilities prior to the Effective Time.

***12.2 Indemnification by LHP Sub***. Subject to the limitations set forth in Section 12.4 hereof, LHP Sub shall defend and indemnify and hold each of GWHN and the Company, and each of their respective affiliates, officers, directors, employees, agents, or independent contractors, wholly harmless from and against any and all losses, liabilities, damages, costs (including, without limitation, court costs and costs of appeal) and expenses (including, without limitation, reasonable attorneys' fees) that such persons incur as a result of, or with respect to (i) any misrepresentation or breach of warranty by LHP Sub under this Agreement or (ii) any breach by LHP Sub of, or any failure by LHP Sub to perform, any covenant or agreement of, or required to be performed by, LHP Sub under this Agreement.

***12.3 Indemnification by the Company***. Subject to the limitations set forth in Section 12.4 hereof, the Company shall defend and indemnify and hold each of LHP Sub and GWHN, and each of their respective officers, directors, employees, agents, or independent contractors, wholly harmless from and against any and all losses, liabilities, damages, costs (including, without limitation, court costs and costs of appeal), and expenses (including, without limitation, reasonable attorneys' fees) that such persons incur as a result of, or with respect to (i) any misrepresentation or breach of warranty by the Company under this Agreement, (ii) any breach by the Company of, or any failure by the Company to perform, any covenant or agreement of, or required to be performed by, the Company under this Agreement, (iii) any of the Assumed

Liabilities, or (iv) any claim made by a third party with respect to the operation of the Facilities following the Effective Time.

***12.4 Limitations***. GWHN, LHP Sub, and the Company shall be liable under Section 12.1(i), Section 12.2(i), or Section 12.3(i) (i.e., for misrepresentations and breaches of warranties), as applicable, only when total indemnification claims exceed [redacted]. No party shall be liable for any indemnification pursuant to Section 12.1(i), Section 12.2(i), or Section 12.3(i), as applicable, for any claims for misrepresentations and breaches of warranty that are the basis upon which any other party shall have failed to consummate the transactions described herein pursuant to Section 8.1 or Section 9.1, as applicable, or that are based upon misrepresentations and breaches of warranty that have been waived pursuant to the initial paragraph of Section 8 or Section 9, as applicable. The liability of GWHN, LHP Sub, and the Company for indemnification under Section 12.1(i), Section 12.2(i), or Section 12.3(i), respectively, shall be limited to an amount equal to [redacted]. Notwithstanding anything to the contrary, the limitations contained in this Section 12.4 shall not apply to any indemnification claims arising under Section 12.1(i), Section 12.2(i), or Section 12.3(i) as a result of the intentional misrepresentation or fraud of GWHN, LHP Sub, or the Company, respectively.

***12.5 Notice and Control of Litigation***. If any claim or liability is asserted in writing by a third party against a party entitled to indemnification under this Section 12 (the "Indemnified Party") that would give rise to a claim under this Section 12, the Indemnified Party shall notify the person giving the indemnity (the "Indemnifying Party") in writing of the same within fifteen (15) days of receipt of such written assertion of a claim or liability. The Indemnifying Party shall have the right to defend a claim and control the defense, settlement, and prosecution of any litigation. If the Indemnifying Party, within ten (10) days after notice of such claim, fails to defend such claim, the Indemnified Party shall (upon further notice to the Indemnifying Party) have the right to undertake the defense, compromise, or settlement of such claim on behalf of and for the account and at the risk of the Indemnifying Party, subject to the right of the Indemnifying Party to assume the defense of such claim at any time prior to settlement, compromise, or final determination thereof. Anything in this Section 12.5 notwithstanding, (i) if there is a reasonable probability that a claim may materially and adversely affect the Indemnified Party other than as a result of money damages or other money payments, the Indemnified Party shall have the right, at its own cost and expense, to defend, compromise, and settle such claim, and (ii) the Indemnifying Party shall not, without the written consent of the Indemnified Party, settle or compromise any claim or consent to the entry of any judgment that does not include as an unconditional term thereof the giving by the claimant to the Indemnified Party of a release from all liability in respect of such claim. The foregoing rights and agreements shall be limited to the extent of any requirement of any third-party insurer or indemnitor. All parties agree to cooperate fully as necessary in the defense of such matters. Should the Indemnified Party fail to notify the Indemnifying Party in the time required above, the indemnity with respect to the subject matter of the required notice shall be limited to the damages that would have resulted absent the Indemnified Party's failure to notify the Indemnifying Party in the time required above after taking into account such actions as could have been taken by the Indemnifying Party had it received timely notice from the Indemnified Party.

***12.6 Notice of Claim***. If an Indemnified Party becomes aware of any breach of the representations or warranties of the Indemnifying Party hereunder or any other basis for

indemnification under this Section 12 (except as otherwise provided for under Section 12.5), the Indemnified Party shall notify the Indemnifying Party in writing of the same within forty-five (45) days after becoming aware of such breach or claim, specifying in detail the circumstances and facts that give rise to a claim under this Section 12. Should the Indemnified Party fail to notify the Indemnifying Party within the time frame required above, the indemnity with respect to the subject matter of the required notice shall be limited to the damages that would have nonetheless resulted absent the Indemnified Party's failure to notify the Indemnifying Party in the time required above after taking into account such actions as could have been taken by the Indemnifying Party had it received timely notice from the Indemnified Party.

***12.7 Mitigation of Damages.*** A party entitled to indemnification under this Section 12 shall make commercially reasonable efforts to (i) mitigate the amount of any indemnification claim it has or may have against the person giving the indemnity and (ii) pursue claims under insurance policies relating to the facts and circumstances giving rise to the indemnification claim. For purposes of determining the amount of liability under this Section 12, appropriate reductions shall be made to reflect the amount actually recovered pursuant to any insurance policy or other third party recovery that is received by the party entitled to indemnification in respect of the facts and circumstances giving rise to the indemnification claim. If an indemnification payment is received by the party entitled to indemnification, and the party entitled to indemnification later receives insurance proceeds or other third party recoveries that were not previously credited against such indemnification payment when made, the party entitled to indemnification shall promptly, but in no event later than fifteen (15) days after the actual receipt of such insurance proceeds or other third party recoveries, pay to the party giving the indemnity a sum equal to the lesser of (x) such insurance proceeds and other third party recoveries and (y) the actual amount of the indemnification payment previously paid by the party giving the indemnity with respect to such indemnification claim.

**13. MISCELLANEOUS.**

***13.1 Schedules and Other Instruments***. Each Schedule and Exhibit to this Agreement shall be considered a part hereof as if set forth herein in full. From the date hereof until the Closing Date, GWHN, LHP Sub, or the Company may update its Schedules, subject to the other parties' approval rights described below. Any other provision herein to the contrary notwithstanding, all Schedules, Exhibits, or other instruments provided for herein and not delivered at the time of execution of this Agreement or that are incomplete at the time of execution of this Agreement shall be delivered or completed within ten (10) days after the date hereof or ten (10) days prior to the Closing, whichever is sooner. It shall be deemed a condition precedent to the obligations of the parties hereto that each of the Schedules, Exhibits, and related documents, instruments, books, and records shall meet with the approval of such parties. If a party, in its reasonable discretion, determines that it should not consummate the transactions contemplated by this Agreement because of any information contained in a Schedule, Exhibit, or other instrument that is delivered to such party after the execution of this Agreement, then such party may terminate this Agreement on or before the Closing by giving written notice thereof to the other party.

***13.2 Additional Assurances***. The provisions of this Agreement shall be self-operative and shall not require further agreement by the parties except as may be herein specifically provided to the contrary; provided, however, at the request of a party, the other party or parties

shall execute such additional instruments and take such additional actions as the requesting party may deem necessary to effectuate this agreement. In addition and from time to time after Closing, GWHN shall execute and deliver such other instruments of conveyance and transfer, and take such other actions as LHP Sub and/or the Company reasonably may request, more effectively to convey and transfer full right, title, and interest to, vest in, and place the Company in legal and actual possession of, any and all of the Facilities and the Assets. GWHN shall also furnish the Company with such information and documents in its possession or under its control, or which GWHN can execute or cause to be executed, as will enable the Company or the Company Entities to prosecute any and all petitions, applications, claims, and demands relating to or constituting a part of the Facilities or the Assets. Additionally, GWHN shall cooperate and use its best efforts to have its present directors, officers, and employees cooperate with LHP Sub and/or the Company on and after Closing in furnishing information, evidence, testimony, and other assistance in connection with any action, proceeding, arrangement, or dispute of any nature with respect to matters pertaining to all periods prior to Closing in respect of the items subject to this Agreement.

***13.3 Consented Assignment***. Anything contained herein to the contrary notwithstanding, this Agreement shall not constitute an agreement to assign any claim, right, contract, license, lease, commitment, equity interest, sales order, or purchase order if an attempted assignment thereof without the consent of the other party thereto would constitute a breach thereof or in any material way affect the rights of GWHN thereunder, unless such consent is obtained. Each of GWHN and LHP Sub shall use its commercially reasonable efforts to obtain any third party consents to the transactions contemplated by this Agreement. If such consent is not obtained, or if an attempted assignment would be ineffective or would materially affect the rights thereunder of GWHN so that the Company would not in fact receive all such rights, GWHN and the Company shall cooperate in good faith in any reasonable arrangement designed to provide for the Company the benefits under any such claim, right, contract, license, lease, commitment, equity interest, sales order, or purchase order, including, without limitation, enforcement of any and all rights of GWHN against the other party or parties thereto arising out of the breach or cancellation by such other party or otherwise.

***13.4 Consents, Approvals, and Discretion***. Except as herein expressly provided to the contrary, whenever this Agreement requires any consent or approval to be given by a party, or whenever a party must or may exercise discretion, the parties agree that such consent or approval shall not be unreasonably withheld or delayed and such discretion shall be reasonably exercised.

***13.5 Legal Fees and Costs***. In the event a party elects to incur legal expenses to enforce or interpret any provision of this Agreement by judicial proceedings, the prevailing party shall be entitled to recover such legal expenses, including, without limitation, reasonable attorneys' fees, costs, and necessary disbursements at all court levels, in addition to any other relief to which such party shall be entitled.

***13.6 Liquidated Damages.*** Each of the parties to this Agreement acknowledges that: (i) the agreements contained in Sections 11.1(b) and 11.15(c) are an integral part of the transactions contemplated by this Agreement; (ii) without these agreements, the parties would not enter into this Agreement; (iii) it would be extremely difficult and impracticable, if not impossible, to ascertain with any degree of certainty the amount of damages that would be suffered by GWHN in the circumstances in which each of the Termination Fee or

Commencement Delay Fee, as the case may be, is payable; and (iv) neither the Termination Fee nor Commencement Delay Fee is a penalty, but rather each is liquidated damages in a reasonable amount, negotiated as the parties' reasonable estimate of GWHN's damages in the circumstances in which the Termination Fee or Commencement Delay Fee, as the case may be, is payable; provided, however, that the foregoing shall not limit the rights of any party to this Agreement with respect to any liabilities or damages incurred or suffered by such party as a result of the willful and material breach by another party of any of its representations, warranties, covenants, or agreements set forth in this Agreement.

***(a)*** If the Company fails to pay the Termination Fee or Commencement Delay Fee pursuant to Section 11.1(b) or 11.15(c) when due and, in order to obtain such payment, GWHN commences a suit or suits that result in a judgment or judgments against the Company for the Termination Fee or Commencement Delay Fee, as the case may be, then the Company shall pay to GWHN its costs and expenses (including attorneys' fees and expenses) in connection with such suit and the collection and enforcement of such judgment(s), together with interest on the amount of the Termination Fee or Commencement Delay Fee, as the case may be, from the date such payment was required to be made until the date of payment at the "prime rate" of Bank of America, N.A. in effect on the date such payment was required to be made.

***13.7 Choice of Law; Venue***. The parties agree that this Agreement shall be governed by and construed in accordance with the laws of the State of Connecticut without regard to conflict of laws principles. Any dispute or proceeding arising out of or relating in any way to the subject matter of this Agreement shall be brought only in the United States District Court for the District of Connecticut or any Connecticut state court having appropriate jurisdiction over the matter.

***13.8 Benefit/Assignment***. Subject to provisions herein to the contrary, this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective legal representatives, successors, and assigns. No party may assign this Agreement without the prior written consent of the other parties; provided, however, that any party may, without the prior written consent of the other parties, assign its rights and delegate its duties hereunder to one or more Affiliates (as defined in Section 13.19), but in such event, the assignor shall be required to remain obligated hereunder in the same manner as if such assignment had not been effected.

***13.9 Brokerage Fees***. Each party agrees to be solely liable for and obligated to satisfy and discharge all loss, cost, damage, or expense arising out of claims for fees or commissions of brokers employed or alleged to have been employed by such party.

***13.10 Cost of Transaction***. Whether or not the transactions contemplated hereby shall be consummated, the parties agree as follows: (i) GWHN shall pay the fees, expenses, and disbursements of GWHN and its agents, representatives, accountants, and legal counsel incurred in connection with the subject matter hereof and any amendments hereto, (ii) LHP Sub shall pay the fees, expenses, and disbursements of LHP Sub and its agents, representatives, accountants, and legal counsel incurred in connection with the subject matter hereof and any amendments hereto, and (iii) the Company shall pay the fees, expenses, and disbursements of the Company and its agents, representatives, accountants, and legal counsel incurred in connection with the subject matter hereof and any amendments hereto.

***13.11 Confidentiality***. The Confidentiality Agreement entered into by GWHN, LHP, and SMHS and dated April 8, 2011 shall remain in full force and effect during the term hereof and shall survive termination of this Agreement. It is understood by the parties hereto that the information, documents, and instruments delivered by a party to the other parties hereto are of a confidential and proprietary nature. LHP Sub and the Company shall comply with and recognize all confidentiality and non-disclosure requirements that apply to GWHN, specifically including the privacy requirements of the Administrative Simplification subtitle of HIPAA and state requirements and comply with all policies and safeguards relating to protected health information (as defined by federal regulations implementing HIPAA). LHP Sub and the Company shall comply with the policies adopted by GWHN in respect of the Facilities and the medical staff for access, use, and disclosure of protected health information. Each of the parties hereto agrees that both prior and subsequent to the Closing it will maintain the confidentiality of all such confidential information, documents, or instruments delivered to it by each of the other parties hereto or their agents in connection with the negotiation of this Agreement or in compliance with the terms, conditions, and covenants hereof and will only disclose such information, documents, and instruments to its duly authorized officers, members, directors, representatives, and agents (including consultants, attorneys, and accountants of each party) and applicable governmental authorities in connection with any required notification or application for approval or exemption therefrom. Each of the parties hereto further agrees that if the transactions contemplated hereby are not consummated, it will return all such documents and instruments and all copies thereof in its possession to the other parties to this Agreement. Each of the parties hereto recognizes that any breach of this Section 13.10 would result in irreparable harm to the other parties to this Agreement and their Affiliates (as defined in Section 13.19 below) and that therefore any party to this Agreement shall be entitled to an injunction to prohibit any such breach or anticipated breach, without the necessity of posting a bond, cash, or otherwise, in addition to all of its other legal and equitable remedies. Nothing in this Section 13.10, however, shall prohibit the use of such confidential information, documents, or information for such governmental filings as in the opinion of a party's counsel are required by law or governmental regulations or are otherwise required to be disclosed pursuant to applicable state law.

***13.12 Public Announcements***. The parties collectively agree that no party hereto shall release, publish, or otherwise make available to the public in any manner whatsoever any information or announcement regarding the transactions herein contemplated without the prior written consent of the other parties, except for information and filings reasonably necessary to be directed to governmental agencies to fully and lawfully effect the transactions herein contemplated or required in connection with securities and other laws.

***13.13 Waiver of Breach***. The waiver by any party of a breach or violation of any provision of this Agreement shall not operate as, or be construed to constitute, a waiver of any subsequent breach of the same or any other provision hereof.

***13.14 Notice***. Any notice, demand, or communication required, permitted, or desired to be given hereunder shall be deemed effectively given when personally delivered, when received by receipted overnight delivery, or five (5) days after being deposited in the United States mail, with postage prepaid thereon, certified or registered mail, return receipt requested, addressed as follows:

| | |
|---|---|
| GWHN: | Greater Waterbury Health Network, Inc.<br><br>Attention: President |
| With a simultaneous copy to: | Carmody & Torrance LLP<br>195 Church Street<br>New Haven, Connecticut 06509<br>Attention: Ann H. Zucker |
| The Company: | Southwest Connecticut Health System, LLC<br>c/o LHP Hospital Group, Inc.<br>2800 North Dallas Parkway, Suite 200<br>Plano, Texas 75093<br>Attention: Members |
| With a simultaneous copy to: | LHP Hospital Group, Inc.<br>2800 North Dallas Parkway, Suite 200<br>Plano, Texas 75093<br>Attention: General Counsel |
| LHP Sub or LHP: | LHP Hospital Group, Inc.<br>2800 North Dallas Parkway, Suite 200<br>Plano, Texas 75093<br>Attention: Chief Executive Officer |
| With a simultaneous copy to: | LHP Hospital Group, Inc.<br>2800 North Dallas Parkway, Suite 200<br>Plano, Texas 75093<br>Attention: General Counsel |

or to such other address, and to the attention of such other person or officer as any party may designate, with copies thereof to the respective counsel thereof as notified by such party.

***13.15 Severability***. In the event any provision of this Agreement is held to be invalid, illegal, or unenforceable for any reason and in any respect, such invalidity, illegality, or unenforceability shall in no event affect, prejudice, or disturb the validity of the remainder of this Agreement, which shall be and remain in full force and effect, enforceable in accordance with its terms.

***13.16 Gender and Number***. Whenever the context of this Agreement requires, the gender of all words herein shall include the masculine, feminine, and neuter, and the number of all words herein shall include the singular and plural.

***13.17 Divisions and Headings***. The divisions of this Agreement into sections and subsections and the use of captions and headings in connection therewith are solely for convenience and shall have no legal effect in construing the provisions of this Agreement.

***13.18 Survival***. All of the representations, warranties, covenants, and agreements made by the parties in this Agreement or pursuant hereto in any certificate, instrument, or document shall survive the consummation of the transactions in the manner described herein, and may be fully and completely relied upon by GWHN, LHP Sub, and the Company, as the case may be, notwithstanding any investigation heretofore or hereafter made by any of them or on behalf of any of them, and shall not be deemed merged into any instruments or agreements delivered at the Closing or thereafter. Each party acknowledges that no representations or warranties are made except as specifically set forth herein. Notwithstanding anything in this Section 13.18 that may be to the contrary, any claim, demand, or cause of action with respect to a breach of any representation or warranty made in this Agreement (other than representations or warranties contained in Sections 4.1, 4.2, 4.3, 4.11, 4.29, 5.1, 5.2 and 5.3, which shall survive indefinitely, and the representations or warranties contained in Sections 4.7, 4.8, 4.12, 4.14, 4.15, and 4.22, which shall survive until the longer of five (5) years or 90 days after the expiration of the applicable statute of limitations relating to the underlying claim, including extensions and waivers), must be made or brought, if at all, within eighteen (18) months after the Closing Date. For the avoidance of doubt, this Section 13.18 shall not affect any rights to bring claims after eighteen (18) months based on (a) any covenant or agreement of the parties that contemplates performance after the Closing, (b) the obligations of GWHN under Section 12.1(ii), 12.1(iii) or 12.1(iv), (c) the obligations of LHP Sub under Section 12.2(ii), or (d) the obligations of the Company under Sections 11.1(b), 12.3(ii), 12.3(iii) or 12.3(iv), or (e) the obligations of the parties under Section 12.7.

***13.19 Dispute Resolution***. The parties hereby agree that, prior to pursuing any other legal remedy, any controversy or claim arising out of this Agreement shall be resolved through the following procedures:

***(a)*** In the event of a controversy or claim arising under this Agreement, either party may give the other party notice of such dispute pursuant to Section 13.13 hereof, and promptly thereafter the parties will jointly appoint a mutually acceptable mediator to mediate the dispute. If the parties are unable to agree on a mutually acceptable mediator within thirty (30) days after receipt of notice of a dispute, then the parties shall request assistance from the American Arbitration Association in finding a mutually acceptable mediator. Each party shall bear its own costs incurred in the mediation and shall bear one-half the costs and expenses of the mediator and any similar parties that may assist in the mediation.

***(b)*** The parties agree to participate in good faith in the mediation and negotiations related thereto for a period of thirty (30) days, unless a longer period is otherwise agreed.

***13.20 Affiliates***. As used in this Agreement, the term "Affiliate" means, as to the entity in question, any person or entity that directly or indirectly controls, is controlled by, or is under common control with, the entity in question, and the term "control" means possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an

entity, whether through ownership of voting securities, by contract, or otherwise. The term "Affiliate" does not include any Partial Subsidiaries.

***13.21 Waiver of Jury Trial***. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHTS IT MAY HAVE TO DEMAND THAT ANY ACTION, PROCEEDING, OR COUNTERCLAIM ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT OR THE RELATIONSHIPS OF THE PARTIES HERETO BE TRIED BY JURY. THIS WAIVER EXTENDS TO ANY AND ALL RIGHTS TO DEMAND A TRIAL BY JURY ARISING FROM ANY SOURCE, INCLUDING, BUT NOT LIMITED TO, THE CONSTITUTION OF THE UNITED STATES OR ANY STATE THEREIN, COMMON LAW, OR ANY APPLICABLE STATUTE OR REGULATIONS. EACH PARTY HERETO ACKNOWLEDGES THAT IT IS KNOWINGLY AND VOLUNTARILY WAIVING ITS RIGHT TO DEMAND TRIAL BY JURY.

***13.22 Accounting Date***. The transactions contemplated hereby shall be effective for accounting purposes as of 12:01 a.m. on the Closing Date, unless otherwise agreed in writing by GWHN and LHP Sub. The parties will use commercially reasonable efforts to cause the Closing to be effective as of a month end.

***13.23 No Inferences***. Inasmuch as this Agreement is the result of negotiations between sophisticated parties of equal bargaining power represented by counsel, no inference in favor of, or against, either party shall be drawn from the fact that any portion of this Agreement has been drafted by or on behalf of such party.

***13.24 No Third Party Beneficiaries***. The terms and provisions of this Agreement are intended solely for the benefit of GWHN, LHP Sub, and the Company and their respective permitted successors or assigns, and it is not the intention of the parties to confer, and this Agreement shall not confer, third-party beneficiary rights upon any other person.

***13.25 Enforcement of Agreement***. The parties hereto agree that irreparable damage would occur in the event that any of the provisions of this Agreement was not performed in accordance with its specific terms or was otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof in any court of competent jurisdiction, this being in addition to any other remedy to which they are entitled at law or in equity.

***13.26 Entire Agreement/Amendment***. This Agreement supersedes all previous contracts or understandings, including any offers, letters of intent (including the letter of intent dated August 18, 2011), proposals, or letters of understanding, and constitutes the entire agreement of whatsoever kind or nature existing between or among the parties respecting the within subject matter, and no party shall be entitled to benefits other than those specified herein. As between or among the parties, no oral statements or prior written material not specifically incorporated herein shall be of any force and effect. The parties specifically acknowledge that in entering into and executing this Agreement, the parties rely solely upon the representations and agreements contained in this Agreement and no others. All prior representations or agreements, whether written or verbal, not expressly incorporated herein are superseded, and no changes in or additions to this Agreement shall be recognized unless and until made in writing and signed by all parties hereto. This Agreement may be executed in two (2) or more counterparts, each and all

of which shall be deemed an original and all of which together shall constitute but one and the same instrument. This Agreement may not be amended other than by written instrument signed by the parties hereto.

***13.27 LHP Guaranty***. LHP hereby unconditionally and absolutely guarantees the prompt performance and observation by LHP Sub of each and every obligation, covenant, and agreement of the Company and LHP Sub arising out of, connected with, or related to, this Agreement or any ancillary documents hereto and any extension, renewal, and/or modification thereof. The obligation of LHP under this Section 13.26 is a continuing guaranty and shall remain in effect, and the obligations of LHP shall not be affected, modified, or impaired upon the happening from time to time of any of the following events, whether or not with notice or consent of LHP:

***(a)*** The compromise, settlement, release, change, modification, amendment (except to the extent of such compromise, settlement, release, change, modification, or amendment) of any or all of the obligations, duties, covenants, or agreements of any party under this Agreement or any ancillary documents hereto; or

***(b)*** The extension of the time for performance of payment of money pursuant to this Agreement, or of the time for performance of any other obligations, covenants, or agreements under or arising out of this Agreement or any ancillary documents hereto or the extension or the renewal thereof.

***13.28 Other Owners of Assets***. The parties acknowledge that certain Assets may be owned by Affiliates of GWHN and not GWHN. Notwithstanding the foregoing, and for purposes of all representations, warranties, covenants, and agreements contained herein, GWHN agrees that (i) its obligations with respect to any Assets shall be joint and several with any Affiliate that owns or controls such Assets, (ii) the representations and warranties herein, to the extent applicable, shall be deemed to have been made by, on behalf of and with respect to, such Affiliates in their ownership capacity, and (iii) it has the legal capacity to cause, and it shall cause, any Affiliate that owns or controls any Assets to meet all of GWHN's obligations under this Agreement with respect to such Assets. GWHN hereby waives any defense to a claim made by LHP Sub under this Agreement based on the failure of any person who owns or controls the Assets to be a party to this Agreement.

***13.29 Risk of Loss***. Notwithstanding any other provision hereof to the contrary, the risk of loss in respect of casualty to the Assets shall be borne by GWHN prior to the time of Closing and by the Company thereafter.

***13.30 Equipment Leases***. In the event that certain of GWHN's equipment leases with respect to the business of the Facilities are determined to be capital leases rather than operating leases, then, at or following the Closing, the Company shall refinance those leases either (a) through LHP Sub on the same general economic terms and conditions as embodied in the underlying lease, or (b) through a third party lender on terms and conditions reflecting prevailing market rates.

SIGNATURE PAGE FOLLOWS

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be executed in multiple originals by their authorized officers, all as of the date first above written.

**GREATER WATERBURY HEALTH NETWORK, INC.**

By: _____

Title: _____

**SOUTHWEST CONNECTICUT HEALTH SYSTEM, LLC**

By: _____

Title: _____

**LHP SOUTHWEST CONNECTICUT, LLC**

By: _____

Title: _____

**LHP HOSPITAL GROUP, INC.**

By: _____

Title: _____

**RESOLUTIONS**
**OF**
**GREATER WATERBURY HEALTH NETWORK, INC.**
**AND**
**THE WATERBURY HOSPITAL**

**WHEREAS**, Greater Waterbury Health Network, Inc. ("GWHN") has been in negotiations with LHP Hospital Group, Inc., a Delaware corporation ("LHP"), and Saint Mary's Health System, Inc. ("SMHS"), relating to a Contribution Agreement by and among GWHN, Southwest Connecticut Health System, LLC, a to-be-formed Connecticut limited liability company (the "Joint Venture"), LHP Southwest Connecticut, LLC, a Delaware limited liability company ("LHP Sub") and LHP (the "Contribution Agreement"), pursuant to which GWHN will contribute substantially all of its assets to the Joint Venture in consideration for a 10% membership interest in the Joint Venture and LHP will contribute a promissory note in the original principal amount of $108,000,000 to the Joint Venture and promise to construct a replacement hospital in Waterbury, Connecticut in consideration for an 80% membership interest in the Joint Venture (the "Transaction");

**WHEREAS**, pursuant to the Contribution Agreement, GWHN will become a member in the Joint Venture and enter into an Operating Agreement for the Joint Venture with LHP Sub and SMHS (the "Operating Agreement"), pursuant to which LHP Sub will have an 80% interest in the Joint Venture, GWHN will have a 10% interest in the Joint Venture and SMHS will have a 10% interest in the Joint Venture;

**WHEREAS**, in connection with the Contribution Agreement and Operating Agreement, the Joint Venture will enter a Management Agreement and a Revolving Credit and Cash Management Agreement, each with LHP Management Services, LLC, a Delaware limited liability company ("LHP Manager"), pursuant to which LHP Manager will provide certain management services and credit facilities to the Joint Venture (collectively, the "Management Agreements");

**WHEREAS**, pursuant to the Contribution Agreement, LHP or one of its affiliates will make available a $5,000,000 line of credit to the post conversion foundation of GWHN;

**WHEREAS**, GWHN and LHP are required to file an application with, and obtain approval from, various regulatory agencies, including without limitation, the conversion process outlined in C.G.S. § 19a-486 et seq. (the "Conversion Application"), in order to consummate the Transaction (collectively, the "GWHN Approvals");

**WHEREAS**, LHP and/or its affiliates and SMHS and/or its affiliates must also pursue various regulatory approvals ("Other Approvals") in connection with the Transaction and in connection with a similar transaction that is to be undertaken by SMHS and LHP;

**WHEREAS**, the Board of Directors of GWHN and the Board of Trustees of The Waterbury Hospital (the "Hospital"; together, the "Boards") deem it in the best interests of GWHN and the Hospital to authorize GWHN and the Hospital to enter into and perform the obligations under the Contribution Agreement, the Operating Agreement and the agreements ancillary thereto, and to pursue the GWHN Approvals and participate in such of the Other Approvals, as may be desirable;

**WHEREAS**, the Boards have carefully considered the advice of various experts and consultants and have reviewed the fairness evaluation provided by Principle Valuations with respect to the Transaction; and

**WHEREAS**, the outstanding items identified in earlier resolutions of the Boards have been resolved to the Boards' satisfaction and the Boards have been updated by the task force comprised of Carl Contadini, Carl Sherter and Darlene Stromstad ("Task Force") with respect to issues arising and resolved subsequent to the November 2011 Board meeting.

**NOW, THEREFORE**, be it:

**RESOLVED**, that the Transaction, the drafts of the Contribution Agreement and the Operating Agreement, each dated March 6, 2011, copies of which are attached hereto as Exhibit A, the Management Agreements previously presented to the Board, the documents ancillary thereto and the transactions contemplated thereby be, and subject to the final review by the Task Force of language embodying the concepts on Exhibit B by the Task Force (the "Concepts"), and they hereby are, authorized, approved and determined to be advisable and in the best interests of GWHN and the Hospital; and be it further

**RESOLVED**, that GWHN be, and subject to the satisfactory review of the language reflecting the Concepts by the Task Force, hereby is, authorized to enter into the Contribution Agreement and the Operating Agreement in substantially the form presented to the Boards with such additions and changes as may be necessary to accommodate the Concepts and to consummate the Transactions, and that the President and Chief Executive Officer and Chairman of GWHN and of the Hospital (the "Authorized Officers") be, and they hereby are, each authorized to conclude negotiations of, and execute and deliver in the name of GWHN and the Hospital, as the case may be, the Contribution Agreement, the Operating Agreement and each of the ancillary documents contemplated thereby, with such additions, modifications and amendments as such Authorized Officers deem, in each of their sole discretion, necessary or appropriate and in the best interests of GWHN and the Hospital, the execution and delivery of which shall be conclusive evidence of such Authorized Officer's approval thereof and authority hereunder; and be it further

**RESOLVED**, that the Board of GWHN recommend, and subject to the incorporation of Concepts, hereby recommends, to the members of GWHN that the Transaction be approved; and be it further

**RESOLVED**, that the Contribution Agreement, the Operating Agreement and the Transaction be submitted to the members of GWHN for their approval as may be required by GWHN's certificate of incorporation, bylaws and applicable law; and be it further

**RESOLVED**, that a Special Meeting of the Members of GWHN to vote on the Contribution Agreement, Operating Agreement and the Transaction be held at such time, date and place, in accordance with GWHN's certificate of incorporation, bylaws and applicable law, as the Chairman may determine; and be it further

**RESOLVED**, that the President, Chief Executive Officer and Chair of GWHN and the Hospital be, and each hereby is, authorized to complete, execute and deliver in the name of GWHN and the Hospital such applications, licenses, registrations, agreements, instruments and documents, which each deems, in his or her sole discretion, necessary or appropriate and in the best interests of GWHN and the Hospital, specifically in connection with obtaining all regulatory approvals, licenses, consents, certificates, determination letters, GWHN Approvals including without limitation, the Conversion Application, the Other Approvals or other regulatory requirements necessary or convenient to effectuate the Transaction, the execution and delivery of which shall be conclusive evidence of such officer's approval thereof and authority hereunder; and be it further

**RESOLVED**, that the officers of GWHN and the Hospital be, and each acting singly hereby is, authorized and empowered, in the name and on behalf of GWHN or the Hospital, as the case may be, to take or cause to be taken any and all actions and to execute and deliver or cause to be executed and delivered any and all agreements, resolutions, documents, certificates or undertakings, and to incur any and all fees and expenses necessary or appropriate in the opinion of such officer to effect the foregoing resolutions, which action or execution and delivery shall constitute conclusive evidence of the authorization and approval of such action by GWHN or the Hospital, as the case may be; and be it further

**RESOLVED**, that the Secretary of GWHN and the Hospital be, and he hereby is, authorized and empowered to certify the adoption of the foregoing resolutions and to apply the seal of GWHN and the Hospital to any document executed in connection therewith; and be it further

**RESOLVED**, that all actions heretofore taken by any officer or director of GWHN or the Hospital in connection with or otherwise in contemplation of the matters contemplated by the foregoing resolutions be, and they hereby are, approved, ratified and affirmed in all respects.

**Exhibit A**

**(Copies of March 6, 2012 drafts of Contribution Agreement and Operating Agreement)**

**Exhibit B**

**CONCEPTS**

**CONCEPTS APPLICABLE TO OPERATING AGREEMENT**

1. Section 3.1(vi) will state that the purpose of the Company is to establish a hospital that complies with the Ethical and Religious Directives for Catholic Health Care Services ("ERDs"), instead of "generally to continue to provide the services and care provided by the Hospital as of the date hereof"

2. Sections 3.5, 3.6, and 3.7 of the Second Amended and Restated LLC Agreement will state:

**3.5** ***Mission***. The Members acknowledge and agree that the Company's operations shall be conducted in conformity with the Ethical and Religious Directives for Catholic Healthcare Services, as promulgated from time to time by the United States Conference of Catholic Bishops and as interpreted by the Archbishop of Hartford as they apply to the provision of health care services (the "Directives"). In addition, for so long as SMHS maintains an ownership interest in the Company and the SMHS Member so requests, the Company agrees as follows:

(a) To continue to operate the Hospital in accordance with the Directives as interpreted by the Archbishop of Hartford as they apply to the provision of health care services and to cause the Hospital to comply in all respects with and observe the Directives;

(b) To maintain a position of Pastoral Care Director, who shall be appointed by the Board, subject to the approvals required in Section 3.7 below. The name of the appointee shall be provided in writing to the then Archbishop of Hartford. The Pastoral Care Department shall have staffing consistent with the size of the Hospital, the services of which will be made available to the Hospital's patients, their family members, health care professionals, and employees of all faiths and will be offered throughout the continuum of care provided by the Hospital;

(c) Prior to the opening of the Replacement Hospital, to maintain at the current location of each of Saint Mary's Hospital and The Waterbury Hospital its existing chapel or a chapel substantially similar thereto that shall be maintained in at least its current condition, wear and tear only excepted;

(d) Following the opening of the Replacement Hospital, to maintain at the Replacement Hospital (i) a chapel or similar space suitable for all faiths and (ii) a chapel for Catholic worship, that may incorporate the pews, statuary and other furnishings that are currently located in the Saint Mary's Hospital chapel but which shall not be otherwise furnished by the Company;

(e) To cause the Hospital to continue to provide community benefit programs and services to improve access to health care services in its community and to improve the health status of the elderly, poor, immigrant, and other at-risk populations in such community, with such programs and services to include the provision of free

care, mission and pastoral care programs, and community benefit programs such as currently exist at Saint Mary's Hospital and consistent with the size of the Hospital and with the terms of this Agreement;

(f) To cause the Hospital to maintain an Ethics Committee with responsibility for the day-to-day monitoring of compliance with the Directives and other ethics-related matters, whose chairman shall be appointed by the Board, subject to the approvals required in Section 3.7 below. The name of the appointee shall be provided in writing to the then Archbishop of Hartford;

(g) To maintain a cross of approximately ten (10) feet in height on the front exterior of the Replacement Hospital building, the placement, design and general appearance of which shall be determined in consultation with an architect;

(h) To provide education regarding adherence to the Directives on at least an annual basis to the Directors, Trustees, Officers, Members, medical staff, managers, and other appropriate personnel of the Hospital.

**3.6** ***Name of Hospital.*** The name of the Hospital shall be determined, subject to the approvals required in Section 3.7 below, through a process led by a professional firm experienced in branding and naming in the health care industry that is engaged by the Company and has not previously performed work for any of GWHN, SMHS, LHP, or any Affiliate of any of them. Such process shall (i) include interviews with appropriate representatives of each of GWHN, SMHS, and LHP as well as members of the local community and members of the Hospital's active medical staff, (ii) take into account the history and traditions of both GWHN and SMHS, and (iii) otherwise be conducted in accordance with standards customary in engagements of this nature. Except as otherwise provided in Section 3.7 below, the name of the Hospital will not be "Saint Mary's Hospital" or "The Waterbury Hospital."

**3.7** ***Special Approval Requirements Respecting Certain Matters.*** Notwithstanding any other provision contained in this Agreement (including, without limitation, the provisions of Sections 1.7, 1.10, and 12.6 of this Agreement), the appointment of the Pastoral Care Director and the Chair of the Ethics Committee under Sections 3.5(b) and (f) above shall require the approval of a majority of a quorum of each of the GWHN Directors, the SMHS Directors, and the LHP Directors. In addition, and notwithstanding any other provision contained in this Agreement (including, without limitation, the provisions of Sections 1.7, 1.10, and 12.6 of this Agreement), the name of the Hospital shall be selected by the Board from a list of no more than ten (10) names generated through the naming process described in Section 3.6 above and shall require the approval of a majority of a quorum of each of the GWHN Directors, the SMHS Directors, and the LHP Directors. In the event that no name appearing on such list of names receives the requisite approval at three (3) consecutive meetings of the Board of Directors, the parties agree that the name of the Hospital shall be "Saint Mary's / Waterbury Hospital."

3. Section 8.3(a)(xxi) will be revised to delete the language that indicates that the Manager may take actions in contravention of the ERDs if approved by a majority of the SMHS Directors

4. Section 10.4 will be revised to add the following:

"The SMHS Member shall have the sole and exclusive right to determine whether the Facilities are being operated in a manner consistent with the Catholic Directives."

**CONCEPTS APPLICABLE TO CONTRIBUTION AGREEMENT**

Section 2.3 Assumed Liabilities may include the assumption by the Company of certain investigation and remediation of asbestos at 64 Robbins Street, Waterbury, Connecticut.

Section 3.4 (i) will be revised to substitute a negative pledge agreement in lieu of a security agreement.

Section 11.1 (b) will be revised to reflect that the termination fee is $5,000,000.

Section 11.15(b) will to be revised to reflect that (i) a party that is not an Affiliate (as defined in the Contribution Agreement) of either SMHS or SMH may make arrangements for maintaining the GWHN Legacy Services (as defined in the Contribution Agreement) (other than elective abortions); (ii) the Company shall not receive any revenues from the provision of any of the GWHN Legacy Services; (iii) the GWHN Legacy Services may continue to be provided at the current Waterbury Hospital Campus only until the earlier to occur of (A) the opening of the Replacement Hospital (as defined in the Contribution Agreement) or (B) the opening of a free-standing ambulatory surgery center at which a health care provider other than the Company would provide the GWHN Legacy Services (other than elective abortions).

# EXHIBIT 2:  OPERATING AGREEMENT

THE MEMBERSHIP INTERESTS IN SOUTHWEST CONNECTICUT HEALTH SYSTEM, LLC HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER THE SECURITIES LAWS OF ANY STATE AND ARE BEING OFFERED AND SOLD IN RELIANCE ON EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF SUCH ACTS. EXCEPT AS SPECIFICALLY OTHERWISE PROVIDED IN THIS AGREEMENT, THE INTERESTS MAY NOT BE SOLD, TRANSFERRED, PLEDGED, OR HYPOTHECATED WITHOUT REGISTRATION UNDER SUCH ACTS OR AN OPINION OF COUNSEL THAT SUCH TRANSFER MAY BE LEGALLY EFFECTED WITHOUT SUCH REGISTRATION. ADDITIONAL RESTRICTIONS ON TRANSFER AND SALE OF SUCH MEMBERSHIP INTERESTS ARE SET FORTH IN THIS AGREEMENT.

# SECOND AMENDED AND RESTATED

# OPERATING AGREEMENT

# OF

# SOUTHWEST CONNECTICUT HEALTH SYSTEM, LLC
**(a Connecticut Limited Liability Company)**

**TABLE OF CONTENTS**

**Page**


I. DEFINITIONS.....

1.1 "Act".....
1.2 "Additional Member".....
1.3 "Affiliate".....
1.4 "Affiliated Referring Providers".....
1.5 "Agreement".....
1.6 "Appraised Value of the Units".....
1.7 "Approval of the Board" or "Approved by the Board".....
1.7 "Approval of the LHP Directors" or "Approved by the LHP Directors".....
1.8 "Approval of the Members" or "Approved by the Members".....
1.7 "Approval of the SM/W Directors" or "Approved by the SM/W Directors".....
1.9 "Bankruptcy".....
1.10 "Board of Directors".....
1.11 "Board of Trustees".....
1.12 "Board Representatives".....
1.13 "Capital Account".....
1.14 "Capital Contribution".....
1.15 "Articles".....
1.16 "Code".....
1.17 "Company".....
1.18 "Company Purposes".....
1.19 "Competing Business".....
1.20 "Consumer Price Index".....
1.21 "Contribution Agreement".....
1.22 "Distributable Cash".....
1.47 "GWHN".....
1.48 "GWHN Affiliate".....
1.48 "GWHN Contribution Agreement".....
1.49 "GWHN Directors".....
1.50 "GWHN Legacy Services".....
1.50 "GWHN Member".....
1.23 "Hospital".....

**TABLE OF CONTENTS**
(continued)

**Page**


1.24 "Joint Commission" .....
1.25 "LHP Affiliate" .....
1.26 "LHP Directors" .....
1.27 "LHP Member" .....
1.28 "LHP Parent" .....
1.29 "LHP Sub" .....
1.48 "LHP Sub Capital Contribution Promissory Note" .....
1.30 "Liability" .....
1.31 "Liquidator" .....
1.32 "Management Agreement" .....
1.33 "Manager" .....
1.34 "Material Dispute" .....
1.35 "Member" .....
1.36 "Non-Competition Period" .....
1.37 "Offeror" .....
1.38 "Optional Capital Contribution" .....
1.39 "Person" .....
1.48 "Replacement Hospital" .....
1.41 "Reserves" .....
1.42 "Restricted Area" .....
1.43 "Right of First Refusal" .....
1.45 "Selling Member" .....
1.46 "Sharing Percentage" .....
1.47 "SMHS" .....
1.48 "SMHS Affiliate" .....
1.48 "SMHS Contribution Agreement" .....
1.49 "SMHS Directors" .....
1.50 "SMHS Member" .....
1.49 "SM/W Directors" .....
1.50 "SM/W Members" .....
1.51 "Substituted Member" .....
1.52 "Standards" .....

**TABLE OF CONTENTS**
(continued)

**Page**


1.53 "Treasury Regulations" or "Regulations" .....
1.54 "Unit" .....
II. ORGANIZATION .....
2.1 Formation .....
2.2 Name .....
2.3 Principal Office .....
2.4 Term .....
2.5 Registered Agent and Office .....
2.6 No State Law Partnership .....
2.7 Appointment of Manager .....
2.8 Operation Through Subsidiaries .....
III. PURPOSES AND POWERS .....
3.1 Purposes .....
3.3 Nature of the Business .....
3.3 Powers .....
3.4 Conflict of Interest Policy .....
3.5 Mission .....
IV. CAPITAL CONTRIBUTIONS, CAPITAL ACCOUNTS, LOANS .....
4.1 Capital Contributions; Units .....
4.2 Sources of Capital; Additional Capital Contributions .....
4.3 Capital Accounts .....
4.4 Additional Provisions Regarding Capital Accounts. .....
4.5 Loans to the Company .....
V. ALLOCATIONS OF INCOME AND LOSSES .....
VI. DISTRIBUTIONS .....
6.1 Distribution of Distributable Cash .....
6.2 Compensation or Reimbursement for Services .....
6.3 Amounts Withheld .....
6.4 Distributions in Kind .....
6.5 Restrictions on Distributions .....
VII. BANK ACCOUNTS, BOOKS OF ACCOUNT, TAX COMPLIANCE, AND FISCAL YEAR .....

**TABLE OF CONTENTS**
(continued)

**Page**


7.1 Bank Accounts; Investments.....
7.2 Books and Records .....
7.3 Determination of Profit and Loss; Financial Statements .....
7.4 Tax Returns and Information.....
7.5 Tax Audits.....
7.6 Fiscal Year .....
7.7 Audit of the Company.....
VIII. RIGHTS, OBLIGATIONS, AND INDEMNIFICATION OF THE MANAGER .....
8.1 Rights of the Manager.....
8.2 Rights to Rely on the Manager .....
8.3 Specific Limitations on the Manager. .....
8.4 Management Obligations of the Manager.....
8.5 Compensation of the Manager.....
8.6 Independent Activities .....
IX. RIGHTS AND STATUS OF MEMBERS.....
9.1 General.....
9.2 Limitation of Liability.....
X. SPECIAL RIGHTS AND COVENANTS OF THE MEMBERS .....
10.1 Covenant Not to Compete.....
10.2 Limitation.....
10.3 No Requirement to Refer.....
10.4 Special Rights Regarding Termination of the Chief Executive Officer .....
10.5 Special Rights Regarding Enforcement of Rights to Capital Contributions.....
XI. MEETINGS AND MEANS OF VOTING .....
11.1 Meetings of the Members .....
11.2 Vote By Proxy.....
11.3 Conduct of Meeting .....
11.4 Action Without a Meeting .....
11.5 Closing of Transfer Record; Record Date .....
XII. BOARD OF DIRECTORS .....
12.1 Board of Directors.....
12.2 Manner of Exercise of Board of Directors' Authority.....

**TABLE OF CONTENTS**
(continued)

**Page**


12.3 Meetings of the Board of Directors .....
12.4 Board of Trustees .....
12.5 Uncompensated Care .....
12.6 Board of Directors Deadlock or Dispute .....
XIII. TRANSFER OF RIGHTS AND ADDITIONAL MEMBERS .....
13.1 Transfers by Members .....
13.2 Substituted Member .....
13.3 Additional Member .....
13.4 Basis Adjustment .....
13.5 Invalid Transfer .....
13.6 Distributions and Allocations in Respect of a Transferred Unit .....
13.7 Additional Requirements of Admission to Company .....
13.8 Amendment to Exhibit B .....
XIV. SPECIAL RIGHTS RELATING TO COMPANY INTERESTS .....
14.1 Right of First Refusal .....
14.2 Tag-Along Rights .....
14.3 SM/W Member Options to Purchase and Sell .....
14.4 LHP Member Option to Purchase (Call) Based on Sharing Percentages .....
14.5 SM/W Member Rights Upon LHP Parent Triggering Event .....
14.6 Appraised Value .....
XV. DISSOLUTION .....
15.1 Causes .....
XVI. WINDING UP AND TERMINATION .....
16.1 General .....
16.2 Court Appointment of Liquidator .....
16.3 Liquidation .....
16.4 Creation of Reserves .....
16.5 Final Statement .....
XVII. MISCELLANEOUS .....
17.1 Standard of Care of Board of Directors; Indemnification. .....
17.2 Notices .....
17.3 Governing Law; Venue .....

**TABLE OF CONTENTS**
(continued)

**Page**


17.4 Waiver of Trial by Jury.....
17.5 Successors and Assigns.....
17.6 Construction.....
17.7 Time.....
17.8 Waiver of Partition.....
17.9 Entire Agreement.....
17.10 Amendments.....
17.11 Severability.....
17.12 Gender and Number.....
17.13 Exhibits.....
17.14 Additional Documents.....
17.15 Headings.....
17.16 Counterparts.....

## EXHIBITS

Exhibit A – Allocations of Profit and Loss and Other Tax Matters
Exhibit B – Capital Contributions; Units; Sharing Percentages
Exhibit C – Conflict of Interest Policy
Exhibit D – Uncompensated Care Policy
Exhibit E– SM/W Member Option to Purchase
Exhibit F– SM/W Member Option to Sell
Exhibit G – LHP Member Option to Purchase (Call) Based on Sharing Percentages

**SECOND AMENDED AND RESTATED**
**OPERATING AGREEMENT**
**OF SOUTHWEST CONNECTICUT HEALTH SYSTEM, LLC**
**(a Connecticut Limited Liability Company)**

This Second Amended and Restated Operating Agreement of Southwest Connecticut Health System, LLC (the "Agreement") is entered into and effective as of the ___ day of _____, 2012, by and among **GREATER WATERBURY HEALTH NETWORK, INC.,** a Connecticut non-stock corporation ("GWNH"), **LHP SOUTHWEST CONNECTICUT, LLC**, a Delaware limited liability company ("LHP Sub"), and **SAINT MARY'S HEALTH SYSTEM, INC.**, a Connecticut non-stock corporation ("SMHS").

**WITNESSETH**

**WHEREAS**, Southwest Connecticut Health System, LLC, a Connecticut limited liability company (the "Company"), was formed by LHP Sub on March 29, 2012, and was initially governed by an Operating Agreement dated March 29, 2012 (the "Operating Agreement"); and

**WHEREAS**, pursuant to the terms, and subject to the conditions, of a certain Contribution and Sale Agreement dated as of _____ ___, 2012, among SMHS, the Company, LHP Hospital Group, Inc. ("LHP Parent"), and LHP Sub (the "SMHS Contribution Agreement"), (i) SMHS contributed to the capital of the Company certain assets in consideration for a 20% membership interest in the Company, and (ii) LHP Sub contributed to the Company cash in consideration for an 80% membership interest in the Company; and

**WHEREAS**, in connection with the consummation of the transactions contemplated by the SMHS Contribution Agreement, SMHS was admitted as an additional member of the Company, and SMHS and LHP Sub amended and restated the Operating Agreement in its entirety and entered into a certain Amended and Restated Operating Agreement of Southwest Connecticut Health System, LLC (the "First Amended Operating Agreement"); and

**WHEREAS**, pursuant to the terms, and subject to the conditions, of a certain Contribution Agreement dated as of _____ ___, 2012, among GWHN, the Company, LHP Parent, and LHP Sub (the "GWHN Contribution Agreement"), (i) GWHN has contributed to the capital of the Company certain assets in consideration for, among other things, a 10% membership interest in the Company, and (ii) LHP Sub has committed to contribute additional cash to the capital of the Company; and

**WHEREAS**, GWHN, LHP Sub, and SMHS desire to enhance and improve the delivery of cost effective, quality health care services in the Company's service area and to offer more services to an increased population more efficiently and cost effectively; and

**WHEREAS**, LHP Sub and SMHS desire to admit GWHN as an additional member of the Company in the manner contemplated by the GWHN Contribution Agreement; and

**WHEREAS**, GWHN, LHP Sub, and SMHS desire to amend and restate the First Amended Operating Agreement in its entirety in order to set forth their respective rights, responsibilities, and obligations with respect to the Company.

**NOW THEREFORE**, in consideration of the mutual promises, covenants, and undertakings hereinafter contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the First Amended Operating Agreement is hereby amended and restated in its entirety to read as follows:

**I. DEFINITIONS**. As used herein, including Exhibit A attached hereto, the following terms have the following meanings:

***1.1 "Act"*** means the Connecticut Limited Liability Company Act, Connecticut General Statutes Sections 34-100 to 34-242, inclusive, as amended from time to time.

***1.2 "Additional Member"*** means a Person who is admitted into the Company as a Member pursuant to the terms of Section 13.3 hereof.

***1.3 "Affiliate"*** means, with respect to any Member, (i) any Person that directly or indirectly controls, is controlled by, or is under common control with, such Member, (ii) any Person of which such Member owns fifty percent (50%) or more of the outstanding voting securities, (iii) any Person of which such Member is an officer, director, or general partner, or (iv) such Member's spouse, parent, sibling, child, or grandchild (whether any such relationship exists by reason of marriage, adoption, or otherwise). As used in this definition of "Affiliate," the term "control" means possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person whether through ownership of voting securities, by contract, or otherwise.

***1.4 "Affiliated Referring Providers"*** has the meaning set forth in Section 10.3 hereof.

***1.5 "Agreement"*** means this Second Amended and Restated Operating Agreement of Southwest Connecticut Health System, LLC, as from time to time amended pursuant to Section 17.10 hereof.

***1.6 "Appraised Value of the Units"*** has the meaning set forth in Section 14.6 hereof.

***1.7 "Approval of the Board" or "Approved by the Board"*** means the Approval of the SM/W Directors and the Approval of the LHP Directors. Stated differently, Approval of the Board shall be determined through "block voting," such that, in order to have been Approved by the Board, an action must have received both the Approval of the SM/W Directors and the Approval of the LHP Directors. Notwithstanding the foregoing, from and after either (i) the date upon which any SM/W Member sells, assigns, or transfers all or any portion of its Units to any Person other than a GWHN Affiliate, an SMHS Affiliate, or an LHP Affiliate or (ii) the first date upon which the Sharing Percentage of neither SM/W Member equals or exceeds ten percent (10%), "Approval of the Board" shall mean the vote, consent, or approval of not less than a simple majority of the Board of Directors. Any vote, consent, or approval that constitutes the Approval of the Board shall constitute the action of the Board.

***1.8 "Approval of the LHP Directors" or "Approved by the LHP Directors"*** means the vote, consent, or approval of not less than a majority of a quorum of the LHP Directors (with the amount constituting a quorum of the LHP Directors to be determined from time to time by the LHP Directors as described in Section 12.3).

***1.9 "Approval of the Members" or "Approved by the Members"*** means the vote, consent, or approval of Members that hold at least ninety-one percent (91%) of the Units issued and outstanding at the time the proposed Company action is being considered for approval. Any vote, consent, or approval that constitutes the Approval of the Members shall constitute the action of the Members.

***1.10 "Approval of the SM/W Directors" or "Approved by the SM/W Directors"*** means the vote, consent, or approval of not less than a majority of a quorum of the SM/W Directors (with the amount constituting a quorum of the SM/W Directors to be determined from time to time by the SM/W Directors as described in Section 12.3). Notwithstanding the foregoing, in the event that the SM/W Directors should be deadlocked with respect to the vote, consent, or approval of any issue that requires the Approval of the Board, a majority of a quorum of the SM/W Directors shall be deemed to have voted in favor of, consented to, or approved the course of action that received the Approval of the LHP Directors, such that the course of action that received the Approval of the LHP Directors shall also be deemed to have received the Approval of the SM/W Directors.

***1.11 "Articles"*** means the Articles of Organization of the Company, as amended from time to time.

***1.12 "Bankruptcy"*** means, as to any Member, the Member's taking or acquiescing to the taking of any action seeking relief under, or advantage of, any applicable debtor relief, liquidation, receivership, conservatorship, bankruptcy, moratorium, rearrangement, insolvency, reorganization, or similar law affecting the rights or remedies of creditors generally, as in effect from time to time, which is not vacated or stayed for one hundred twenty (120) days or, if stayed, for one hundred twenty (120) days after the expiration of the stay during which period the action is not vacated. For purposes of this definition, the term "acquiescing" shall include, without limitation, the failure to file within the time specified by law an answer or opposition to any proceeding against such Member under any such law and a failure to file, within thirty (30) days after its entry, a petition, answer, or motion to vacate or to discharge any order, judgment, or decree providing for any relief under any such law.

***1.13 "Board of Directors"*** has the meaning set forth in Section 12.1 hereof.

***1.14 "Board of Trustees"*** has the meaning set forth in Section 12.4 hereof.

***1.15 "Board Representatives"*** has the meaning set forth in Section 17.1 hereof.

***1.16 "Capital Account"*** has the meaning set forth in Section 4.3 hereof.

***1.17 "Capital Contribution"*** means, as to any Member, the aggregate amount of cash and the aggregate Agreed Value (as defined in Exhibit A attached hereto) of tangible or intangible property contributed to the Company by the Member (net of any liabilities secured by such property that the Company is considered to assume or take subject to Section 752 of the Code).

***1.18 "Code"*** means the Internal Revenue Code of 1986, as amended, or any successor thereto.

***1.19 "Company"*** means Southwest Connecticut Health System, LLC, a Connecticut limited liability company.

***1.20 "Company Purposes"*** has the meaning set forth in Section 3.3 hereof.

***1.21 "Competing Business"*** means any business that is located within the Restricted Area and offers services in competition with or similar to those offered by the Hospital, including without limitation any acute care hospital, specialty hospital, rehabilitation facility, diagnostic imaging center, inpatient or outpatient psychiatric facility, substance abuse facility, ambulatory or other type of surgery center, nursing home, skilled nursing facility, home health or hospice agency, or physician clinic or physician medical practice; provided, however, that any business that operates primarily to provide the GWHN Legacy Services shall not be deemed to be a Competing Business.

***1.22 "Consumer Price Index"*** means the Consumer Price Index for All Urban Consumers - All Items (1982-84=100), published by the United States Bureau of Labor Statistics. In the event that such Index is discontinued or is so changed as not to reflect substantially the same information as it does in 2011, then the index to be used for these computations shall be that index then published by the United States Bureau of Labor Statistics that most clearly reflects the increase or decrease in consumer prices for the periods in question.

***1.23 "Distributable Cash"*** means, with respect to the period in question, (i) the sum of (a) all cash receipts of the Company from all sources during such period (other than Capital Contributions and proceeds from loans to the Company) and (b) any reduction in Reserves established in prior periods, less (ii) the sum of (aa) all cash disbursements of the Company during such period, including without limitation, payments of debt service (including the payment of principal, premium, and interest), capital expenditures (other than capital expenditures funded with Capital Contributions and/or proceeds from loans to the Company), redemptions of Units in the Company pursuant to Section 736 of the Code, and disbursements by the Company on behalf of, or amounts withheld with respect to, Members of the Company in their capacity as Members, if any, (bb) provision for the payment of all outstanding and unpaid current or past due cash obligations of the Company, and (cc) Reserves.

***1.24 "GWHN"*** means Greater Waterbury Health Network, Inc., a Connecticut non-stock corporation.

***1.25 "GWHN Affiliate"*** means any Affiliate of the GWHN Member (other than a natural person).

***1.26 "GWHN Contribution Agreement"*** means that certain Contribution Agreement dated as of _____ __, 2012, by and among GWHN, the Company, LHP, and LHP Sub.

***1.27 "GWHN Directors"*** means the members of the Board of Directors elected or appointed from time to time by the GWHN Member.

***1.28 "GWHN Legacy Services"*** means the clinical services and programs being provided by GWHN or its affiliates as of the date of this Agreement that do not comply with the Catholic Directives (as defined in Section 3.5 hereof).

***1.29 "GWHN Member"*** means GWHN or any GWHN Affiliate who is a Member from time to time.

***1.30 "Hospital"*** means, collectively, The Waterbury Hospital, an acute care teaching hospital having 357 licensed beds, together with various parking facilities, medical office buildings, and other related health care assets, and Saint Mary's Hospital, a 347 licensed bed general acute care hospital, together with certain other related health care facilities and assets; provided, however, that, from and after the date upon which the Replacement Hospital begins operations, the term "Hospital" means the Replacement Hospital.

***1.31 "Joint Commission"*** means The Joint Commission, an independent, not-for-profit organization that accredits and certifies health care organizations and programs in the United States.

***1.32 "LHP Affiliate"*** means any Affiliate of an LHP Member (other than a natural person) or LHP Parent.

***1.33 "LHP Directors"*** means the members of the Board of Directors elected or appointed from time to time by the LHP Member.

***1.34 "LHP Member"*** means LHP Sub and any LHP Affiliate or Affiliates who are Members from time to time.

***1.35 "LHP Parent"*** means LHP Hospital Group, Inc., a Delaware corporation, and any successor in interest.

***1.36 "LHP Sub"*** means LHP Southwest Connecticut, LLC, a Delaware limited liability company, and any successor in interest.

***1.37 "LHP Sub Capital Contribution Promissory Note"*** means, as to LHP Sub, an interest-bearing promissory note in the principal amount of $108,000,000 contributed to the Company by LHP Sub concurrently with the execution of this Agreement.

***1.38 "Liability"*** has the meaning set forth in Section 17.1 hereof.

***1.39 "Liquidator"*** means the Person who liquidates the Company under Article XVI hereof.

***1.40 "Management Agreement"*** means the Management Agreement, of even date herewith, between the Manager or an Affiliate thereof and the Company.

***1.41 "Manager"*** means the manager of the Company, which initially shall be LHP Management Services, LLC, a Delaware limited liability company.

***1.42 "Material Dispute"*** means a dispute, disagreement, or difference of opinion between the SM/W Directors and the LHP Directors regarding any of the following items, as a result of which any such item fails to receive the Approval of the Board at two (2) consecutive meetings of the Board of Directors:

(i) The annual operating and capital budgets of the Company and any changes or amendments thereto;

(ii) Any proposal to add, modify, or terminate services at the Hospital; and

(iii) Any proposal to incur additional indebtedness having a principal amount in excess of $5,000,000 (other than debt that is specifically contemplated by the approved operating and capital budgets of the Company).

***1.43 "Member"*** means the GWHN Member or any GWHN Affiliate that becomes a Member, the LHP Member or any LHP Affiliate that becomes a Member, and the SMHS Member or any SMHS Affiliate that becomes a Member, and any Substituted Member or Additional Member, but excluding any Person who ceases to be a member of the Company pursuant to this Agreement. ***"Members"*** means, collectively, every Person who is a Member.

***1.44 "Non-Competition Period"*** means (i) with respect to the LHP Member, the period beginning upon the date of this Agreement and ending upon the date three (3) years after the LHP Member ceases to be a Member of the Company, (ii) with respect to the GWHN Member, the period beginning upon the date of this Agreement and ending upon the later to occur of (y) the fifth anniversary date of this Agreement or (z) the date three (3) years after the GWHN Member ceases to be a Member of the Company, and (iii) with respect to the SMHS Member, the period beginning upon the date of the First Amended Operating Agreement and ending upon the later to occur of (y) the fifth anniversary date of the First Amended Operating Agreement or (z) the date three (3) years after the SMHS Member ceases to be a Member of the Company.

***1.45 "Offeror"*** has the meaning set forth in Section 14.1 hereof.

***1.46 "Optional Capital Contribution"*** has the meaning set forth in Section 4.2(b) hereof.

***1.47 "Person"*** means any individual, partnership, corporation, trust, limited liability company, or other entity.

***1.48 "Replacement Hospital"*** has the meaning set forth in Section 3.1 hereof.

***1.49 "Reserves"*** means an amount of cash established by the Manager on a quarterly basis to be held in reserve, and not distributed, for reasonably anticipated cash expenses, including without limitation any material losses, liabilities, damages, or costs and expenses (including without limitation reasonable attorneys' fees and expenses) associated with any material contingent liability that the Company has suffered or is substantially likely to suffer or incur. In addition, Reserves includes amounts reasonably necessary to satisfy the budgeted capital needs of the Company, including without limitation those set forth in the capital budget of the Company. The policy of the Company shall be to maintain a maximum of ninety (90) days' cash on hand in addition to any other reasonable reserve levels that may be deemed appropriate.

***1.50 "Restricted Area"*** means the area located within a thirty-mile radius of the Hospital.

***1.51 "Right of First Refusal"*** has the meaning set forth in Section 14.1 hereof.

***1.52 "Selling Member"*** has the meaning set forth in Section 14.1 hereof.

***1.53 "Sharing Percentage"*** means, as to a Member, the percentage obtained by dividing the aggregate number of Units owned by such Member by the aggregate number of Units owned by all Members. The Members hereby agree that their Sharing Percentages shall constitute their "interests in the Company profits" for purposes of determining their respective shares of the Company's "excess nonrecourse liabilities" (within the meaning of Section 1.752-3(a)(3) of the Regulations). The Members' Sharing Percentages shall be subject to adjustment from time to time in accordance with the provisions of this Agreement.

***1.54 "SMHS"*** means Saint Mary's Health System, Inc., a Connecticut non-profit corporation.

***1.55 "SMHS Affiliate"*** means any Affiliate of the SMHS Member (other than a natural person).

***1.56 "SMHS Contribution Agreement"*** means that certain Contribution and Sale Agreement dated as of _____ __, 2012, by and among SMHS, the Company, LHP, and LHP Sub.

***1.57 "SMHS Directors"*** means the members of the Board of Directors elected or appointed from time to time by the SMHS Member.

***1.58 "SMHS Member"*** means SMHS or any SMHS Affiliate who is a Member from time to time.

***1.59 "SM/W Directors"*** means, collectively, the GWHN Directors and the SMHS Directors.

***1.60 "SM/W Members"*** means the GWHN Member and the SMHS Member.

***1.61 "Substituted Member"*** means any Person admitted to the Company as a Member pursuant to Section 13.2 hereof.

***1.62 "Standards"*** has the meaning set forth in Section 3.2 hereof.

***1.63 "Treasury Regulations" or "Regulations"*** means the regulations promulgated by the United States Department of the Treasury pursuant to and in respect of provisions of the Code. All references herein to sections of the Treasury Regulations or the Regulations shall include any corresponding provision or provisions of succeeding, similar, or substitute proposed, temporary, or final regulations.

***1.64 "Unit"*** means a unit of undivided membership interest in the Company. Such interest includes any and all rights to which the Member holding such interest may be entitled as provided in this Agreement, together with all obligations of such Member to comply with the terms and provisions of this Agreement. All of a Member's Units shall constitute such

Member's entire interest in the Company. The Company is authorized to issue fractional Units. Each Unit shall be deemed to have a value of $100,000.

**II. ORGANIZATION**.

***2.1 Formation.*** The Company has been formed pursuant to the Act by the filing of the Articles with the Secretary of the State of Connecticut on March 29, 2012. Except as stated in the Act or the Articles, this Agreement shall govern the rights and liabilities of the Members. Each Member's Capital Contribution and Sharing Percentage as of the date hereof are set forth on Exhibit B hereto.

***2.2 Name.*** The name of the Company is "Southwest Connecticut Health System, LLC" and the business of the Company shall be conducted under that name or such other name or names as may be Approved by the Board from time to time.

***2.3 Principal Office.*** The principal office of the Company shall be located at 2800 North Dallas Parkway, Suite 200, Plano, Texas 75093, or at such other place or places as the Board of Directors may from time to time determine.

***2.4 Term.*** The Company began on the date the Articles were filed with the Secretary of the State of Connecticut as provided in Section 2.1 hereof, and shall continue until the date on which the Company is dissolved pursuant to Article XV hereof and thereafter, to the extent provided for by applicable law, until wound up and terminated pursuant to Article XVI hereof.

***2.5 Registered Agent and Office.*** The registered agent of the Company shall be Corporation Service Company and the registered office of the Company shall be located at 50 Weston Street, Hartford, Connecticut 06120. The registered office or the registered agent, or both, may be changed by the Manager from time to time upon filing the notice required by the Act. The Company shall maintain at its registered office such records, if any, as may be specified by the Act.

***2.6 No State Law Partnership.*** The Members intend that the Company will not be a partnership, limited partnership, or joint venture, and that no Member will be a partner or joint venturer of any other Member, for any purposes other than federal and state tax purposes, and this Agreement shall not be construed to suggest otherwise.

***2.7 Appointment of Manager.*** The day-to-day operation of the business of the Company shall be managed by the Manager in accordance with the terms of this Agreement and the Management Agreement, subject to the ultimate authority and control of the Board of Directors as provided herein.

***2.8 Operation Through Subsidiaries***. The parties agree and acknowledge that the business of the Company may be conducted through one or more subsidiaries. Any such subsidiary shall be operated in accordance with the terms of this Agreement and no actions may be taken through a subsidiary of the Company that could not otherwise be taken by the Company.

## III. PURPOSES AND POWERS.

***3.1 Purposes.*** The purposes of the Company are (i) to own, manage, operate, lease, and/or take any other action in connection with owning and operating the Hospital; (ii) to provide efficient and cost-effective rendering of health care services for the benefit of health care consumers in the greater Waterbury, Connecticut, service area; (iii) to provide quality medical care at competitive charges; (iv) to develop, construct, and operate a new state-of-the-art general acute care hospital to replace Saint Mary's Hospital and The Waterbury Hospital, as more particularly described in the GWHN Contribution Agreement (the "Replacement Hospital"); (v) to acquire (through asset acquisition, stock acquisition, lease, or otherwise) and develop other property, both real and personal, in connection with providing health care related services, including without limitation general acute care hospitals, specialty care hospitals, diagnostic imaging centers, ambulatory surgery centers, nursing homes, clinics, home health care agencies, psychiatric facilities, physician practices, laboratories, and other health care providers; (vi) subject to the provisions of Section 3.5(a) hereof, generally to continue to provide the services and care provided by the Hospital as of the date hereof; (vii) to provide residency and graduate medical education programs; and (viii) generally to engage in such other business and activities and to do any and all other acts and things that the Board of Directors deems necessary, appropriate, or advisable from time to time in furtherance of the purposes of the Company as set forth in this Section 3.1, either directly or through its subsidiaries.

***3.2 Nature of the Business.***

***(a)*** In furtherance of the purposes of the Company described in Section 3.1, the Board of Directors and the Manager shall conduct the business and operations of the Company in such a manner as to satisfy the charitable purposes generally required of hospitals under Section 501(c)(3) of the Code and the community benefits standards set forth in Revenue Ruling 69-545 (collectively, the "Standards"), including without limitation (i) accepting all Medicare and Medicaid patients; (ii) accepting all patients in an emergency condition in the emergency room without regard to source of payment or the ability of such emergency patients to pay; (iii) maintaining an open medical staff; (iv) providing public health programs of educational benefit to the community; (v) generally promoting the health, wellness, and welfare of the community by providing quality health care at a reasonable cost; and (vi) adopting, implementing, and maintaining the uncompensated care policies Approved by the Board as described in Section 12.5 of this Agreement.

***(b)*** The Members hereby acknowledge and agree that the operations of the Company shall not be conducted in a manner solely designed to maximize profits. In the event there is a conflict between the operation of the Company in accordance with the Standards and any duty to maximize profits, the Board of Directors and the Manager shall satisfy the Standards without regard to the consequences for maximizing profitability of the Company.

***(c)*** The Company shall use reasonable efforts to operate its business in such a manner that the participation of the SM/W Members does not jeopardize their status as tax-exempt organizations described in Section 501(c)(3) of the Code. In the event that, in the reasonable opinion of outside legal counsel for the SM/W Members, or either of them, the manner in which the Company operates or the enactment, promulgation, or judicial or regulatory interpretation of any law or regulation would cause the continued participation of the SM/W

Members, or either of them, in the Company to jeopardize the tax-exempt status of the SM/W Members, or either of them, or result in the imposition of unrelated business income tax ("UBIT"), the Members shall enter into good faith negotiations to amend this Agreement or otherwise restructure the participation in the Company by the SM/W Members as necessary to prevent such result. To the maximum extent possible, any such amendment or restructuring shall preserve the underlying economic, financial, and governance arrangements between the Members. Notwithstanding any other provision herein to the contrary, each Member may elect to enter into (or not enter into) any such amendment or restructuring in its sole and absolute discretion. In the event that the parties cannot agree within 180 days to amend this Agreement or restructure the participation in the Company by the SM/W Members so that such participation no longer jeopardizes the tax-exempt status of the SM/W Members or results in the imposition of UBIT, each SM/W Member shall have the option to sell its Units in the Company to the LHP Member or its designee for a purchase price equal to the Appraised Value of the Units. Each SM/W Member may exercise this option individually and separately by giving written notice of such exercise to the LHP Member, but only if the Members cannot agree on the execution and delivery of such an amendment to this Agreement or restructuring of the participation in the Company by the SM/W Members as such SM/W Member reasonably believes, based upon the reasonable opinion of its outside legal counsel, is necessary to permit it to participate in the Company without jeopardizing its tax-exempt status or resulting in the imposition of UBIT.

***3.3 Powers.*** Subject to the limitations contained in this Agreement and in the Act, the Company purposes and nature of the business as defined in Sections 3.1 and 3.2 (the "Company Purposes") may be accomplished by the Manager or the Board of Directors taking any action permitted under this Agreement that is customary or reasonably related to accomplishing such Company Purposes. The Company Purposes shall be subject in all respects to changes in governmental law, policy, or regulation.

***3.4 Conflict of Interest Policy.*** The Board of Directors and the Manager shall cause the Company to adopt and maintain as its policies and practices concerning conflicts of interest the policies and practices attached as Exhibit C (or such new policies or practices as may be Approved by the Board).

***3.5 Mission.*** The Members acknowledge and agree that the Company's operations shall be conducted in conformity with the Ethical and Religious Directives for Catholic Healthcare Services, as promulgated from time to time by the United States Conference of Catholic Bishops and as interpreted by the Archbishop of Hartford as they apply to the provision of health care services (the "Catholic Directives"). In addition, for so long as SMHS maintains an ownership interest in the Company and the SMHS Member so requests, the Company agrees as follows:

***(a)*** To continue to operate the Hospital in accordance with the Catholic Directives and as interpreted by the Archbishop of Hartford as they apply to the provision of health care services and to cause the Hospital to comply in all respects with and observe the Catholic Directives;

***(b)*** To maintain a Pastoral Care Director, who shall be appointed by the Board, subject to the approvals required in Section 3.7 below. The name of the appointee shall be provided in writing to the then Archbishop of Hartford. The Pastoral Care Department shall

have staffing consistent with the size of the Hospital, the services of which will be made available to the Hospital's patients, their family members, health care professionals, and employees of all faiths and will be offered throughout the continuum of care provided by the Hospital;

***(c)*** Prior to the opening of the Replacement Hospital, to maintain at the current location of each of Saint Mary's Hospital and The Waterbury Hospital its existing chapel or a chapel substantially similar thereto that shall be maintained in at least its current condition, wear and tear only excepted;

***(d)*** Following the opening of the Replacement Hospital, to maintain at the Replacement Hospital (i) a chapel or similar space suitable for all faiths and (ii) a chapel for Catholic worship, that may incorporate the pews, statuary and other furnishings that are currently located in the Saint Mary's Hospital chapel but which shall not be otherwise furnished by the Company;

***(e)*** To cause the Hospital to continue to provide community benefit programs and services to improve access to health care services in its community and to improve the health status of the elderly, poor, immigrant, and other at-risk populations in such community, with such programs and services to include the provision of free care, mission and pastoral care programs, and community benefit programs consistent with the terms of this Agreement; and

***(f)*** To cause the Hospital to maintain an Ethics Committee with responsibility for the day-to-day monitoring of compliance with the Directives and other ethics-related matters, whose chairman shall be appointed by the Board, subject to the approvals required in Section 3.7 below. The name of the appointee shall be provided in writing to the then Archbishop of Hartford.

**3.6** ***Name of Hospital***. The name of the Hospital shall be determined, subject to the approvals required in Section 3.7 below, through a process led by a professional firm experienced in branding and naming in the health care industry that is engaged by the Company and has not previously performed work for any of GWHN, SMHS, LHP, or any Affiliate of any of them. Such process shall (i) include interviews with appropriate representatives of each of GWHN, SMHS, and LHP as well as members of the local community and members of the Hospital's active medical staff, (ii) take into account the history and traditions of both GWHN and SMHS, and (iii) otherwise be conducted in accordance with standards customary in engagements of this nature. Except as otherwise provided in Section 3.7 below, the name of the Hospital will not be "Saint Mary's Hospital" or "The Waterbury Hospital."

**3.7** ***Special Approval Requirements Respecting Certain Matters.*** Notwithstanding any other provision contained in this Agreement (including, without limitation, the provisions of Sections 1.7, 1.10, and 12.6 of this Agreement), the appointment of the Pastoral Care Director and the Chair of the Ethics Committee under Sections 3.5(b) and (f) above shall require the approval of a majority of a quorum of each of the GWHN Directors, the SMHS Directors, and the LHP Directors. In addition, and notwithstanding any other provision contained in this Agreement (including, without limitation, the provisions of Sections 1.7, 1.10, and 12.6 of this Agreement), the name of the Hospital shall be selected by the Board from a list of no more than ten (10) names generated through the naming process described in Section 3.6 above and shall

require the approval of a majority of a quorum of each of the GWHN Directors, the SMHS Directors, and the LHP Directors. In the event that no name appearing on such list of names receives the requisite approval at three (3) consecutive meetings of the Board of Directors, the parties agree that the name of the Hospital shall be "Saint Mary's/Waterbury Hospital."

## IV. CAPITAL CONTRIBUTIONS, CAPITAL ACCOUNTS, LOANS.

***4.1 Capital Contributions; Units.*** Prior to, or concurrently with, the execution of this Agreement, (i) each of the Members has contributed to the capital of the Company the amount listed as such Member's Capital Contribution on Exhibit B attached hereto, and (ii) in connection therewith, each Member has been issued the Units listed as such Member's Units on Exhibit B hereto. A portion of LHP Sub's Capital Contribution has been contributed in the form of the LHP Sub Capital Contribution Promissory Note. Exhibit B may be amended from time to time pursuant to Section 17.10 to reflect the making of Optional Capital Contributions by the Members, the admission of new Members, transfers of Units, and other appropriate revisions to the information set forth therein.

***4.2 Sources of Capital; Additional Capital Contributions.***

***(a)*** If at any time funds are required for any expenditure of the Company necessary for the operation of the Company and/or any expansion of the Company, including the development and construction of the Replacement Hospital, the Company shall obtain such funds from the following sources and in the following order of priority: (i) cash generated by the operations of the Company; (ii) payments made by LHP Sub on the LHP Sub Capital Contribution Promissory Note; (iii) loans from LHP Sub or any LHP Affiliate to the extent available and on terms mutually agreeable to LHP Sub and the Company; (iv) commercial loans from third parties on terms acceptable to the Company; and (v) Optional Capital Contributions made by the Members in accordance with the provisions of Section 4.2(b).

***(b)*** In the event that (i) funds are required for any expenditure of the Company necessary for the operation of the Company and/or any expansion of the Company, including the development and construction of the Replacement Hospital, (ii) the amount of such funds exceeds the sum of the cash generated by the operations of the Company and the amount of the LHP Sub Capital Contribution Promissory Note, and (iii) the Company has made commercially reasonable efforts to obtain the needed funds in the manner described in clauses (iii) and (iv) of Section 4.2(a) and has been unable to do so, the Manager, with the Approval of the Board, shall have the right to request that optional capital contributions ("Optional Capital Contributions") be made to the Company pro rata in accordance with the Members' respective Sharing Percentages. Except as otherwise provided in Section 4.2(c), if the Manager, with the Approval of the Board, makes a request for Optional Capital Contributions, no Member shall be required to make any such Optional Capital Contribution; provided, however, that (x) if any SM/W Member elects not to make all or any portion of an Optional Capital Contribution, the other SM/W Member shall have the right, but not the obligation, to contribute to the Company the amount of cash that the noncontributing SM/W Member failed to contribute; (y) if any SM/W Member elects not to make all or any portion of an Optional Capital Contribution and the other SM/W Member does not elect to contribute such amount (or the other SM/W Member elects to contribute such

amount and fails to do so), the LHP Member shall have the right, but not the obligation, to contribute to the Company the amount of cash that the noncontributing SM/W Member failed to contribute; and (z) if the LHP Member elects not to make all or any portion of an Optional Capital Contribution, the SM/W Members, or either of them, shall have the right, but not the obligation, to contribute to the Company the amount of cash that the noncontributing LHP Member failed to contribute in such proportions as the SM/W Members shall mutually agree. The Members shall have thirty (30) days after the Manager's request in which to make (or elect not to make) such Optional Capital Contributions. Each Member shall be issued additional Units in connection with the Optional Capital Contributions made by such Member pursuant to this Section 4.2(b) and 4.2(c), and the Members' respective Sharing Percentages shall be adjusted accordingly. Notwithstanding the foregoing, neither GWHN nor SMHS shall be subject to an adjustment in its Sharing Percentage in the event of a request for Optional Capital Contributions for the development or construction of the Replacement Hospital, it being recognized that each of GWHN's and SMHS' entire obligation to make capital contributions for such purposes has been satisfied.

***(c)*** Notwithstanding anything to the contrary contained in this Agreement, in the case of any request for Optional Capital Contributions (other than any such request made of GWHN or SMHS for the development or construction of the Replacement Hospital), any SM/W Member whose appointees to the Board of Directors actually voted in favor of, consented to, or approved the request for Optional Capital Contributions shall be required to either (i) make its respective pro rata share of such Optional Capital Contributions or (ii) secure the binding agreement of the other SM/W Member to make the respective pro rata shares of the Optional Capital Contributions of both SM/W Members.

***4.3 Capital Accounts.*** A Capital Account shall be established and maintained for each Member for the full term of this Agreement in accordance with the capital account maintenance rules of Section 1.704-1(b)(2)(iv) of the Regulations. Each Member shall have only one Capital Account, regardless of the number or classes of Units or other interests in the Company owned by such Member and regardless of the time or manner in which such Units or other interests were acquired by such Member. Pursuant to the basic capital account maintenance rules of Section 1.704-1(b)(2)(iv) of the Regulations, the balance of each Member's Capital Account shall be:

***(a)*** Increased by the amount of money contributed by such Member (or such Member's predecessor in interest) to the capital of the Company pursuant to this Article IV and decreased by the amount of money distributed to such Member (or such Member's predecessor in interest) pursuant to Articles VI and XVI hereof;

***(b)*** Increased by the fair market value of each property (determined without regard to Section 7701(g) of the Code) contributed by such Member (or such Member's predecessor in interest) to the capital of the Company pursuant to this Article IV (net of all liabilities secured by such property that the Company is considered to assume or take subject to under Section 752 of the Code) and decreased by the fair market value of each property (determined without regard to Section 7701(g) of the Code) distributed to such Member (or such Member's predecessor in interest) by the Company pursuant to Article VI or XVI hereof (net of all liabilities secured by such property that such Member is considered to assume or take subject to under Section 752 of the Code);

***(c)*** Increased by the amount of each item of Company profit allocated to such Member (or such Member's predecessor in interest) pursuant to Section 3.1 of Exhibit A hereto;

***(d)*** Decreased by the amount of each item of Company loss allocated to such Member (or such Member's predecessor in interest) pursuant to Section 3.1 of Exhibit A hereto; and

***(e)*** Otherwise adjusted as follows:

(i) Effective immediately prior to any "Revaluation Event" (as defined in Exhibit A hereto), the balances of all Members' Capital Accounts shall be adjusted to reflect the manner in which items of profit or loss, as computed for book purposes, equal to the "Unrealized Book Gain Or Loss" (as defined in Exhibit A hereto) then existing with respect to each Company property (to the extent not previously reflected in the Members' Capital Accounts) would be allocated among the Members pursuant to Section 3.1 of Exhibit A hereto if there were a taxable disposition of such property immediately prior to such Revaluation Event for its fair market value (as determined by the Manager taking Section 7701(g) of the Code into account);

(ii) With respect to items of Company profit and loss, the balances of all the Members' Capital Accounts shall be adjusted solely for allocations of such items, as computed for book purposes, under Section 3.1 of Exhibit A hereto and shall not be adjusted for allocations of correlative Tax Items under Section 3.2 of Exhibit A hereto;

(iii) Immediately before giving effect under Section 4.3(b) hereof to any adjustment attributable to the distribution of property to a Member, the balances of all the Members' Capital Accounts first shall be adjusted to reflect the manner in which items of profit or loss, as computed for book purposes, equal to the Unrealized Book Gain Or Loss existing with respect to the distributed property (to the extent not previously reflected in the Members' Capital Accounts) would be allocated among the Members pursuant to Section 3.1 of Exhibit A hereto if there were a taxable disposition of such property on the date of such distribution by the Company for its fair market value at the time of such distribution (as agreed to in writing by the Members) taking Section 7701(g) of the Code into account (i.e., such value shall not be agreed to be less than the amount of Nonrecourse Liabilities to which such property is subject); and

(iv) Upon the transfer of all or part of any Unit or other interest in the Company, the Capital Account of the transferor Member, to the extent attributable to the transferred interest, shall carry over to the transferee Member; provided, however, if the transfer causes the termination of the Company for federal income tax purposes under Section 708(b)(1)(B) of the Code, the Capital Account that carries over to the transferee Member shall be subject to adjustment in accordance with Section 4.3(e)(i) hereof in connection with the resulting constructive liquidation of the Company for federal income tax purpose.

***4.4 Additional Provisions Regarding Capital Accounts.***

***(a)*** If, with the Approval of the Board, a Member pays any Company indebtedness or forgives any Company indebtedness owing to such Member, such payment or forgiveness shall be treated as a cash contribution by that Member to the capital of the Company and the Capital Account of such Member shall be increased by the amount so paid by such

Member. No Member may, without the Approval of the Board, increase its Capital Account by paying any Company indebtedness or by forgiving any Company indebtedness owing to such Member.

***(b)*** Except as otherwise provided herein, no Member may contribute capital to, or withdraw capital from, the Company. To the extent any monies that any Member is entitled to receive pursuant to the Agreement would constitute a return of capital, each of the Members consents to the withdrawal of such capital.

***(c)*** A loan by a Member to the Company shall not be considered a contribution of money to the capital of the Company, and the balance of such Member's Capital Account shall not be increased by the amount so loaned. No repayment of principal or interest on any such loan, reimbursement made to a Member with respect to advances or other payments made by such Member on behalf of the Company, or payments of fees to a Member that are made by the Company shall be considered a return of capital or in any manner affect the balance of such Member's Capital Account.

***(d)*** No Member with a deficit balance in its Capital Account shall have any obligation to the Company or any other Member to restore such deficit balance. Furthermore, a deficit Capital Account balance of a Member shall not be deemed to be a liability of such Member or a Company asset or property. The provisions of this Section 4.4(d) shall not affect any Member's obligation to make Capital Contributions to the Company that are required to be made by such Member pursuant to this Agreement.

***(e)*** No interest shall be paid on any capital contributed to the Company or the balance in any Member's Capital Account.

***(f)*** All of the provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Regulations Section 1.704-l(b), and shall be interpreted and applied in a manner consistent with the Regulations. If the Board of Directors determines that it is prudent to modify the manner in which the Capital Accounts, or any debits or credits thereto (including, without limitation, debits or credits relating to liabilities that are secured by contributed or distributed property or that are assumed by the Company or any of the Members) are computed in order to comply with the Regulations, the Board of Directors may make such modifications, provided that such modifications are not likely to have a material effect on the amounts distributable to any Member from the Company. The Board of Directors shall also make appropriate modifications in the event that unanticipated events might otherwise cause this Agreement not to comply with Section 1.704-1(b) of the Regulations.

***4.5 Loans to the Company.*** The Company may borrow money from, among others, any Member on such terms and conditions as shall be agreed to by the Board of Directors and such Member; provided, however, that such terms and conditions shall be no less favorable to the Company than the terms and conditions that could be obtained by the Company in an arm's length transaction with an independent third-party. Any portion of a Member's loan to the Company then due shall be repayable out of the Company's excess cash, prior to any distribution of Distributable Cash. If any Member makes any loan or loans to the Company, the amount of any such loan shall not be treated as a contribution to the capital of the Company, but shall be a

debt due from the Company. None of the Members nor any of their Affiliates shall be obligated to loan money to the Company.

## V. ALLOCATIONS OF INCOME AND LOSSES.

All items of income or loss of the Company shall be allocated to the Members in accordance with the provisions of Exhibit A attached hereto, which is hereby incorporated by reference for all purposes of this Agreement, or as otherwise provided in this Agreement.

## VI. DISTRIBUTIONS.

***6.1 Distribution of Distributable Cash.*** Except as may be otherwise provided in Section 16.3 hereof, as may be otherwise determined by Approval of the Board, or as may be otherwise prohibited or required by applicable law, the Manager shall cause the Company to distribute Distributable Cash, to the extent available, to the Members from time to time, pro rata in accordance with their respective Sharing Percentages. The policy of the Company shall be to distribute Distributable Cash on a quarterly basis to the extent Distributable Cash exists. In the event that the GWHN Member has obtained a Shortfall Loan (as such term is defined in the GWHN Contribution Agreement) from the Company, and for so long as the amount of any principal and/or interest remains outstanding with respect to any such Shortfall Loan, all or a portion of the GWHN Member's pro rata share of any distribution of Distributable Cash shall be retained by the Company in repayment of such Shortfall Loan, and such Distributable Cash shall be deemed to have been distributed directly to the GWHN Member and then paid by the GWHN Member to the Company in repayment of such loan.

***6.2 Compensation or Reimbursement for Services.*** Authorized amounts payable as compensation or reimbursement to the Manager or to any Person other than in its capacity as a Member, such as for services rendered, goods purchased, or money borrowed, shall not be treated as a distribution for purposes of Section 6.1 hereof.

***6.3 Amounts Withheld.*** All amounts withheld pursuant to the Code or any provision of any state or local tax law with respect to any payment of taxes of Members or distribution to the Members shall be treated as amounts distributed to the Members pursuant to this Article VI for all purposes under this Agreement.

***6.4 Distributions in Kind.*** No Member shall have the right to demand or receive distributions of property other than cash. Except as provided in Article XVI hereof, distributions in kind of Company property shall be made only with the Approval of the Board and only at a value Approved by the Board. The Members' (and assignees') Capital Accounts shall be adjusted with respect to any such distribution in kind in accordance with the provisions of Article IV hereof and Exhibit A hereto.

***6.5 Restrictions on Distributions***. The foregoing provisions of this Article VI to the contrary notwithstanding, (a) no distribution of Distributable Cash shall be paid by the Company unless, after giving effect to the distribution, the Company will be able to pay its debts as they become due in the normal course of business and the Company's total assets are greater than the sum of the Company's total liabilities, excluding liabilities for which the recourse of creditors is limited to specified property of the Company, except that the fair value of property that is subject to a liability for which the recourse of creditors is limited shall be included in the assets of the

Company only to the extent that the fair value of the property exceeds that liability; and (b) no distribution shall be made if, and for so long as, such distribution would violate any contract or agreement to which the Company is then a party or any law, rule, regulation, order, or directive of any governmental authority then applicable to the Company.

## VII. BANK ACCOUNTS, BOOKS OF ACCOUNT, TAX COMPLIANCE, AND FISCAL YEAR.

***7.1 Bank Accounts; Investments.*** The Manager may (i) establish one or more bank accounts as provided in Section 8.1(f) hereof into which all Company funds shall be deposited or (ii) deposit Company funds in a central account established in the name of the Manager or an LHP Affiliate to the extent consistent with the terms and conditions of a separate written agreement between the Company and the Manager or a LHP Affiliate (a "Cash Management Agreement"), provided that detailed separate entries are made on the books and records of the Company and on the books and records of the Manager or such LHP Affiliate with respect to amounts received from the Company and deposited in such central account for the account of the Company. Except as otherwise provided in any applicable Cash Management Agreement, funds not immediately necessary in the Company's business may be invested in short-term debt obligations (including those issued by or guaranteed by federal or state governments and their agencies and certificates of deposit of commercial banks, savings banks, or savings and loan associations) and "money market" mutual funds or similar investments as determined by the Manager.

***7.2 Books and Records.*** The Company, whether through the Manager or otherwise, shall keep books of account and records relative to the Company's business. The books shall be prepared in accordance with generally accepted accounting principles using the accrual method of accounting. The accrual method of accounting shall also be used by the Company for income tax purposes. The Company shall also maintain books and records as required by Section 4.3 hereof and Exhibit A hereto. The Company's books and records shall at all times be maintained at the principal business office of the Company located in Connecticut and shall be available for inspection by the Members or their duly authorized representatives during regular business hours. The books and records shall be preserved for four (4) years after the completion of liquidation of the Company and the distribution of all of its assets or such other periods as may be required by law.

***7.3 Determination of Profit and Loss; Financial Statements.*** All items of Company income, expense, gain, loss, deduction, and credit shall be determined with respect to, and allocated in accordance with, this Agreement for each Member for each Company fiscal year. Within thirty (30) days after the end of each calendar month of Company operations, the Company shall prepare unaudited financial statements of the Company for the preceding calendar month, including, without limitation, a balance sheet, profit and loss statement, statement of cash flows, and statement of the balances in the Members' Capital Accounts, prepared in accordance with the terms of this Agreement and generally accepted accounting principles applied consistently with prior periods. In addition, the Company shall also prepare, within one hundred fifty (150) days after the end of each Company fiscal year, financial statements for the preceding fiscal year meeting the preceding specifications. All financial statements shall be available for inspection and copying during ordinary business hours at the reasonable request of any Member and will be furnished to any Member upon written request

therefor. Any Member may obtain, at such Member's expense, such other reports regarding the Company's operations and condition as such Member may reasonably request.

***7.4 Tax Returns and Information.*** The Members intend for the Company to be treated as a partnership for tax purposes, but not for any other purposes. The Company shall prepare or cause to be prepared all federal, state, and local income and other tax returns that the Company is required to file and shall furnish such returns to the Members, together with a copy of each Member's Form K-l and any other information that any Member may reasonably request relating to such returns, within the time required by law (including any applicable extension periods available under the Code). Notwithstanding anything to the contrary contained herein, the Company shall not elect to be treated as other than a partnership for federal income tax purposes without the prior Approval of the Board.

***7.5 Tax Audits.*** LHP Sub shall be the "tax matters partner" of the Company under Section 6231(a)(7) of the Code. LHP Sub shall inform the Members of all material matters that may come to its attention in its capacity as tax matters partner by giving the Members notice thereof within ten (10) days after becoming so informed. LHP Sub shall not take any action contemplated by Sections 6222 through 6230 of the Code unless LHP Sub has first given the Members notice of the contemplated action and received the Approval of the Members to the contemplated action. This provision is not intended to authorize LHP Sub to take any action that is left to the determination of an individual Member under Sections 6222 through 6232 of the Code.

***7.6 Fiscal Year.*** The Company's fiscal year shall be the calendar year.

***7.7 Audit of the Company***. During the first three fiscal years of the Company, and thereafter at the request of either Member made no later than thirty (30) days prior to the end of any fiscal year of the Company, the Company shall cause its financial statements for and as of the end of such fiscal year to be audited by certified public accountants selected by the Board of Directors.

## VIII. RIGHTS, OBLIGATIONS, AND INDEMNIFICATION OF THE MANAGER.

***8.1 Rights of the Manager.*** Except as otherwise set forth in the Act, the Articles, or this Agreement, the Board of Directors shall have overall oversight and ultimate authority over the affairs of the Company. Subject to this general principle, and subject to the limitations imposed upon the Manager in this Agreement (including, without limitation, Sections 8.3 and 8.4 and Article X hereof) and in the Management Agreement and to the fiduciary obligations and limitations imposed upon it at law (to the extent not modified herein or in the Articles) and by general principles of equity, the Manager shall manage the day-to-day operations of the Company and act on behalf of the Company pursuant to and in accordance with the terms of this Agreement and the Management Agreement. The Manager may take the following actions if, as, and when it deems any such action to be necessary, appropriate, or advisable, at the sole cost and expense of the Company, subject however in all respects to the limitations imposed on the Manager in this Agreement (including, without limitation, Sections 8.3 and 8.4 and Article X hereof) and the terms of the Management Agreement:

***(a)*** Acquire and enter into any contract of insurance on behalf of the Company that the Manager deems necessary and proper for the protection of the Company, for the

conservation of the Company's assets, or for any purpose convenient or beneficial to the Company;

***(b)*** Employ from time to time, on behalf of the Company, individuals (including employees of the Manager, the Members, or any of their Affiliates) on such terms and for such compensation as the Manager shall determine (but not in an amount that, based upon the scope of an individual employee's duties and responsibilities, would be considered (i) unreasonable or (ii) an "excess benefit transaction" as defined in Section 4958 of the Code and the Regulations thereunder);

***(c)*** Make decisions as to accounting principles and elections, whether for book or tax purposes (and such decisions may be different for each purpose, but if for book purposes such decisions must be consistent with generally accepted accounting principles and if for tax purposes such decisions must be consistent with the Code and the Regulations);

***(d)*** Set up or modify record keeping, billing, and accounts payable accounting systems;

***(e)*** Alienate, mortgage, pledge or otherwise encumber, sell, exchange, lease, or purchase real and/or personal property in fulfillment of the Company Purposes, in each case in the ordinary course of business to the extent not inconsistent with Section 8.3 hereof;

***(f)*** Open checking and savings accounts, in banks or similar financial institutions, in the name of the Company, and deposit cash in such accounts and withdraw cash from such accounts as required for the Company Purposes in the ordinary course of business;

***(g)*** Adjust, arbitrate, compromise, sue or defend, abandon, or otherwise deal with and settle any and all claims in favor of or against the Company, as the Manager shall, in its reasonable discretion, deem proper;

***(h)*** Enter into, make, perform, and carry out all types of contracts, leases, and other agreements, and amend, extend, or modify any contract, lease, or agreement at any time entered into by the Company, provided that each such contract, lease, or agreement is (i) the result of an arm's length transaction; (ii) representative of fair market value; and (iii) in the ordinary course of business;

***(i)*** Execute, on behalf of and in the name of the Company, any and all contracts, leases, agreements, instruments, notes, certificates, titles, or other documents to which the Company will be a party; and

***(j)*** Do all acts reasonably necessary to carry out the business for which the Company is formed (as described in Sections 3.1 and 3.2) as delegated by the Board of Directors under this Agreement and the Management Agreement.

***8.2 Rights to Rely on the Manager.*** No Person or governmental body dealing with the Company shall be required to inquire into, or to obtain any other documentation as to, the authority of the Manager to take any action permitted under Section 8.1 hereof. Furthermore, any Person or governmental body dealing with the Company may rely upon a certificate signed by the Manager as to the following:

***(a)*** The identity of the Manager or any Member;

***(b)*** The existence or nonexistence of any fact or facts that constitute a condition precedent to acts by the Manager or that are in any other manner germane to the affairs of the Company;

***(c)*** The Persons who are authorized to execute and deliver any instrument or document of the Company; or

***(d)*** Any act or failure to act by the Company on any other matter whatsoever involving the Company or any Member.

***8.3 Specific Limitations on the Manager.***

***(a)*** Notwithstanding anything to the contrary in the Management Agreement, this Agreement, the Act, or the Articles, without the Approval of the Board or a designated subset thereof, the Manager shall have no authority to do any of the following acts:

(i) Approving the annual operating and capital budgets of the Company and any material changes or amendments thereto;

(ii) Hiring or terminating the Company's or the Hospital's Chief Executive Officer; provided, however, that the termination of the Company's or the Hospital's Chief Executive Officer shall be approved only as provided in Section 10.4 hereof;

(iii) Establishing or changing the mission, values, or purposes of the Company or the philosophy according to which the Company shall operate;

(iv) Approving the annual strategic and business plans of the Company and the Hospital and any changes or amendments thereto;

(v) Adding, modifying, or discontinuing the provision of any material clinical services at the Hospital, or terminating or suspending any graduate medical education or physician residency program being offered at the Hospital;

(vi) Incurring any third-party indebtedness (other than debt that is specifically contemplated by the approved operating and capital budgets of the Company) if the principal amount of such indebtedness would exceed $5,000,000;

(vii) Subject to Section 12.5 of this Agreement, establishing, evaluating, or modifying the policies respecting the uncompensated care to be provided by the Hospital;

(viii) Waiving the covenant not to compete set forth in this Agreement; provided, however, that any waiver of the LHP Member's covenant not to compete shall be approved only upon the Approval of the SM/W Directors and any waiver of an SM/W Member's covenant not to compete shall be approved only upon the Approval of the LHP Directors;

(ix) Admitting any additional Members or issuing additional Units, except in accordance with the provisions of Article XIII hereof;

(x) Recognizing the transfer of a Member's interest in the Company, unless such transfer is in compliance with the provisions of Article XIII hereof;

(xi) Engaging in any merger, consolidation, share exchange, or reorganization of the Company, or sale of all or substantially all of the assets of the Company;

(xii) Acquiring or disposing of the Hospital or any other health care related facility and its related assets in a single transaction or series of related transactions;

(xiii) Entering into any new line of business, except in accordance with the terms of Article X;

(xiv) Entering into any contract to incur an obligation to repay borrowed money;

(xv) Requesting Optional Capital Contributions from the Members;

(xvi) Changing the general character of the business anticipated to be conducted by the Company on the date hereof (it being understood and agreed that such business is the development, ownership, and operation of health care related facilities and the delivery of health care services);

(xvii) Electing not to distribute Distributable Cash;

(xviii) Entering into or modifying any agreement, arrangement, or other business dealings between the Company and the LHP Member or any LHP Affiliate (including, without limitation, the Management Agreement) and taking any action (including the initiation of legal action) respecting enforcement of the Management Agreement with the Manager; provided, however, that such action shall be approved only upon the Approval of the SM/W Directors;

(xix) Entering into or modifying any agreement, arrangement, or other business dealings between the Company and the SMHS Member, any SMHS Affiliate, the GWHN Member, or any GWHN Affiliate; provided, however, that such action shall be approved only upon the Approval of the LHP Directors;

(xx) Selecting the accreditation body of the Hospital and making any changes thereto;

(xxi) Adjusting, arbitrating, compromising, or settling any material claims in favor of or against the Company, to the extent that such claims are not covered by the Company's insurance policies; and

(xxii) Adjusting, arbitrating, compromising, or settling any claims in favor of or against the Company by a Member or an Affiliate of a Member.

***(b)*** Notwithstanding anything to the contrary in this Agreement or the Act, without the Approval of the Members, the Manager shall have no right to do any of the following acts, each of which is considered outside the ordinary course of the Company's business:

(i) Amending this Agreement or the Articles, except as provided in Section 17.10 hereof;

(ii) Subject to Section 15.1(d) of this Agreement, dissolving or liquidating the Company at will;

(iii) Performing any act in contravention of this Agreement;

(iv) Changing or reorganizing the Company into any other legal form; or

(v) Knowingly performing any act that would subject any Member to liability as a general partner in any jurisdiction.

***8.4 Management Obligations of the Manager.*** Subject to the terms and conditions of the Management Agreement, the Manager shall devote such time to the business of the Company as may be necessary to fulfill the Company Purposes and manage and supervise the Company business and affairs. Except as otherwise set forth in this Agreement or the Management Agreement, the Manager shall not be precluded from contracting with or employing any Affiliate of a Member or a third party to provide management or other services to the Company at the expense of the Company.

***8.5 Compensation of the Manager.*** As its sole compensation and consideration for the performance of its duties and responsibilities as Manager, the Manager shall be entitled to receive a monthly management fee as set forth in the Management Agreement.

***8.6 Independent Activities.*** Except as provided in Section 10.1 hereof and in the Management Agreement, the Manager and any of its Affiliates may engage in or possess interests in other business ventures of every nature and description, independently and with others, whether such activities are competitive with the Company or otherwise, without having or incurring any obligation to offer any interest in such activities to the Company or any Member.

## IX. RIGHTS AND STATUS OF MEMBERS.

***9.1 General.*** Except to the extent expressly otherwise required by the Act or provided in this Agreement, the Members shall not take part in the management or control of the Company business, such powers being vested exclusively in the Board of Directors and the Manager as provided herein and in the Management Agreement.

***9.2 Limitation of Liability.*** No Member shall have any personal liability whatever, solely by reason of its status as a Member of the Company, whether to the Company, the Manager, another Member, or any creditor of the Company, for the debts of the Company or any of its losses beyond the amount of the Member's obligation to make capital contributions to the Company.

## X. SPECIAL RIGHTS AND COVENANTS OF THE MEMBERS.

***10.1 Covenant Not to Compete.***

***(a)*** In consideration of the premises and as a material inducement for the Members to enter into this Agreement and consummate the transactions contemplated by this Agreement, the GWHN Contribution Agreement, and the SMHS Contribution Agreement, each Member agrees that, during the Non-Competition Period, neither it nor its respective Affiliates will (other than through the Company), directly or indirectly, in any capacity, own, lease, manage, operate, control, maintain, pursue, or continue any interest whatsoever in any Competing Business except in accordance with this Section 10.1(a). Any Member desiring (or whose Affiliate desires) to directly or indirectly, in any capacity, own, manage, operate, control, maintain, pursue, or continue any interest whatsoever in any Competing Business shall provide the Company sixty (60) days prior written notice describing the proposed activity or service (including its location), and including a proposed plan of implementation and financing and any other information requested by the Board of Directors. In the event that the Board of Directors, after considering the proposed activity or service, do not vote within the sixty (60) day notice period to pursue the opportunity (and the Member that presents the opportunity or its representatives on the Board of Directors shall not have been the cause of the Company not pursuing the opportunity by voting "against" approval of the opportunity, abstaining from voting, or not voting), the Member that presents the opportunity or its respective Affiliates may pursue the opportunity.

***(b)*** Notwithstanding Section 10.1(a)s, GWHN, SMHS, and their Affiliates (i) may own stock in any publicly held corporation listed on a national securities exchange or whose stock is regularly traded in the over the counter market as long as such holding at no time exceeds five percent (5%) of the total outstanding stock of such corporation, and (ii) shall not be precluded from participating in activities that promote health care services for residents of the communities historically served by GWHN, SMHS, and their Affiliates through their respective health care facilities, including the following activities: development, ownership, and operation of indigent or charity care clinics and services; preventative care programs and services and educational programs; health screening services; and other similar services or programs intended to better serve the health care needs of the community's indigent population in the Restricted Area that are not directly competitive with services provided by the Company.

***10.2 Limitation.*** In the event of an actual or threatened breach by any Member of Section 10.1 hereof, the Company, acting through the non-breaching Members, shall be entitled to an injunction in any appropriate court in New Haven County, Connecticut, or elsewhere, restraining the actual or threatened breach by such Member. If a court shall hold that the duration and/or scope (geographic or otherwise) of the covenant contained in Section 10.1 hereof is unreasonable or otherwise unenforceable, then, to the extent permitted by law, the court may prescribe a duration and/or scope (geographic or otherwise) that is reasonable and judicially enforceable. The parties agree to accept such determination, subject to their rights of appeal, which the parties hereto agree shall be substituted in place of any and every offensive part of Section 10.1, and as so modified, Section 10.1 of this Agreement shall be as fully enforceable as if set forth herein by the parties in the modified form. Nothing herein stated shall be construed as prohibiting any party hereto from pursuing any other remedies available for such breach or threatened breach, including the recovery of damages. In the event of any breach of Section 10.1 by a Member and in addition to an injunction, the Company shall also be entitled to recover the net amount of fees and other compensation earned by a Member as a result of any such breach,

plus any other damages a court of competent jurisdiction may find appropriate. The time period set forth in Section 10.1 shall be tolled and suspended for a period of time equal to the aggregate period of time during which a Member violates such prohibitions in any respect.

***10.3 No Requirement to Refer.*** No provision of this Agreement, or the relationship between the parties created by this Agreement, is intended by the parties hereto to include an agreement or requirement that any physician who is affiliated with any Member (collectively referred to as the "Affiliated Referring Providers") utilize the services or otherwise direct patients to facilities owned or operated by the Company or its Affiliates or as an inducement to the Affiliated Referring Providers to make any such referral. Nothing in this Agreement shall be construed as prohibiting Affiliated Referring Providers from obtaining or maintaining medical staff membership at, or admitting patients to, health care facilities other than those health care facilities owned by the Company. The parties hereto agree that the benefits under this Agreement do not require, are not payment for, and are not in any way contingent upon, the admissions, referral, or other arrangement for the provision of any items or service reimbursed under Medicare, Medicaid, or any other state or federal health care program.

***10.4 Special Rights Regarding Termination of Chief Executive Officer***. Notwithstanding anything to the contrary in this Agreement, the SM/W Directors (by majority vote) shall have (i) the sole and exclusive right to terminate the Chief Executive Officer of the Company or Hospital due to the Chief Executive Officer's failure to ensure that the Company is operating consistently with the requirements of Section 3.2 and Section 3.5 hereof; and (ii) the unilateral, but not exclusive, right to terminate the Chief Executive Officer of the Company or Hospital for any other reason. Any action taken by the SM/W Directors pursuant to the preceding sentence shall be deemed to have been Approved by the Board for all purposes under this Agreement. The LHP Directors (by majority vote) shall have the unilateral, but not exclusive, right to terminate the Chief Executive Officer of the Company or Hospital for any reason other than the Chief Executive Officer's ensuring that the Company is operating consistently with the requirements of Section 3.2 and Section 3.5 hereof. Any action taken by the LHP Directors pursuant to the preceding sentence shall be deemed to have been Approved by the Board for all purposes under this Agreement. The SMHS Directors shall have the sole and exclusive right to determine whether the Facilities are being operated in accordance with the Directives.

***10.5 Special Rights Regarding Enforcement of Rights to Capital Contributions***. Notwithstanding anything to the contrary contained in this Agreement, in the event that LHP Sub should fail to make any payment under the LHP Sub Capital Contribution Promissory Note when requested by the Company in accordance with Section 4.2 of this Agreement, and such amount remains unpaid for ten (10) business days following receipt by LHP Sub of written notice of such failure to pay from the SM/W Directors (acting by majority vote) on behalf of the Company, the SM/W Directors (acting by majority vote) shall then have the sole and exclusive right to enforce the Company's rights against LHP Sub for such payment. Any action taken by the SM/W Directors pursuant to the preceding sentence shall be deemed to have been Approved by the Board for all purposes under this Agreement. Notwithstanding anything to the contrary contained in this Agreement, in the event that any SM/W Member is required to make an Optional Capital Contribution pursuant to the operation of the provisions of Section 4.2(c) of this Agreement, such SM/W Member fails to make any such Optional Capital Contribution, and such amount remains unpaid for ten (10) business days following receipt by such SM/W Member of

written notice of such failure to pay from the LHP Directors (acting by majority vote) on behalf of the Company, the LHP Directors (acting by majority vote) shall then have the sole and exclusive right to enforce the Company's rights against such SM/W Member for such payment. Any action taken by the LHP Directors pursuant to the preceding sentence shall be deemed to have been Approved by the Board for all purposes under this Agreement.

## XI. MEETINGS AND MEANS OF VOTING.

***11.1 Meetings of the Members.*** Meetings of the Members may be called by the Manager and shall be promptly called upon the written request of any one or more Members who own in the aggregate ten percent (10%) or more of the aggregate Units in the Company. The notice of a meeting shall state the nature of the business to be transacted at such meeting, and actions taken at any such meeting shall be limited to those matters specified in the notice of the meeting. Notice of any meeting shall be given to all Members not less than ten (10), and not more than thirty (30), days prior to the date of the meeting. Meetings of the Members shall be held at such place within the State of Connecticut as from time to time may be fixed by the Manager. If no place is fixed, meetings of the Members shall be held at the offices of the Company in Waterbury, Connecticut. Members may vote in person or by proxy at such meeting. Except as otherwise expressly provided in this Agreement or required by the express provisions of the Act, the Approval of the Members shall be the requisite vote of the Members that shall control all decisions for which the vote of the Members is required hereunder. Each Member's voting rights shall be the same as that Member's number of Units at the time of the vote. The presence of any Member at a meeting shall constitute a waiver of notice of the meeting with respect to such Member unless such Member attends the meeting for the sole purpose of objecting to the holding of such meeting. The Members may, at their election, participate in any regular or special meeting by means of conference telephone or similar communications equipment by means of which all Persons participating in the meeting can hear each other. A Member's participation in a meeting pursuant to the preceding sentence shall constitute presence in person at such meeting for all purposes of this Agreement.

***11.2 Vote By Proxy.*** Any Member may authorize any Person to act on the Member's behalf by proxy on all matters in which a Member is entitled to participate, whether by waiving notice of any meeting, or voting or participating at a meeting. Every proxy must be signed by the Member authorizing such proxy or such Member's attorney-in-fact. No proxy shall be valid after the expiration of eleven (11) months after the date thereof unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the Member executing it.

***11.3 Conduct of Meeting.*** Each meeting of Members shall be conducted by the Chairman of the Board of Directors or by a Person appointed by the Approval of the Board of Directors. The meeting shall be conducted pursuant to such rules as may be adopted by the Board of Directors or the Person appointed by the Approval of the Board for the conduct of the meeting.

***11.4 Action Without a Meeting.*** Notwithstanding anything to the contrary in this Agreement, any action that may be taken at a meeting of the Members may be taken without a meeting if a consent in writing setting forth the action so taken is Approved by the Members, which consent may be executed in multiple counterparts and by facsimile. In the event any action is taken pursuant to this Section 11.4, it shall not be necessary to comply with any notice

or timing requirements set forth in Sections 11.1 or 11.2 hereof. Prompt written notice of the taking of action without a meeting shall be given to the Members who have not consented in writing to such action.

***11.5 Closing of Transfer Record; Record Date.*** For the purpose of determining the Members entitled to notice of or to vote at any meeting of Members or any reconvening thereof or to act by consent, the Manager may provide that the transfer record shall be closed for at least ten (10) days immediately preceding such meeting (or such shorter time as may be reasonable in light of the period of the notice) or the first solicitation of consents in writing. If the transfer record is not closed and if no record date is fixed for determining the Members entitled to notice of or to vote at a meeting of Members or to act by consent, the date on which the notice of the meeting is mailed, or the first written consent is received by the Manager, shall be the record date for such determination.

## XII. BOARD OF DIRECTORS.

### *12.1 Board of Directors.*

***(a)*** Effective for all purposes on the date of this Agreement, the Members shall form a board of directors of the Company (the "Board of Directors") to have overall oversight and ultimate authority over the affairs of the Company, to consider those matters pertaining to the business of the Company for which Approval of the Board is required, and to provide oversight of the activities of the Manager and the Board of Trustees. The Board of Directors shall consist of twelve (12) members. Except as otherwise provided in this Section 12.1, three (3) members of the Board of Directors shall be elected or appointed by the GWHN Member (the members elected or appointed by the GWHN Member being referred to as the "GWHN Directors"), three (3) members shall be elected or appointed by the SMHS Member (the members elected or appointed by the SMHS Member being referred to as the "SMHS Directors"), and six (6) members shall be elected or appointed by the LHP Member (the members elected or appointed by the LHP Member being referred to as the "LHP Directors"). Prior to the date upon which the Replacement Hospital begins operations, one of the LHP Directors shall be a physician on the active medical staff of Saint Mary's Hospital and one of the LHP Directors shall be a physician on the active medical staff of The Waterbury Hospital. From and after the date upon which the Replacement Hospital begins operations, two of the LHP Directors shall be physicians on the active medical staff of the Replacement Hospital.

***(b)*** Notwithstanding the foregoing, during any period with respect to which the Sharing Percentage of either SM/W Member equals or exceeds 10%:

(i) In the event that the Sharing Percentage of an SM/W Member is reduced to less than six percent (6%) as a result of adjustments to the respective Sharing Percentages of the SM/W Members in accordance with Section 4.2(b) of this Agreement (the "Six Percent SM/W Member"), the Six Percent SM/W Member shall have the right to elect or appoint only two (2) members to the Board of Directors and the other SM/W Member shall have the right to elect or appoint four (4) members to the Board of Directors; and

(ii) In the event that the Sharing Percentage of an SM/W Member is reduced to less than three percent (3%) as a result of adjustments to the respective Sharing Percentages of the SM/W Members in accordance with Section 4.2(b) of this Agreement (the

"Three Percent SM/W Member"), the Three Percent SM/W Member shall have the right to elect or appoint only one (1) member to the Board of Directors and the other SM/W Member shall have the right to elect or appoint five (5) members to the Board of Directors.

***(c)*** Notwithstanding the foregoing, from and after either (y) the date upon which any SM/W Member sells, assigns, or transfers all or any portion of its Units to any Person other than a GWHN Affiliate, an SMHS Affiliate, or an LHP Affiliate or (z) the first date upon which the Sharing Percentage of neither SM/W Member equals or exceeds ten percent (10%):

(i) In the event that the aggregate Sharing Percentage of the SM/W Members is greater than ten percent (10%) but less than twenty percent (20%), the LHP Member shall have the right to elect or appoint eight (8) members to the Board of Directors, the GWHN Member shall have the right to elect or appoint two (2) members to the Board of Directors, and the SMHS Member shall have the right to elect or appoint two (2) members to the Board of Directors; and

(ii) In the event that the aggregate Sharing Percentage of the SM/W Members is ten percent (10%) or less, the LHP Member shall have the right to elect or appoint ten (10) members to the Board of Directors, the GWHN Member shall have the right to elect or appoint one (1) member to the Board of Directors, and the SMHS Member shall have the right to elect or appoint one (1) member to the Board of Directors.

***(d)*** Each individual selected to serve on the Board of Directors shall serve for a term of one (1), two (2), or three (3) years, at the discretion of the Member having the right to elect or appoint such individual, and thereafter until his successor is elected or appointed, unless he sooner resigns or is removed. A member of the Board of Directors may be removed at any time without cause only by that Member having the initial right to elect or appoint such individual. The unexpired term of a director who resigns or is removed shall be filled by an individual appointed only by the Member having the initial right to elect or appoint such individual to the Board of Directors.

***(e)*** The Chairman of the Board of Directors shall serve in such capacity for a term of three (3) years and shall preside over all meetings of the Board of Directors. The initial Chairman of the Board shall be the individual previously elected by the SMHS Directors who is serving as Chairman of the Board as of the date of this Agreement. At the expiration of the term of the initial Chairman of the Board, the GWHN Directors shall have the unilateral right to elect the next Chairman of the Board. Thereafter, the Chairman of the Board shall be elected by the Approval of the SW/M Directors. In the event that the Chairman of the Board resigns, is removed, or otherwise fails to complete his or her term as Chairman (such individual being referred to as the "Exiting Chairman"), the position of Chairman for the remainder of the term of the Exiting Chairman shall be filled by an individual elected in the same manner that the Exiting Chairman was elected.

***12.2 Manner of Exercise of Board of Directors' Authority.*** All responsibilities of the Board of Directors under this Agreement shall be exercised by the Board of Directors as a body, and no member of the Board of Directors, acting alone, shall have the authority to act on behalf of the Company or the Board of Directors. In no event shall the Board of Directors (or any member thereof) be deemed a manager under the Act or have the authority to act on behalf of, or

to bind in any way, the Company. The actions of the Board of Directors shall be carried out by the Manager as provided for in this Agreement and the Management Agreement.

***12.3 Meetings of the Board of Directors.*** The Board of Directors shall hold regular meetings on at least a quarterly basis. In addition, each member of the Board of Directors shall be available at all reasonable times to consult with other members of the Board of Directors on matters relating to the duties of the Board of Directors. Meetings of the Board of Directors shall be held at the call of the Manager, the Chairman of the Board of Directors, any two (2) GWHN Directors, any two (2) SMHS Directors, or any two (2) LHP Directors requesting such meeting through such Chairman, upon not less than ten (10) business days written or telephonic notice to the members of the Board of Directors, such notice specifying all matters to come before the Board of Directors for action at such meeting. The presence of any member of the Board of Directors at a meeting shall constitute a waiver of notice of the meeting with respect to such member unless such member attends the meeting for the sole purpose of objecting to the holding of such meeting. The members of the Board of Directors may, at their election, participate in any regular or special meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. A member's participation in a meeting pursuant to the preceding sentence shall constitute presence in person at such meeting for all purposes of this Agreement. Meetings of the Board of Directors shall be held at such place in Waterbury, Connecticut or another location within the State of Connecticut, as from time to time may be fixed by the Manager. If no place is so fixed, meetings of the Board of Directors shall be held at the offices of the Company in Waterbury, Connecticut. Except as otherwise herein provided, the SM/W Directors and the LHP Directors shall each as a class determine the number thereof that shall constitute a quorum of the members in such category (but in no event shall a quorum consist of fewer than two (2) directors in each category) and shall notify the members in the other category of such number. Except as otherwise herein provided, no action taken by a category of members of the Board of Directors at any meeting shall be valid unless a quorum for such category is present.

***12.4 Board of Trustees.*** Effective for all purposes as of the date of this Agreement, the Board of Directors shall form a board of trustees for the Hospital (the "Board of Trustees"). The Board of Directors shall have the authority to appoint additional or replacement Trustees to the Board of Trustees. The Board of Trustees shall consist of twelve (12) members, with at least six (6) of such members being physicians on the Hospital's active medical staff (the "Physician Members") and the remaining members being local community leaders. Prior to the date upon which the Replacement Hospital begins operations, at least three (3) of the Physician Members shall be physicians on the active medical staff of Saint Mary's Hospital and at least three (3) of the Physician Members shall be physicians on the active medical staff of The Waterbury Hospital. The Hospital's Chief Executive Officer shall be an *ex officio*, non-voting member of the Board of Trustees. Each individual selected to serve on the Board of Trustees shall serve for a term of one (1) year and thereafter until his successor is elected or appointed, unless he sooner resigns or is removed by the Approval of the Board. The Board of Trustees shall meet on a regular basis and have the following responsibilities: (a) participating in the adoption of a vision, mission, and values statement for the Hospital; (b) participating in development and review of operating and capital budgets and facility planning for the Hospital and advising the Board of Directors of the Company with respect to the same (it being understood that ultimate authority for budgets and planning resides with the Board of Directors); (c) participating in periodic evaluations of the Chief Executive Officer of the Hospital; (d) monitoring quality and

performance improvement at the Hospital and reporting to the Board of Directors of the Company with respect to the same; (e) granting medical staff privileges and, when necessary and with the advice of counsel, taking disciplinary action consistent with the Medical Staff Bylaws; (f) assuring medical staff compliance with Joint Commission requirements (with the advice of counsel); (g) supporting physician recruitment efforts; (h) fostering community relations and identifying service and educational opportunities; and (i) performing such other activities and duties as may be directed or delegated to it by the Board of Directors.

***12.5 Uncompensated Care.*** The Board of Directors shall adopt as its policy concerning uncompensated care, and shall cause the Company and the Hospital to abide by, the policy on uncompensated care attached as Exhibit D, as in effect on the date of this Agreement, or such other policies as may be Approved by the Board. The Company shall cause its facilities, including without limitation the Hospital, to participate in the Medicare and Medicaid programs. The Company shall cause the Hospital to treat any patient presented to the emergency room in accordance with the Standards. This covenant shall be subject in all respects to changes in governmental law, policy, or regulation.

***12.6 Board of Directors Deadlock or Dispute.*** It is the intention of the parties that the members of the Board of Directors will make a good faith effort to resolve any dispute, disagreement, or difference of opinion arising among the SM/W Directors and LHP Directors with respect to the Company or this Agreement, including any dispute, disagreement, or difference of opinion regarding a matter that constitutes a Material Dispute. In resolving any Material Dispute, the members of the Board of Directors shall act in accordance with the following procedures:

***(a)*** First, the SM/W Directors and the LHP Directors shall negotiate in good faith for a period of thirty (30) days in an effort to resolve the Material Dispute. If applicable to the nature of the Material Dispute, the Directors shall give priority to the fulfillment by the Company of the Standards and Section 3.2(b) hereof in reaching such resolution. The Board of Directors shall meet in Waterbury, Connecticut or such other location within the State of Connecticut as from time to time may be fixed by the Manager a minimum of three times during such period to attempt to resolve the Material Dispute and shall hold such meetings in person to the extent practicable.

***(b)*** In the event that, by the end of the 30-day period referred to in Section 12.6(a), the Material Dispute has not been resolved pursuant to the procedures set forth in Section 12.6(a), the Chief Executive Officer of GWHN, the Chief Executive Officer of LHP Parent, and the Chief Executive Officer of SMHS shall meet in Waterbury, Connecticut or such other location within the State of Connecticut as from time to time may be mutually agreed to attempt to resolve the Material Dispute and shall hold such meeting in person to the extent practicable. If the Material Dispute is still not resolved after such meeting(s), either category of Directors may invoke the Material Dispute resolution procedures set forth in this Section 12.6(b) by sending written notice to the other invoking the procedures of this Section 12.6(b). For a period of thirty (30) days following the receipt of such written notice, the SM/W Directors and the LHP Directors shall act in good faith to resolve the Material Dispute by mutually selecting, engaging, and meeting with an individual who will serve as a mediator for the purpose of resolving the Material Dispute. If applicable to the nature of the Material Dispute, the mediator shall give priority to the fulfillment by the Company of the Standards and Section 3.2(b) hereof

in reaching such resolution. The Members agree to participate in the mediation of the Material Dispute to its conclusion. The mediation shall be terminated by: (i) the execution of a settlement agreement or similar statement by the parties, (ii) a written declaration of the mediator that the mediation is terminated, or (iii) a written declaration by the parties following no fewer than five (5) full days of mediation to the effect that the mediation process is terminated. The mediator shall be disqualified as a witness, expert, or counsel for any party with respect to the Material Dispute and any related matters. The entire mediation process shall be confidential, and no conduct, statements, promises, offers, views, or opinions associated with the mediation process shall be discoverable or admissible in any legal proceeding for any purpose; provided, however, that evidence that is otherwise discoverable or admissible is not excluded from discovery or admission as a result of its use in the mediation. The Company shall pay the reasonable fees and related expenses of the facilitator or mediator.

***(c)*** In the event that, by the end of the 30-day period described in Section 12.6(b), the Material Dispute has not been resolved pursuant to the procedures set forth in Section 12.6(b), either category of Directors may elect to resort to binding arbitration for the purpose of resolving the Material Dispute by sending written notice to the other demanding binding arbitration under this Section 12.6(c). The binding arbitration shall be conducted by a single neutral arbitrator in accordance with the Commercial Arbitration Rules (the "Rules") of the American Arbitration Association (the "AAA"). The arbitrator shall be selected by the parties and shall have at least five years' experience in arbitrating commercial disputes. If the parties are unable to agree upon the selection of the arbitrator within 30 days of the date that notice of arbitration demand is given, the arbitrator shall be selected by the AAA in accordance with Section R-11 of the Rules. Any arbitration shall be conducted in accordance with the procedural and evidentiary rules of the Rules and shall be conducted in New Haven County, Connecticut, or such other venue as the parties may agree, and any judgment on the award rendered in such arbitration shall be entered in any state or federal court in Connecticut having jurisdiction. The prevailing party in any such arbitration proceeding as determined by the arbitrator shall be entitled to recover its reasonable attorneys' fees and costs. Nothing herein shall prohibit a party from seeking equitable relief in a court of law to maintain the status quo while an arbitration is pending hereunder. The parties agree that the arbitrator shall give priority to the fulfillment by the Company of the Standards and Section 3.2(b) hereof and shall not have the right to award punitive damages. No action or inaction by either category of Directors under any of the provisions of this Section 12.6 shall constitute any basis for granting or denying any relief sought by either category of Directors in any such arbitration.

***(d)*** Notwithstanding the foregoing, in the event the Board of Directors should be deadlocked with respect to the approval of an annual capital budget or an annual operating budget, the Manager shall have the right, power, and authority to make expenditures on behalf of the Company for budgeted items in amounts up to the following: (a) with respect to each item of operating expense other than taxes and insurance, an amount equal to the amount set forth in the most recent annual operating budget that has received the Approval of the Board, increased by the percentage increase, if any, in the Consumer Price Index for the period beginning on the date upon which such most recent annual operating budget received the Approval of the Board and ending on the first day of the fiscal year in which such expenditure is to be made; (b) with respect to each item relating to taxes and insurance, an amount equal to the amount of the actual expense incurred by the Company in respect of such item; and (c) with respect to each item of capital improvement or capital expenditure, an amount equal to the amount deemed reasonably

necessary by the Manager to preserve the safety of the Hospital, its patients, and other occupants, to avoid the suspension of any services provided by the Hospital, or to preserve the accreditation of the Hospital and its services. Notwithstanding the foregoing, if any emergency involving manifest danger to life or property exists with respect to which expenditures are necessary for the preservation or safety of the Hospital, for the safety of the patients and other occupants of the Hospital, or to avoid the suspension of any necessary service to the Hospital, such expenditures may be made by the Manager without the prior Approval of the Board. Nothing in this Section 12.6(d) shall authorize or empower the Manager to make a request for Optional Capital Contributions in contravention of Section 4.2 or to obligate the Members to contribute additional capital to the Company, nor shall the arbitrator, in resolving any dispute pursuant to Section 12.6(c), be empowered to order any Optional Capital Contributions by any Member as part of the resolution of any Material Dispute.

## XIII. TRANSFER OF RIGHTS AND ADDITIONAL MEMBERS.

***13.1 Transfers by Members.*** Except as otherwise set forth in this Section 13.1, a Member may not sell, assign (by operation of law or otherwise), transfer, pledge, or hypothecate all or any part of its interest in the Company (either directly or indirectly through the transfer of the power to control, or to direct or cause the direction of the management and policies of, such Member) without the Approval of the Board. If a Member receives the Approval of the Board, it may sell, assign, transfer, pledge, or hypothecate its interest in the Company if the following conditions are satisfied:

***(a)*** The sale, transfer, assignment, pledge, or hypothecation is with respect to one or more Units;

***(b)*** The Member and its transferee execute, acknowledge, and deliver to the Manager such instruments of transfer and assignment with respect to such transaction as are in form and substance satisfactory to the Manager;

***(c)*** Unless waived in writing by the Manager, the Member delivers to the Manager an opinion of counsel satisfactory to the Manager covering such securities and tax law issues and other aspects of the proposed transfer as the Manager may reasonably request;

***(d)*** The Member furnishes to the transferee a written statement showing the name and taxpayer identification number of the Company in such form and together with such other information as may be required under Section 6050K of the Code and the Regulations thereunder; and

***(e)*** The Member pays the Company a transfer fee that is sufficient to pay all reasonable expenses of the Company (which shall include any and all expenses of the Manager) in connection with such transaction.

Notwithstanding the foregoing restriction, the following shall not be deemed to violate the restrictions contained in this Section 13.1:

(w) transfers pursuant to Sections 14.1 and 14.2;

(x) the transfer by a Member to an Affiliate of such Member, to another Member, or to an Affiliate of such other Member;

(y) the transfer by a Member to any Person of the power to control, directly or indirectly, or to direct or cause, directly or indirectly, the direction of the management and policies of, such Member, whether through the ownership of voting securities, by contract, or otherwise; and

(z) the pledge, hypothecation, or use as a guaranty by a Member of its interest in the Company to a financial institution as collateral for loans or other indebtedness.

Any Member who thereafter sells, assigns, or otherwise transfers all or any portion of its interest in the Company shall promptly notify the Manager of such transfer and shall furnish to the Manager the name and address of the transferee and such other information as may be required under Section 6050K of the Code and the Regulations thereunder.

***13.2 Substituted Member.*** No Person taking or acquiring, by whatever means, the interest of any Member in the Company, except as provided in Section 13.1 hereof, shall be admitted as a Substituted Member without the Approval of the Board, which consent may be unreasonably withheld, and unless such Person:

***(a)*** Elects to become a Substituted Member by delivering notice of such election to the Company;

***(b)*** Executes, acknowledges, and delivers to the Company such other instruments as the Manager may deem necessary or advisable to effect the admission of such Person as a Substituted Member, including, without limitation, the written acceptance and adoption by such Person of the provisions of this Agreement; and

***(c)*** Pays a transfer fee to the Company in an amount sufficient to cover all reasonable expenses connected with the admission of such Person as a Substituted Member.

***13.3 Additional Member.*** The Company may not issue Units to any Person who will be a new Member without the Approval of the Board.

***13.4 Basis Adjustment.*** Upon the transfer of all or part of an interest in the Company, the Manager may, in its reasonable discretion, cause the Company to elect, pursuant to Section 754 of the Code or the corresponding provisions of subsequent law, to adjust the basis of the Company properties as provided by Sections 734 and 743 of the Code.

***13.5 Invalid Transfer.*** No transfer of an interest in the Company that is in violation of this Article XIII shall be valid or effective, and the Company shall not recognize any improper transfer for the purposes of making allocations, payments of profits, return of capital contributions, or other distributions with respect to such Company interest or part thereof. The Company may enforce the provisions of this Article XIII either directly or indirectly or through its agents by entering an appropriate stop transfer order on its books or otherwise refusing to register or transfer or permit the registration or transfer on its books of any proposed transfers not in accordance with this Article XIII.

***13.6 Distributions and Allocations in Respect of a Transferred Unit.*** If any Member sells, assigns, or transfers any part of its interest in the Company during any accounting period in compliance with the provisions of this Article XIII, Company income, gain, deductions, and losses attributable to such interest for the respective period shall be divided and allocated between the transferor and the transferee by taking into account their varying interests during the applicable accounting period in accordance with Section 706(d) of the Code. All Company distributions on or before the effective date of such transfer shall be made to the transferor, and all such Company distributions thereafter shall be made to the transferee. Solely for purposes of making Company tax allocations and distributions, the Company shall recognize a transfer on the day following the day of transfer. Neither the Company nor the Manager shall incur any liability for making Company allocations and distributions in accordance with the provisions of this Section 13.6, whether or not the Manager or the Company has knowledge of any transfer of any interest in the Company or part thereof where the transferee is not admitted as a Substituted Member.

***13.7 Additional Requirements of Admission to Company.*** The Manager shall not admit any Person as a Member if such admission (i) would have the effect of causing the Company to be reclassified for federal income tax purposes as an association (taxable as a corporation under the Code), (ii) would violate any Medicare or other health care law, rule, or regulation, (iii) would result in the exclusion of the Company from participation in any government insurance program, or (iv) would violate applicable exemptions from securities registration and securities disclosure provisions under federal and state securities laws.

***13.8 Amendment to Exhibit B.*** The Manager shall amend Exhibit B attached to this Agreement from time to time to reflect the admission of any Substituted Members or Additional Members or the termination of any Member's interest in the Company.

## XIV. SPECIAL RIGHTS RELATING TO COMPANY INTERESTS.

***14.1 Right of First Refusal.*** If any Member (the "Selling Member") receives or obtains a bona fide offer from an unrelated third party (the "Offeror") to acquire in any manner all or any part of its interest in the Company (the "Interest"), which offer the Member intends to accept, the Selling Member shall promptly notify the other Members in writing of the offer received, setting forth with specificity all of the material terms and conditions of the offer, including a copy of the offer, the name of the Offeror, the number of whole or partial Units or other securities offered to be purchased, the proposed purchase price, the financing terms, the expected date to consummate the proposed transaction, and the other terms and conditions of the offer (the "Offer"). In addition to the Tag-Along Right as described below, the other Members shall have the right (the "Right of First Refusal") for a period of sixty (60) days from the day they receive notice of the Offer to purchase the Interest on the same terms and conditions contained in the Offer, provided that for the purposes of this Agreement, any provisions in the Offer permitting or requiring payment of non-cash or non-promissory note consideration, any security therefor, and any ancillary agreements shall be null, void, and of no effect. The other Members may exercise such Right of First Refusal by notifying the Selling Member prior to the end of the sixty (60) day period of their intent to exercise such right. If the other Members fail to exercise the Right of First Refusal or indicate in writing that they will not exercise the Right of First Refusal within the period provided, or if the other Members exercise the Right of First Refusal but fail to effect the purchase within the period prescribed in the Offer, the Selling

Member may, subject to Section 14.2 hereof, convey or dispose of the Interest, but only to the Offeror and at the price, terms, and conditions set forth in the Offer. If terms and conditions more favorable to the Offeror than, or in any material manner different from, those offered to the other Members should be agreed to by the Selling Member, the other Members shall again have the right to purchase the Selling Member's interest in the Company subject to the more favorable or different purchase terms in accordance with this Section 14.1. The other Members may assign the rights in this Section 14.1 to the Company, in which event the Member's interest may be liquidated (rather than purchased) by the Company. The Members and the Company shall not be liable or accountable to any Selling Member that attempts to transfer its interest in the Company for any loss, damage, expense, cost, or liability resulting from the Members' exercise or failure to exercise the Right of First Refusal under this Section 14.1, delay in notifying the Selling Member of their intention not to exercise the Right of First Refusal, or enforcement of the requirements of this Section 14.1 in the event that they elect not to exercise the Right of First Refusal. A Member's failure to exercise the Right of First Refusal or to indicate in writing that it is electing not to exercise the Right of First Refusal shall not be deemed a consent of the Member to allow any third party transferee to become a Substituted Member, such consent being controlled by the provisions of Section 13.2 hereof. In the event that more than one Member exercises the Right of First Refusal granted by this Section 14.1, the Members so exercising shall purchase the Selling Member's Interest proportionately based upon their respective Sharing Percentages or as they otherwise may mutually agree.

***14.2 Tag-Along Rights.*** If at any time a Selling Member that holds a Sharing Percentage greater than fifty percent (50%) gives the notice required by Section 14.1 hereof in connection with an Offer to acquire in any manner all or any part of such Selling Member's interest in the Company, and the other Members do not exercise their Right of First Refusal (or assign such right to the Company) with respect to such Offer, the non-Selling Members shall have (in addition to the Right of First Refusal under Section 14.1 hereof) the right (the "Tag-Along Right") to require, as a condition to any sale or disposition to the Offeror, that the Offeror purchase from the non-Selling Members, at the same price and on the same terms and conditions as specified in the notice given pursuant to Section 14.1 hereof, all or a portion of the Units owned by the non-Selling Members, at the option of the non-Selling Members. The non-Selling Members shall have the Tag-Along Right described in this Section 14.2 for a period of ninety (90) days from the day they receive the notice required by Section 14.1 hereof, and in the event that a Member shall elect to exercise such Tag-Along Right, such Member shall communicate such election in writing to the Selling Member within such time period.

***14.3 SM/W Member Options to Purchase and Sell.*** Each of the SM/W Members shall have the right to purchase, and the LHP Member shall have the obligation to sell, a portion of the LHP Members' Units pursuant to the terms of the Option to Purchase attached hereto as Exhibit E. In addition, each of the SM/W Members shall have the right to sell, and the LHP Member shall have the obligation to purchase, the SM/W Members' Units pursuant to the terms of the Option to Sell attached hereto as Exhibit F.

***14.4 LHP Member Option to Purchase (Call) Based on Sharing Percentages.*** LHP shall have the right, pursuant to the terms of an Option to Purchase (Call) substantially in the form attached hereto as Exhibit G, to acquire the SM/W Member's Units under the following circumstances: (i) in the event that the aggregate Sharing Percentage of the SM/W Members is at any time less than ten percent (10%), the LHP Member shall have the right to acquire all of the

Units held by the SM/W Members; and (i) in the event that the Sharing Percentage of any SM/W Member is at any time less than five percent (5%), the LHP Member shall have the right to acquire the Units held by such SM/W Member.

***14.5 SM/W Member Rights Upon LHP Parent Triggering Event.***

***(a)*** In the event that a Triggering Event (as defined in Section 14.5(c)) occurs with respect to LHP Parent, the SM/W Members (or Affiliates thereof) shall have the right to purchase, and the LHP Member shall have the obligation to sell, all, but not less than all, of the Units held by the LHP Member in exchange for the payment in cash of a purchase price equal to the Appraised Value of the Units and otherwise in accordance with the provisions of this Section 14.5.

***(b)*** The LHP Member shall give the Company and the SM/W Members written notice of the occurrence of a Triggering Event (the "Triggering Event Notice") as soon as practicable, but in no event later than thirty (30) days after the Triggering Event has occurred. The LHP Member's failure to give the Triggering Event Notice shall not affect the SM/W Members' rights granted herein. The SM/W Members shall provide written notice (the "Election Notice") to the LHP Member and the Company of an election to exercise the option granted by this Section 14.5 no sooner than Trigger Date and no later than the date sixty (60) days following the Trigger Date. In the event that more than one SM/W Member exercises the rights granted by this Section 14.5, the SM/W Members so exercising shall purchase the LHP Member's Units proportionately based upon their respective Sharing Percentages or as they otherwise may mutually agree. If neither SM/W Member gives an Election Notice within the sixty (60) days following the Trigger Date, the option to purchase granted by this Section 14.5 shall lapse. The closing of the purchase and sale of the LHP Member's Units to the SM/W Member(s) shall be held at a mutually acceptable place on a mutually acceptable date not more than one hundred twenty (120) days after the date on which the Election Notice is received by the LHP Member (unless such other date or time is agreed to by the parties). The SM/W Member(s) shall make payment to the LHP Member for the Units being purchased by delivering immediately available funds to an account designated by the LHP Member in the full amount of the purchase price applicable to the Units. The LHP Member shall transfer to the SM/W Member(s) all, but not less than all, of the Units being sold, free and clear of all claims, liabilities, options, pledges, or other encumbrances of any kind (other than those arising under the Agreement).

***(c)*** For purposes of this Section 14.5, the following terms shall have the meanings indicated:

(i) "Appraised Value of the Units" shall have the meaning set forth in Section 14.6.

(ii) A "Leadership Change" shall have occurred if, at any time within six (6) months following an Ownership Change, (i) fewer than fifty percent (50%) of the members of the Board of Directors of LHP Parent who are not representatives of the financial sponsors or management of LHP Parent on the date of such Ownership Change continue to serve in such capacity (excluding for this purpose any director who fails to serve in such capacity as the result of death, disability, or retirement) and (ii) fewer than fifty percent (50%) of the officers of LHP Parent at the level of Executive Vice President or higher on the date of such Ownership

Change continue to serve in such capacity (excluding for this purpose any officer who fails to serve in such capacity as the result of death, disability, or retirement).

(iii) An "Ownership Change" shall have occurred if at any time (y) any Person other than one or more Permitted Holders is or becomes the beneficial owner, directly or indirectly, of more than 35% of the total voting power of the equity interests of LHP Parent and (z) the Permitted Holders beneficially own, directly or indirectly and in the aggregate, a lesser percentage of the total voting power of the equity interests of LHP Parent than such other Person.

(iv) "Permitted Holders" shall mean CCMP Capital Advisors, LLC, CPP Investment Board, any person who is a member of the Board of Directors of LHP Parent as of the date of an Ownership Change, any person who is an officer of LHP Parent as of the date of an Ownership Change, and any Affiliate of any of them (including for this purpose any investment fund under the management of any of them).

(v) "Trigger Date" shall mean the first anniversary of the date of the Triggering Event in question.

(vi) A "Triggering Event" shall have occurred if LHP Parent experiences a Leadership Change.

***14.6 Appraised Value***.

***(a)*** The Appraised Value of the Units of a Member shall be the product determined by multiplying (i) the Appraised Fair Market Value of the Company (hereinafter defined), times (ii) the applicable Member's Sharing Percentage. For purposes of this Agreement, the term "Appraised Fair Market Value of the Company" shall mean the fair market value of the Company, as determined below.

***(b)*** The LHP Member and the SM/W Members shall negotiate in good faith with one another following the Trigger Date to determine the Appraised Fair Market Value of the Company. The LHP Member and the SM/W Members agree to use their best efforts to negotiate an agreed upon Appraised Fair Market Value of the Company. If the LHP Member and the SM/W Members reach an agreement as to the Appraised Fair Market Value of the Company, then the Appraised Fair Market Value of the Company shall be the amount determined by the LHP Member and the SM/W Members. If only one SM/W Member exercises the rights granted by this Section 14.5, only such exercising SM/W Member shall have the right to participate in the process outlined in this Section 14.6 respecting the determination of the Appraised Fair Market Value of the Company.

***(c)*** If the LHP Member and the SM/W Member are unable to agree upon the Appraised Fair Market Value of a Company within thirty (30) days following the Trigger Date, then either group of Members (i.e., the SM/W Members or the LHP Member) may notify the other group of Members that it is initiating the Appraisal Process (herein so called) described below (or such other appraisal process upon which the parties may mutually agree in writing within ten (10) days of the date on which either party has initiated the appraisal process (the "Alternate Appraisal Process")). If either the LHP Member or the SM/W Members shall have initiated the Appraisal Process (and the parties shall not have agreed in writing to an Alternate Appraisal Process within ten (10) days), then the LHP Member and the SM/W Members shall

each engage a Qualified Appraiser (collectively, the "Initial Appraisers" and individually, an "Initial Appraiser") within twenty (20) days after the date upon which the party received notice that the other party's intent to initiate the Appraisal Process (the "Initiation Date"). In the event that both SM/W Members are participating in the process outlined in this Section 14.6 but cannot agree upon the identity of the SM/W Initial Appraiser within twenty (20) days after the Initiation Date, the LHP Member's Initial Appraiser shall select and engage the Initial Appraiser on behalf of the SM/W Members. The LHP Member and the SM/W Members also shall engage jointly one additional Qualified Appraiser that is mutually acceptable to the parties (the "Third Appraiser"; the Initial Appraisers and the Third Appraiser are referred to collectively as the "Appraisers"). If the parties cannot agree upon the identity of the Third Appraiser within twenty (20) days after the Initiation Date, the parties shall direct the Initial Appraisers to select and engage the Third Appraiser on behalf of the parties. Each of the LHP Member and the SM/W Members shall pay the fees and expenses of its respective Appraiser, and the fees and expenses of the Third Appraiser shall be shared equally by the LHP Member and the SM/W Members. For purposes of this Agreement, the term "Qualified Appraiser" shall mean an independent, third party, nationally recognized investment bank or MAI-certified appraiser who (i) is experienced in the valuation of health care entities comparable to the Company and (ii) has, within the twenty-four (24) month period preceding the date of the Election Notice, delivered appraisals and/or fairness opinions, on a going concern basis, in connection with at least three (3) other transactions involving the sales of hospitals. The Appraisers so selected shall each then conduct an appraisal to determine the Appraised Fair Market Value of the Company (i) on a going concern basis, (ii) using valuation techniques then customary and accepted in the industry, (iii) using performance information respecting the Hospital that is acceptable to the LHP Member and the SM/W Members and that has been supplied to each of the Appraisers, (iv) viewing the enterprise of the Company as a whole, (v) taking into account the future prospects of the Hospital, and (vi) assuming that the Company were to be sold on a stand-alone basis (and not as a part of a portfolio sale). Each Appraiser's determination of the Appraised Fair Market Value of the Company (individually, a "Valuation" and collectively, the "Valuations") shall be expressed as a single value rather than a range of values. Each group of Members shall cause the Initial Appraiser engaged by it to submit such Initial Appraiser's sealed Valuation to the other group of Members within sixty (60) days of the Initiation Date, and both groups of Members shall use their reasonable best efforts to cause the Third Appraiser to submit its sealed Valuation to both groups of Members within such period. Once the LHP Member and the SM/W Members have received from all three Appraisers their respective Valuations, the Appraised Fair Market Value of the Company shall be determined based upon the Valuations as follows:

(i) if the three Valuations are within five percent (5%) of another (i.e., if each of the highest Valuation and the middle Valuation is no greater than 1.05 times the lowest Valuation), the Appraised Fair Market Value of the Company shall be the average of all three Valuations;

(ii) if subsection (i) above is inapplicable and two Valuations are within five percent (5%) of one another (i.e., if the higher of such two Valuations is no greater than 1.05 times the lower of such two Valuations), the Appraised Fair Market Value of the Company shall be the average of such two Valuations;

(iii) if subsections (i) and (ii) above are inapplicable and the three Valuations are within ten percent (10%) of one another (i.e., if each of the highest Valuation and the middle

Valuation is no greater than 1.10 times the lowest Valuation), the Appraised Fair Market Value of the Company shall be the average of all three Valuations;

(iv) if subsections (i) through (iii) above are inapplicable and two Valuations are within ten percent (10%) of one another (i.e., if the higher of such two Valuations is no greater than 1.10 times the lower of such two Valuations), the Appraised Fair Market Value of the Company shall be the average of such two Valuations;

(v) if subsections (i) through (iv) above are inapplicable and the three Valuations are within twenty percent (20%) of one another (i.e., if each of the highest Valuation and the middle Valuation is no greater than 1.20 times the lowest Valuation), the Appraised Fair Market Value of the Company shall be the average of all three Valuations;

(vi) if subsections (i) through (v) above are inapplicable and two Valuations are within twenty percent (20%) of one another (i.e., if the higher of such two Valuations is no greater than 1.20 times the lower of such two Valuations), the Appraised Fair Market Value of the Company shall be the average of such two Valuations; and

(vii) if subsections (i) through (vi) above are inapplicable, the Appraised Fair Market Value of the Company shall be the average of all three Valuations.

## XV. DISSOLUTION.

***15.1 Causes.*** Each Member expressly waives any right that it might otherwise have to dissolve the Company except as set forth in this Article XV. The Company shall be dissolved upon the first to occur of the following:

***(a)*** The Approval by the Members of an instrument dissolving the Company;

***(b)*** The dissolution of the Company by judicial decree;

***(c)*** The Approval of the Board of the dissolution of the Company after having determined that a rule, ordinance, regulation, statute, or government pronouncement has or may be enacted that would make any material aspect of this Agreement or the activities conducted by the Company unlawful or eliminate or substantially reduce, either directly or indirectly, the benefits that would accrue to the Members with respect to continuing the Company's business operations; provided, however, that the Members agree to first use their best efforts to restructure the Company in such a manner that will avoid the unlawful or adverse effect and, to the extent practicable, preserve the existing financial and business relationships among them; or

***(d)*** A decision Approved by the SM/W Directors that the Company is not being operated in a manner consistent with the Standards, but only after the SM/W Directors shall have provided the Manager and the LHP Directors with written notice of such operational deficiencies and such operational deficiencies have continued for a period of ninety (90) days after such written notice, or in the event of an operational deficiency that cannot reasonably be cured within such ninety (90)-day period, the Manager and the LHP Directors shall fail to commence a cure within such ninety (90)-day period or shall fail thereafter diligently and in good faith to pursue such cure to completion (the time for cure in any event not to exceed one hundred eighty (180) days after such written notice).

Nothing contained in this Section 15.1 is intended to grant to any Member the right to dissolve the Company at will (by retirement, resignation, withdrawal, or otherwise) or to exonerate any Member from liability to the Company and the remaining Members if it dissolves the Company at will. Any dissolution at will of the Company shall be in contravention of this Agreement for purposes of the Act.

## XVI. WINDING UP AND TERMINATION.

***16.1 General.*** If the Company is dissolved and is not reconstituted, the Manager (or in the event that the Manager has withdrawn as Manager, a Liquidator or liquidating committee Approved by the Members) shall file articles of dissolution with Secretary of the State of Connecticut and commence to wind up the affairs of the Company and to liquidate and sell the Company's assets. The party or parties actually conducting such liquidation in accordance with the foregoing sentence, whether the Manager, a liquidator, or a liquidating committee, is herein referred to as the "Liquidator." The Liquidator (if other than the Manager) shall have sufficient business expertise and competence to conduct the winding up and termination of the Company and, in the course thereof, to cause the Company to perform any contracts to which the Company is or thereafter becomes a party. The Liquidator shall have full right and unlimited discretion to determine the time, manner, and terms of any sale or sales of Company property under such liquidation, having due regard for the activity and condition of the relevant market and general financial and economic conditions. The Liquidator (if other than the Manager) appointed as provided herein shall be entitled to receive such reasonable compensation for its services as shall be agreed upon by the Liquidator and Approved by the Members. If the Manager serves as the Liquidator, the Manager shall not be entitled to receive any fee for carrying out the duties of the Liquidator. The Liquidator (if other than the Manager) may resign at any time by giving fifteen (15) days prior written notice and may be removed at any time, with or without cause, by written notice Approved by the Members. Upon the death, dissolution, removal, or resignation of the Liquidator, a successor and substitute Liquidator (who shall have and succeed to all the rights, powers, and duties of the original Liquidator) will, within thirty (30) days thereafter, be appointed by Approval of the Members, evidenced by written appointment and acceptance. The right to appoint a successor or substitute Liquidator in the manner provided herein shall be recurring and continuing for so long as the functions and services of the Liquidator are authorized to continue under the provisions hereof, and every reference herein to the Liquidator will be deemed to refer also to any such successor or substitute Liquidator appointed in the manner herein provided. The Liquidator shall have and may exercise, without further authorization or consent of any of the parties hereto or their legal representatives or successors in interest, all of the powers conferred upon the Manager under the terms of this Agreement to the extent necessary or desirable in the good faith judgment of the Liquidator to perform its duties and functions. The Liquidator (if other than the Manager) shall not be liable to the Members except to the extent provided in the Act and shall, while acting in such capacity on behalf of the Company, be entitled to the indemnification rights set forth in Section 17.1 hereof.

***16.2 Court Appointment of Liquidator.*** If the Manager does not serve as the Liquidator and, within ninety (90) days following the date of dissolution or other time provided in Section 16.1 hereof, a Liquidator or successor Liquidator has not been appointed in the manner provided therein, any interested party shall have the right to make application to any United States Federal District Judge (in his individual and not judicial capacity) for the District of Connecticut for appointment of a Liquidator or successor Liquidator, and the Judge, acting as

an individual and not in his judicial capacity, shall be fully authorized and empowered to appoint and designate a Liquidator or successor Liquidator who shall have all the powers, duties, rights, and authority of the Liquidator herein provided.

***16.3 Liquidation.*** The Liquidator shall give all notices to creditors of the Company and shall make all publications required by the Act. In the course of winding up and terminating the business and affairs of the Company, the assets of the Company (other than cash) shall be sold or distributed in kind to the Members, in the reasonable discretion of the Liquidator, its liabilities and obligations to creditors (including any Members who made loans to the Company as provided in Section 4.5 hereof) and all expenses incurred in its liquidation shall be paid, and all resulting items of Company income, gain, loss, or deduction shall be credited or charged to the Capital Accounts of the Members in accordance with Article V hereof. The fair market value of any assets of the Company distributed in kind to the Members shall be determined by an independent appraiser chosen by the Approval of the Board. Any distribution in kind need not be made on a pro rata basis so long as the value of the assets and cash (if any) distributed to each Member is in compliance with this Article XVI. All Company assets (except to the extent reserves have been established pursuant to Section 16.4 hereof) shall be distributed among all Members having positive Capital Account balances (as determined after giving effect to all adjustments attributable to allocations of items of profit and loss realized by the Company during the fiscal year in question (including items of profit and loss realized on the liquidation) and all adjustments attributable to contributions and distributions of money and property effected prior to such distribution), pro rata in accordance with such positive Capital Account balances. This distribution shall be made no later than the end of the fiscal year during which the Company is liquidated (or, if later, ninety (90) days after the date on which the Company is liquidated). Upon the completion of the liquidation of the Company and the distribution of all the Company assets, the Company shall terminate. In the discretion of the Liquidator, a pro rata portion of the distributions that would otherwise be made to the Members may instead be distributed to a trust established for the benefit of the Members for the purposes of liquidating Company property, collecting amounts owed to the Company, and paying any contingent or unforeseen liabilities or obligations of the Company or of the Members arising out of or in connection with the Company. The assets of any such trust shall be distributed to the Members from time to time, in the reasonable discretion of the Liquidator, in the same proportions as the amount distributed to such trust by the Company would otherwise have been distributed to the Members pursuant to this Agreement.

***16.4 Creation of Reserves.*** After making payment or provision for payment of all debts and liabilities of the Company and all expenses of liquidation, the Liquidator may set up such cash reserves as the Liquidator may deem reasonably necessary for any contingent or unforeseen liabilities or obligations of the Company.

***16.5 Final Statement.*** Within a reasonable time following the completion of the liquidation, the Liquidator shall supply to each of the Members a statement that shall set forth the assets and the liabilities of the Company as of the date of complete liquidation, each Member's pro rata portion of distributions under Section 16.3 hereof, and the amount retained as reserves by the Liquidator under Section 16.4 hereof.

## XVII. MISCELLANEOUS.

### *17.1 Standard of Care of Board of Directors; Indemnification.*

***(a)*** The members of the Board of Directors or the Board of Trustees (the "Board Representatives") shall not be liable, responsible, or accountable in damages to any Member or the Company for any act or omission on behalf of the Company performed or omitted by them in good faith, with the care an ordinary prudent person in like position would exercise under similar circumstances, and in a manner reasonably believed by them to be in the best interests of the Company and, in the case of a criminal proceeding, without reasonable cause to believe that the conduct was unlawful.

***(b)*** To the fullest extent permitted by the Act, the Company shall indemnify each Board Representative against reasonable expenses (including reasonable attorneys' fees), judgments, taxes, penalties, fines (including any excise tax assessed with respect to an employee benefit plan), and amounts paid in settlement (collectively "Liability"), incurred by the Board Representative in connection with defending any threatened, pending, or completed action, suit, or proceeding (whether civil, criminal, administrative, or investigative, and whether formal or informal) to which the Board Representative is, or is threatened to be made, a party because he or she is or was a Board Representative, provided that (i) the Board Representative acted in good faith, with the care an ordinary prudent person in like position would exercise under similar circumstances, and in a manner reasonably believed by the Board Representative to be in the best interest of the Company; (ii) in the case of a criminal proceeding, the Board Representative had no reasonable cause to believe the conduct was unlawful; (iii) in connection with a proceeding brought by or in the right of the Company, the Board Representative was not adjudged liable to the Company; and (iv) the Board Representative was not adjudged liable in a proceeding charging improper personal benefit.

***(c)*** To the fullest extent authorized or permitted by the Act, the Company shall pay or reimburse reasonable expenses (including reasonable attorneys' fees) incurred by a Board Representative who is a party to a proceeding in advance of final disposition of such proceeding if (i) the Board Representative furnishes the Company a written affirmation of his or her good faith belief that he or she has met the standard of conduct described in Section 17.1(b) hereof; (ii) the Board Representative furnishes the Company a written undertaking, executed personally or on the Board Representative's behalf, to repay the advance if it is ultimately determined that the Board Representative did not meet the standard of conduct and the Board reasonably believes such Board Representative would have the ability to repay such advance; and (iii) a determination is made that the facts then known to those making the determination would not preclude indemnification under the provisions of Section 17.1(b) hereof.

***(d)*** The indemnification against Liability and advancement of expenses provided by, or granted pursuant to, this Section 17.1 shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement may be entitled under any agreement, action of Members, or otherwise, both as to action in their official capacity and as to action in another capacity while holding such office of the Company, shall continue as to an entity or person who has ceased to be a Board Representative, and shall inure to the benefit of the successors, assigns, heirs, executors, and administrators of such an entity or person.

***(e)*** Any repeal or modification of this Section 17.1 by the Members shall not adversely affect any right or protection of the Board Representatives under this Section 17.1 with respect to any act or omission occurring prior to the time of such repeal or modification.

***17.2 Notices.*** All notices given pursuant to this Agreement shall be in writing and shall be deemed effective when personally delivered or when placed in the United States mail, registered or certified with return receipt requested, or when sent by facsimile followed by confirmatory letter. For purposes of notice, the addresses of the Members shall be as stated under their names on the attached Exhibit B; provided, however, that each Member shall have the right to change its address with notice hereunder to any other location by the giving of thirty (30) days notice to the Manager in the manner set forth above.

***17.3 Governing Law; Venue.*** This Agreement shall be governed by and construed in accordance with the substantive federal laws of the United States and the laws of the State of Connecticut; provided, however, that the conflicts of law principles of the State of Connecticut shall not apply to the extent that they would operate to apply the laws of another state. Any dispute or proceeding arising out of or relating in any way to the subject matter of this Agreement shall be brought only in the United States District Court for the District of Connecticut or any Connecticut state court having appropriate jurisdiction over the matter.

***17.4 Waiver of Trial by Jury.*** EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHTS IT MAY HAVE TO DEMAND THAT ANY ACTION, PROCEEDING, OR COUNTERCLAIM ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT OR THE RELATIONSHIPS OF THE PARTIES HERETO BE TRIED BY JURY. THIS WAIVER EXTENDS TO ANY AND ALL RIGHTS TO DEMAND A TRIAL BY JURY ARISING FROM ANY SOURCE INCLUDING, BUT NOT LIMITED TO, THE CONSTITUTION OF THE UNITED STATES OR ANY STATE THEREIN, COMMON LAW, OR ANY APPLICABLE STATUTE OR REGULATIONS. EACH PARTY HERETO ACKNOWLEDGES THAT IT IS KNOWINGLY AND VOLUNTARILY WAIVING ITS RIGHT TO DEMAND TRIAL BY JURY.

***17.5 Successors and Assigns.*** This Agreement shall be binding upon and shall inure to the benefit of the Members, and their respective heirs, legal representatives, successors, and permitted assigns; provided, however, that nothing contained herein shall negate or diminish the restrictions set forth in Articles XIII or XIV hereof.

***17.6 Construction.*** Every covenant, term, and provision of this Agreement shall be construed simply according to its fair meaning and not strictly for or against any Member. The failure by any party to specifically enforce any term or provision hereof or any rights of such party hereunder shall not be construed as the waiver by that party of its rights hereunder. The waiver by any party of a breach or violation of any provision of this Agreement shall not operate as, or be construed to be, a waiver of any subsequent breach of the same or other provision hereof.

***17.7 Time.*** Time is of the essence with respect to this Agreement.

***17.8 Waiver of Partition.*** Notwithstanding any statute or principle of law to the contrary, each Member hereby agrees that, during the term of the Company, it shall have no right

(and hereby waives any right that it might otherwise have had) to cause any Company property to be partitioned and/or distributed in kind.

***17.9 Entire Agreement.*** This Agreement and its Exhibits contain the entire agreement among the Members relating to the subject matter hereof, and all prior agreements relative hereto that are not contained herein are terminated, except for the GWHN Contribution Agreement, the SMHS Contribution Agreement, the Management Agreement, and any documents delivered pursuant to any of them.

***17.10 Amendments.*** Except as otherwise expressly provided in this Section 17.10, amendments or modifications may be made to this Agreement only by setting forth such amendments or modifications in a document Approved by the Members, and any alleged amendment or modification herein which is not so documented and approved shall not be effective as to any Member; provided, however, that Sections 3.1, 3.2, 4.1, 4.2, 6.1, 8.3, 10.1, 10.2, 10.4, 10.5, 12.1, 14.2, 14.3, 14.5, 14.6, 15.1, and this Section 17.10 shall not be amended without the Approval of the SM/W Members and Section 3.5 shall not be amended without the approval of the SMHS Member. The Manager may, without the approvals set forth in this Section 17.10, amend any provision of this Agreement and execute, swear to, acknowledge, deliver, file, and record whatever documents may be required in connection therewith to reflect:

***(a)*** a change in the location of the principal place of business of the Company not inconsistent with the provisions of Section 2.3, or a change in the registered office or the registered agent of the Company;

***(b)*** admission of a Member into the Company or termination of any Member's interest in the Company in accordance with this Agreement;

***(c)*** qualification of the Company as a limited liability company under the laws of any state or that is necessary or advisable in the opinion of the Manager to ensure that the Company will not be treated as an association taxable as a corporation for federal income tax purposes, provided, in either case, such action shall not adversely affect any Member; or

***(d)*** a change that is required or contemplated by this Agreement;

However, no amendment or modification that disproportionately affects the interest of any Member in the governance, capital, profits or losses of, or distributions or allocations with respect to, the Company shall be effective as to any Member unless the same has been set forth in a document duly executed by such Member.

***17.11 Severability.*** This Agreement is intended to be performed in accordance with, and only to the extent permitted by, all applicable laws, ordinances, rules, and regulations. If any provision of this Agreement or the application thereof to any Person or circumstance shall, for any reason and to any extent, be invalid or unenforceable, but the extent of such invalidity or unenforceability does not destroy the basis of the bargain among the Members as expressed herein, the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected thereby, but rather shall be enforced to the greatest extent permitted by law.

***17.12 Gender and Number.*** Whenever required by the context, as used in this Agreement, the singular number shall include the plural and the neuter shall include the masculine or feminine gender, and vice versa.

***17.13 Exhibits.*** Each Exhibit to this Agreement is incorporated herein for all purposes.

***17.14 Additional Documents.*** Each Member, upon the request of the Manager, agrees to perform all further acts and execute, acknowledge, and deliver any documents that may be reasonably necessary, appropriate, or desirable to carry out the provisions of this Agreement.

***17.15 Headings.*** The section headings appearing in this Agreement are for convenience of reference only and are not intended, to any extent or for any purpose, to limit or define the text of any section.

***17.16 Counterparts.*** This Agreement may be executed in counterparts, each of which shall be deemed an original but all of which shall constitute but one document.

[SIGNATURE PAGE FOLLOWS]

**IN WITNESS WHEREOF**, the Members have entered into this Agreement as of the date first written above.

**GREATER WATERBURY HEALTH NETWORK, INC.**

By: _____

Name: _____

Title: _____

**LHP SOUTHWEST CONNECTICUT, LLC**

By: _____

Name: _____

Title: _____

**SAINT MARY'S HEALTH SYSTEM, INC.**

By: _____

Name: _____

Title: _____

**EXHIBIT A**
**TO**
**AMENDED AND RESTATED**
**OPERATING AGREEMENT OF**
**SOUTHWEST CONNECTICUT HEALTH SYTEM, LLC**

**Allocations of Profit and Loss**
**and Other Tax Matters**

**ARTICLE 1**

Section 1.1 Definitions. The following definitions shall be applicable in this Exhibit A and as used in the Agreement:

(a) Adjusted Capital Account Deficit.

"Adjusted Capital Account Deficit" shall mean, with respect to any Member, the deficit balance, if any, in such Member's Section 704 Capital Account as of the end of any relevant fiscal year, after giving effect to the following adjustments:

(i) credit to such Section 704 Capital Account any amount that such Member is obligated to restore to the Company under Section 1.704-1(b)(2)(ii)(c) of the Regulations, as well as any addition thereto pursuant to the next to last sentences of Sections 1.704-2(g)(1) and 1.704-2(i)(5) of the Regulations;

(ii) debit to such Section 704 Capital Account the items described in Sections 1.704-1(b)(2)(ii)(d)(4), (5), and (6) of the Regulations.

This definition is intended to comply with the provisions of Sections 1.704-1(b)(2)(ii)(d) and 1.704-2 of the Regulations and shall be interpreted consistently with those provisions.

(b) Adjusted Net Income Or Loss.

"Adjusted Net Income Or Loss" for any fiscal year (or portion thereof) shall mean the excess (or deficit) of (x) the Gross Income for such period (not including Gross Income (if any) allocated during such period pursuant to *Sections 3.1(a), 3.1(b), and 3.1(c)* hereof) over (y) the Deductible Expenses for such period (not including Deductible Expenses (if any) allocated during such period pursuant to *Sections 3.1(d)* and *3.1(e)* hereof) with the following modifications:

(i) Any item of Company profit that is exempt from federal income tax and not otherwise taken into account in computing Adjusted Net Income Or Loss pursuant to this *Section 1.1(b)* shall be treated as additional Gross Income and, if not otherwise allocated pursuant to *Section 3.1(a), 3.1(b),* or *3.1(c)* hereof, added to the amount otherwise calculated as Adjusted Net Income Or Loss under *Section 1.1(b)*; and

(ii) Any Company expenditure that is described in Section 705(a)(2)(B) of the Code (relating to Company expenditures that are not deductible for federal income tax purposes in computing taxable income and not properly chargeable to capital), or treated

as so described pursuant to Section 1.704-1(b)(2)(iv)(i) of the Regulations, and not otherwise taken into account in computing Adjusted Net Income Or Loss pursuant to this *Section 1.1(b)* shall be treated as an additional Deductible Expense and, if not otherwise allocated pursuant to *Section 3.1(d) or 3.1(e)* hereof, subtracted from the amount otherwise calculated as Adjusted Net Income Or Loss under this *Section 1.1(b).*

(c) Agreed Value.

"Agreed Value" of any property contributed to the capital of the Company shall mean the fair market value of such property at the time of contribution determined without regard to the amount of liabilities to which such property is subject (as agreed to in writing by the Members without regard to Section 7701(g) of the Code).

(d) Book Basis.

The initial "Book Basis" of any Company property shall be equal to the Company's initial adjusted tax basis in such property; *provided, however*, that the initial "Book Basis" of any Company property contributed to the capital of the Company shall be equal to the Agreed Value of such property. Effective immediately after giving effect to the allocations of profit and loss, as computed for book purposes, for each Fiscal Year under *Section 3.1* hereof, the Book Basis of each Company property shall be adjusted downward by the amount of Book Depreciation allowable to the Company for such Fiscal Year with respect to such property. In addition, effective immediately prior to any Revaluation Event, the Book Basis of each Company property shall be further adjusted upward or downward, as necessary, so as to equal the fair market value of such property at the time of such Revaluation Event (as agreed to in writing by the Members taking Section 7701(g) of the Code into account (*i.e.*, such value shall not be agreed to be less than the amount of Nonrecourse Liabilities to which such property is subject)).

(e) Book Depreciation.

The amount of "Book Depreciation" allowable to the Company for any Fiscal Year with respect to any Company property shall be equal to the product of *(1)* the amount of Tax Depreciation allowable to the Company for such year with respect to such property, multiplied by *(2)* a fraction, the numerator of which is the property's Book Basis as of the beginning of such year (or the date of acquisition if the property is acquired during such year) and the denominator of which is the property's adjusted tax basis as of the beginning of such year (or the date of acquisition if the property is acquired during such year). If the denominator of the fraction described in clause *(2)* above is equal to zero, the amount of "Book Depreciation" allowable to the Company for any Fiscal Year with respect to the Company property in question shall be determined under any reasonable method selected by the Manager.

(f) Book Gain Or Loss.

"Book Gain Or Loss" realized by the Company in connection with the disposition of any Company property shall mean the excess (or deficit) of *(1)* the amount realized by the Company in connection with such disposition (as determined under Section 1001 of the Code) over *(2)* the Book Basis of such property at the time of the disposition.

(g) Book/Tax Disparity Property.

"Book/Tax Disparity Property" shall mean any Company property that has a Book Basis which is different from its adjusted tax basis to the Company. Thus, any property that is contributed to the capital of the Company by a Member shall be a "Book/Tax Disparity Property" if its Agreed Value is not equal to the Company's initial tax basis in the property. In addition, once the Book Basis of a Company property is adjusted in connection with a Revaluation Event to an amount other than its adjusted tax basis to the Company, the property shall thereafter be a "Book/Tax Disparity Property."

(h) Capital Transaction.

"Capital Transaction" shall mean *(1)* any transaction pursuant to which the Company borrows funds, all or part of the Company's properties are sold, condemned, exchanged, abandoned, or otherwise disposed of, insurance proceeds or other damages are recovered by the Company or *(2*) any other transaction which, in accordance with generally accepted accounting principles, is considered capital in nature (including, without limitation, any transaction that is entered into in connection with, or results in, the Liquidation of the Company).

(i) Company Minimum Gain.

"Company Minimum Gain" shall mean the amount of Company "minimum gain" that is computed strictly in accordance with the principles of Section 1.704-2(d)(1) of the Regulations. A Member's share of such "Company Minimum Gain" shall be calculated in accordance with the provisions of Section 1.704-2(g) of the Regulations.

(j) Deductible Expenses.

"Deductible Expenses" for any Fiscal Year (or portion thereof) shall mean all items, as calculated for book purposes, which are allowable as deductions to the Company for such period under Federal income tax accounting principles (including Book Depreciation, but excluding any expense or deduction attributable to a Capital Transaction).

(k) Economic Risk Of Loss.

"Economic Risk Of Loss" borne by any Member for any Company liability shall mean the aggregate amount of economic risk of loss that such Member and all Related Persons to such Member are treated as bearing with respect to such liability pursuant to Section 1.752-2 of the Regulations.

(l) Gross Income.

"Gross Income" for any Fiscal Year (or portion thereof) shall mean the gross income derived by the Company from all sources (other than from capital contributions and loans to the Company and other than from a Capital Transaction) during such period, as calculated for book purposes in accordance with Federal income tax accounting principles.

(m) Liquidation.

"Liquidation" of a Member's Units or other interest in the Company shall mean and be deemed to occur upon the earlier of *(1)* the date upon which the Company is terminated under Section 708(b)(1) of the Code, *(2)* the date upon which the Company ceases to be a going concern (even though it may continue in existence for the limited purpose of winding up its affairs, paying its debts, and distributing any remaining Company properties to the Members) or *(3)* the date upon which there is a liquidation of the Member's Units or other interest in the Company (but the Company is not terminated) under Section 1.761-1(d) of the Regulations. "Liquidation" of the Company shall mean and be deemed to occur upon the earlier of *(a)* the date upon which the Company is terminated under Section 708(b)(1) of the Code or *(b)* the date upon which the Company ceases to be a going concern (even though it may continue in existence for the limited purpose of winding up its affairs, paying its debts, and distributing any remaining Company properties to the Members).

(n) Member Nonrecourse Debt Minimum Gain.

"Member Nonrecourse Debt Minimum Gain" shall mean an amount, with respect to each Member Nonrecourse Debt, equal to the Company Minimum Gain that would result, if such Member Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with Section 1.704-2(i) of the Regulations.

(o) Member Nonrecourse Debt.

"Member Nonrecourse Debt" shall mean any Company liability that is treated as a "partner nonrecourse debt" under Section 1.704-2(b)(4) of the Regulations.

(p) Member Nonrecourse Deductions.

"Member Nonrecourse Deductions" shall mean any and all items of Book Depreciation and other Deductible Expenses that are treated as "partner nonrecourse deductions" under Section 1.704-2(i) of the Regulations.

(q) Nonrecourse Deductions.

"Nonrecourse Deductions" shall mean any and all items of Book Depreciation and other Deductible Expenses that are treated as "nonrecourse deductions" under Section 1.704-2(c) of the Regulations.

(r) Nonrecourse Liability.

"Nonrecourse Liability" shall mean any Company liability treated as a "nonrecourse liability" under Section 1.704-2(b)(3) of the Regulations. Subject to the foregoing sentence, "Nonrecourse Liability" shall mean any Company liability (or portion thereof) for which no Member bears the Economic Risk Of Loss.

(s) Recourse Debt.

"Recourse Debt" shall mean any Company liability (or portion thereof) that is neither a Nonrecourse Liability nor a Member Nonrecourse Debt.

(t) Related Person.

"Related Person" shall mean, as to any Member, any person who is related to such Member (within the meaning of Section 1.752-4(b) of the Regulations).

(u) Revaluation Event.

"Revaluation Event" shall mean any of the following occurrences: *(1)* the contribution of money or other property (other than a de minimis amount) by a new or existing Member to the capital of the Company as consideration for the issuance of additional Units or other interest in the Company; *(2)* the distribution of money or other property (other than a de minimis amount) by the Company to a retiring or continuing Member as consideration for Units or other interest in the Company; or *(3)* the termination of the Company for federal income tax purposes under Section 708(b)(1)(B) of the Code; provided, however, under no circumstances shall the issuance of Units pursuant to Section 13.3 of the Agreement constitute a Revaluation Event; and provided further, that the occurrence of an event described in clause (1) or (2) above shall not constitute a Revaluation Event if the Board of Directors reasonably determines that it is not necessary to adjust the Book Bases of the Company's assets or the Members' Capital Accounts in connection with the occurrence of any such event.

(v) Section 704 Capital Account.

"Section 704 Capital Account" shall have the meaning assigned to such term in *Article 2* of this Exhibit A.

(w) Tax Depreciation.

"Tax Depreciation" for any Fiscal Year shall mean the amount of depreciation, cost recovery, or other amortization deductions allowable to the Company for Federal income tax purposes for such year.

(x) Tax Items.

"Tax Items" shall mean, with respect to any property, all items of profit and loss (including Tax Depreciation) recognized by or allowable to the Company with respect to such property, as computed for Federal income tax purposes.

(y) Unrealized Book Gain Or Loss.

"Unrealized Book Gain Or Loss" with respect to any Company property shall mean the excess (or deficit) of (1) the fair market value of such property (as agreed to in writing by the Members taking Section 7701(g) of the Code into account (i.e., such value shall not be agreed to be less than the amount of Nonrecourse Liabilities to which such property is subject)), over (2) the Book Basis of such property.

## ARTICLE 2

## SECTION 704 CAPITAL ACCOUNTS

A "Section 704 Capital Account" (herein so called) shall be determined and maintained for each Member throughout the full term of the Agreement in accordance with Article IV of the Agreement.

## ARTICLE 3

## ALLOCATIONS OF PROFIT AND LOSS

Section 3.1 Allocation of Book Items.

Subject to the provisions of *Section 3.3* of this Exhibit A, all items of profit and loss realized by the Company during each fiscal year shall be allocated among the Members (after giving effect to all adjustments attributable to all contributions and distributions of money and property effected during such year) in the manner prescribed in this *Section 3.1*.

(a) Pursuant to Section 1.704-2(f) of the Regulations (relating to minimum gain chargebacks), if there is a net decrease in Company Minimum Gain for such year (or if there was a net decrease in Company Minimum Gain for a prior fiscal year and the Company did not have sufficient amounts of Gross Income and Book Gain during prior years to allocate among the Members under this *Section 3.1(a)*), then items of Gross Income and Book Gain shall be allocated, before any other allocation is made pursuant to the succeeding provisions of this *Section 3.1* for such year, to each Member in an amount equal to such Member's share of the net decrease in such Company Minimum Gain.

(b) Pursuant to Section 1.704-2(i)(4) of the Regulations (relating to minimum gain chargebacks), if there is a net decrease in Member Nonrecourse Debt Minimum Gain with respect to a Member Nonrecourse Debt for such year (or if there was a net decrease in such Member Nonrecourse Debt Minimum Gain for a prior fiscal year and the Company did not have sufficient amounts of Gross Income and Book Gain during prior years to allocate among the Members under this *Section 3.1(b)*), then items of Gross Income and Book Gain shall be allocated, before any other allocation is made pursuant to the succeeding provisions of this *Section 3.1* for such year, to each Member with a share of such Member Nonrecourse Debt Minimum Gain as of the first day of such year in an amount equal to such Member's share of the net decrease in such Member Nonrecourse Debt Minimum Gain.

(c) Pursuant to Section 1.704-1(b)(2)(ii)(d) of the Regulations (relating to "qualified income offsets"), if a transaction described in Sections 1.704(b)(2)(ii)(d)(4), (5), and (6) of the Regulations occurs unexpectedly, items of Company income and gain shall be allocated, before any other allocation is made pursuant to the succeeding provisions of this *Section 3.1* for such year, among each Member with an Adjusted Capital Account Deficit in an amount and manner sufficient to eliminate, to the extent required by the Regulations, the Adjusted Capital Account Deficit of such Member as quickly as possible, provided that an allocation pursuant to this *Section 3.1(c)* shall be made only if, and to the extent that, such Member would have an Adjusted Capital Account Deficit after all other allocations provided for in this Article 3 have been tentatively made as if this *Section 3.1(c)* were not in this Exhibit A.

(d) All Member Nonrecourse Deductions attributable to a Member Nonrecourse Debt shall be allocated among the Members bearing the Economic Risk Of Loss for such debt; *provided, however*, that if more than one Member bears the Economic Risk Of Loss for such debt, the Member Nonrecourse Deductions attributable to such debt shall be allocated to and among such Members, *pro rata* in the same proportion that their Economic Risks Of Loss bear to one another.

(e) All Nonrecourse Deductions shall be allocated among the Members, *pro rata* in accordance with their respective Sharing Percentages.

(f) Any Adjusted Net Income realized by the Company for such year and, except as provided in *Section 3.1(h)* hereof, any Book Gain derived from a Capital Transaction occurring during such year and not allocated pursuant to *Sections 3.1(a), 3.1(b), 3.1(c), 3.1(d),* and *3.1(e)* hereof, shall be allocated among the Members, as necessary, so as to cause the balances in their respective Section 704 Capital Accounts to be in the same ratio to one another as are their Sharing Percentages, with all remaining amounts of Adjusted Net Income and Book Loss to be allocated to the Members pro rata in accordance with their respective Sharing Percentages.

(g) Any Adjusted Net Loss realized by the Company for such year and, except as provided in *Section 3.1(h)* hereof, any Book Loss derived from a Capital Transaction occurring during such year and not allocated pursuant to *Sections 3.1(a), 3.1(b), 3.1(c), 3,1(d),* and *3.1(e)* hereof, shall be allocated among the Members, as necessary, so as to cause the balances in their respective Section 704 Capital Accounts to be in the same ratio to one another as are their Sharing Percentages, with all remaining amounts of Adjusted Net Loss and Book Loss to be allocated to the Members pro rata in accordance with their respective Sharing Percentages.

(h) Book Gain Or Loss derived from a Capital Transaction that is entered into in connection with, or results in, the Liquidation of the Company shall be allocated among the Members as follows in the following order of priority (after giving effect to all adjustments attributable to allocations of items of Company profit and loss made pursuant to the preceding provisions of this *Section 3.1* for such year and after giving effect to all adjustments attributable to contributions and distributions of money and property effected prior to such determination):

(i) Book Gain remaining after the allocations provided for in *Sections 3.1(a), 3.1(b),* and *3.1(c)* hereof shall be allocated as follows and in the following order of priority:

(A) First: An amount of Book Gain shall be allocated among the Members to the least extent necessary to eliminate the deficit balances (if any) in such Members' Section 704 Capital Accounts, and in the same proportion to one another as are their respective deficit balances (if any).

(B) Second: An amount of Book Gain shall be allocated next among the Members to the least extent necessary to cause the positive balances in their Section 704 Capital Accounts to be in the same proportion to one another as are their respective Sharing Percentages.

(C) Third: All remaining amounts of Book Gain shall be allocated among the Members pro rata in accordance with their respective Sharing Percentages.

(ii) Book Loss (if any) shall be allocated as follows and in the following order of priority:

(A) First: Book Loss shall be allocated to the Members to the least extent necessary to cause the positive balances in their Section 704 Capital Accounts to be in the same proportion to one another as are their respective Sharing Percentages.

(B) Second: All remaining amounts of Book Loss shall be allocated among the Members pro rata in accordance with their respective Sharing Percentages.

(i) For purposes of determining the nature (as ordinary or capital) of any Company profit allocated among the Members for Federal income tax purposes pursuant to this *Section 3.1*, the portion of such profit required to be recognized as ordinary income pursuant to Sections 1245 and/or 1250 of the Code shall be deemed to be allocated among the Members in the same proportion that they were allocated the Book Depreciation deductions, or basis reductions, directly or indirectly giving rise to such treatment under Sections 1245 and/or 1250 of the Code.

(j) The parties intend that the foregoing allocation provisions of this *Section 3.1* shall produce Section 704 Capital Account balances of the Members that will permit liquidating distributions that are made in accordance with final Capital Account balances under Section 16.3 of the Agreement to be made to the Members, pro rata in accordance with their respective Sharing Percentages. To the extent that the allocation provisions of this *Section 3.1* would fail to cause the Members' final Capital Account balances to be in such ratio, (i) such provisions shall be amended by the Members if and to the extent necessary to produce such result and (ii) taxable income and taxable loss of the Company for prior open years (or items of Gross Income and Deductible Expenses of the Company for such years) shall be reallocated among the Members to the extent it is not possible to achieve such result with allocations of items of income (including Gross Income) and Deductible Expenses for the current year and future years. This *Section 3.1(j)* shall control notwithstanding any reallocation or adjustment of taxable income, taxable loss, or items thereof by the Internal Revenue Service or any other taxing authority.

Section 3.2 Allocation Of Tax Items.

(a) Except as otherwise provided in the succeeding provisions of this *Section 3.2*, each Tax Item shall be allocated among the Members in the same manner as each correlative item of profit or loss, as calculated for book purposes, is allocated pursuant to the provisions of *Section 3.1* hereof.

(b) The Members hereby acknowledge that all Tax Items in respect of any Book/Tax Disparity Property owned by the Company are required to be allocated among the Members in the same manner as under Section 704(c) of the Code (as specified in Sections 1.704-1(b)(2)(iv)(f) and 1.704-1(b)(2)(iv)(g) of the Regulations) and that the principles of Section 704(c) of the Code require that such Tax Items must be shared among the Members so as to take account of the variation between the adjusted tax basis and Book Basis of each such Book/Tax Disparity Property. Thus, notwithstanding anything in *Sections 3.1 or 3.2(a)* to the contrary, the Members' distributive shares of Tax Items in respect of each Book/Tax Disparity Property shall be separately determined and allocated among the Members in accordance with the principles of Section 704(c) of the Code. For purposes of making tax allocations pursuant to Section 704(c) of the Code (including allocations pursuant to Section 1.704-1(b)(2)(iv)(f) if a Revaluation Event

occurs), the Manager shall determine the appropriate method or methods to be used by the Company under Section 1.704-3.

Section 3.3 Allocations Of Profit And Loss And Distributions In Respect Of Interests Transferred.

(a) If any Unit or other interest in the Company is transferred, or is increased or decreased by reason of the admission of a new Member or otherwise, during any Fiscal Year, each item of Adjusted Net Income Or Loss, Book Gain Or Loss, and other Company profit and loss for such year shall be divided and allocated among the Members in question by taking account of their varying interests in the Company during such year on a daily, monthly, or other basis, as determined by the Manager using any permissible method under Section 706 of the Code and the Regulations thereunder.

(b) Distributions of Company properties in respect of a Unit or other interest in the Company shall be made only to the persons or entities who, according to the Company's books and records, are the holders of record of the Units or other interests in the Company in respect of which such distributions are made on the actual date of distribution. Neither the Company nor the Manager shall incur any liability for making distributions in accordance with the provisions of the preceding sentence, whether or not the Company or the Manager has knowledge or notice of any transfer or purported transfer of ownership of any Unit or other interest in the Company.

(c) Notwithstanding any provision above to the contrary, Book Gain Or Loss (and taxable gain or loss to the extent permitted by the Code and Regulations) realized in connection with a sale or other disposition of any Company properties shall be allocated solely among the parties owning Units or other interests in the Company as of the date such sale or other disposition occurs.

**EXHIBIT B**
**TO**
**AMENDED AND RESTATED**
**OPERATING AGREEMENT OF**
**SOUTHWEST CONNECTICUT HEALTH SYSTEM, LLC**

| NAME AND ADDRESS OF MEMBER | CAPITAL CONTRIBUTION | NUMBER OF UNITS | SHARING PERCENTAGE |
|---|---|---|---|
| Greater Waterbury Health Network, Inc.<br>64 Robbins Street<br>Waterbury, Connecticut<br>06708 | $27,000,000 | 270 Units | 10% |
| Saint Mary's Health System, Inc.<br>56 Franklin Street<br>Waterbury, Connecticut<br>06706 | $27,000,000 | 270 Units | 10% |
| LHP Southwest Connecticut, LLC<br>2800 North Dallas Parkway<br>Suite 200<br>Plano, Texas 75093 | $216,000,000 | 2,160 Units | 80% |

**EXHIBIT C**
**TO**
**AMENDED AND RESTATED**
**OPERATING AGREEMENT OF**
**SOUTHWEST CONNECTICUT HEALTH SYSTEM, LLC**

# Conflict of Interest Policy

**EXHIBIT D**
**TO**
**AMENDED AND RESTATED**
**OPERATING AGREEMENT OF**
**SOUTHWEST CONNECTICUT HEALTH SYSTEM, LLC**

**Uncompensated Care Policy**

**EXHIBIT E**
**TO**
**AMENDED AND RESTATED**
**OPERATING AGREEMENT OF**
**SOUTHWEST CONNECTICUT HEALTH SYSTEM, LLC**

**SM/W Member Option to Purchase**

**EXHIBIT F**
**TO**
**AMENDED AND RESTATED**
**OPERATING AGREEMENT OF**
**SOUTHWEST CONNECTICUT HEALTH SYSTEM, LLC**

**SM/W Member Option to Sell**

**EXHIBIT G**
**TO**
**AMENDED AND RESTATED**
**OPERATING AGREEMENT OF**
**SOUTHWEST CONNECTICUT HEALTH SYSTEM, LLC**

**LHP Member Option to Purchase (Call) Based on Sharing Percentages**

# EXHIBIT 3:  MANAGEMENT AGREEMENT

# MANAGEMENT AGREEMENT

**THIS MANAGEMENT AGREEMENT** (this "Agreement") is made and entered into effective as of _____, 2012, by and between **SOUTHWEST CONNECTICUT HEALTH SYSTEM, LLC,** a Connecticut limited liability company ("Owner"), and **LHP MANAGEMENT SERVICES, LLC**, a Delaware limited liability company ("Manager"). Capitalized terms not otherwise defined in this Agreement shall have the meaning ascribed to such terms in the LLC Agreement (as defined below).

**RECITALS:**

**A.** Owner owns and operates a general acute care hospital and certain other health care related assets in the Waterbury, Connecticut, area (collectively, the "Hospital").

**B.** Manager, through its executives, other personnel, and personnel at its Affiliates, possesses certain experience and expertise in the supervision of operations and administrative aspects of businesses like that of the Hospital.

**C.** Owner wishes to retain Manager to perform certain financial, technical, managerial, and administrative support services ("Management Services") for the Hospital, as hereinafter set forth.

**AGREEMENT:**

**NOW THEREFORE**, in consideration of the mutual covenants and promises of the parties hereto, it is mutually agreed as follows:

**1. ENGAGEMENT**. Owner hereby retains Manager, and Manager hereby agrees to be retained by Owner, to act as "Manager" of the Owner and to provide Management Services upon the terms and conditions hereinafter set forth. Manager shall be expected to perform services under this Agreement consistent with standards employed by comparable hospital ownership and management companies. Manager shall provide all services described herein in good faith and with due care consistent with the care Manager believes appropriate and in the best interest of the Owner in its business judgment. Manager shall operate the Hospital in conformity with (i) the Second Amended and Restated Operating Agreement of Southwest Connecticut Health System, LLC, dated as of even date herewith, by and between Greater Waterbury Health Network, Inc., LHP Southwest Connecticut, LLC, and Saint Mary's Health System, Inc. (the "LLC Agreement"), (ii) the Company Purposes, including the Standards, (iii) the standards of performance of The Joint Commission (the "Joint Commission") or its successor, (iv) the conditions of participation for the Medicare and Medicaid programs, and (v) good and ethical business practices of the health care industry in the community served by the Hospital.

**2. MAINTENANCE OF CONTROL**.

***2.1*** Except as set forth herein and in the LLC Agreement, Owner does not delegate to Manager any of the powers, duties, and responsibilities vested in Owner, its Members, or its Board of Directors by law or under the LLC Agreement.

***2.2*** Without limiting the generality of Section 2.1, Manager shall take no substantive action with respect to the management of the Hospital that would impinge upon the reserved powers of Owner's Members or Board of Directors (as set forth in the LLC Agreement) or that exceed the scope of the Management Services set forth herein.

***2.3*** Owner shall retain all powers incident to ownership of the Hospital, including, without limitation, the power to (a) determine the general and fiscal policies and maintain the full and complete control of the administration of the Hospital, (b) subject to Sections 4 and 5.5 hereof, select the administrative staff of the Hospital, (c) appoint members to the medical staff, and (d) establish policies regarding the admission of patients. Owner shall own and hold all licenses, contracts, certificates, and accreditations relating to the Hospital and shall be the "Provider of Services" within the meaning of the third party contracts for services. Nothing in this Agreement is intended to alter, weaken, displace, or modify the ultimate authority of the Board of Directors of Owner as set forth in the LLC Agreement. Manager shall cause the business and operations of the Hospital to be conducted in accordance with the Company Purposes, including satisfying the Standards. The performance of the Manager shall be subject to annual review by Owner, which shall include an evaluation of the Manager's compliance with the Company Purposes and the Standards under the LLC Agreement and this Agreement. Owner reserves the right to direct Manager to satisfy the Company Purposes and the Standards. The SM/W Directors shall have the sole power and right to call for the review of, and to evaluate, the services provided under this Agreement, to propose revisions thereto, and to unilaterally act on behalf of and for Owner in all matters relating to this Agreement, including without limitation, the ability to terminate or not renew this Agreement if the Manager is in breach thereof.

**3. COMPLIANCE WITH LAW**. In performing its duties and obligations under this Agreement, Manager shall comply with all federal, state, and local laws, rules, and regulations now in force, or which may hereafter be in force, which are applicable to Owner, Manager, or the Hospital, including, without limitation, the federal Anti-Kickback Statute (42 U.S.C. § 13201-7b(b)) and the federal Physician Self-referral Law (42 U.S.C. § 1395nn), and any state laws corresponding in substance to the foregoing federal laws.

**4. KEY PERSONNEL**. During the term of this Agreement, Manager shall recruit qualified executives who shall serve as Chief Executive Officer, Chief Operating Officer (if such a position is deemed necessary by Manager), Chief Financial Officer, and Chief Nursing Officer of the Hospital (collectively, the "Key Personnel"). The Key Personnel shall be employees of Manager or an Affiliate of Manager. Except as otherwise provided in the LLC Agreement with respect to the Chief Executive Officer of the Hospital, the selection, continued service, and termination of the Key Personnel shall be the responsibility of Manager. Manager shall advise the Board of Directors of Owner of any changes in, or other material developments with respect to, the Key Personnel.

**5. MANAGEMENT SERVICES**. In consideration of the payments to be made hereunder, Manager shall provide, or may provide through one or more of its Affiliates, the following Management Services to Owner:

***5.1 Management Oversight***. Manager shall supervise and manage the day-to-day business affairs and operations of the Hospital and such other health care facilities as the parties may from time to time agree.

***5.2 Operations Support***.

(a) Health Financing (Reimbursement). Manager shall provide third-party reimbursement strategies and consultation on strategy and compliance with all applicable reimbursement rules. Manager shall be responsible for preparing, submitting to Owner for approval and execution, and filing on a timely basis all required cost reports and shall coordinate and file on a timely basis any appeals and/or audits. If Manager or Owner determines that legal action is required in connection with such matters, the cost of such action is not included in the Management Fee (as hereinafter defined), and any such legal action shall be paid for by Owner.

(b) Financial Operations Support. Manager shall be responsible for overseeing the financial and business operations of the Hospital, which shall include but not be limited to, providing assistance regarding patient accounting and receivables management, management engineering, process improvement, medical staff programs and practice promotions, productivity enhancement, and management reporting systems. Upon Owner's request, Manager shall assist Owner in the selection of outside contractors for additional, specialized financial and business operations services. The Management Fee includes Manager's consulting services, but the actual costs for such additional outside consultation services shall be borne by Owner.

(c) Capital Management. Manager shall provide assistance in evaluating capital expenditures in connection with the Hospital. Such assistance shall include pro forma modeling, return on investment calculations, bench marking, and assumption testing. Manager shall also provide a full range of support in pro forma preparation and analysis.

(d) Operational Licenses. Manager shall provide assistance to Owner in obtaining and maintaining all licenses, certifications, permits, and accreditations necessary for the operation of the Hospital (in the name of and held by the Owner.)

***5.3 Development and Hospital Management.***

(a) Construction and Equipment Planning. Manager shall provide oversight in design, construction, and equipment planning and assistance in the selection of architects, contractors, equipment, and technology for projects, including, without limitation, the Hospital and the Replacement Hospital. The costs of architectural and engineering services associated with the Hospital and the Replacement Hospital are not included in the Management Fee.

(b) Real Estate. Manager shall provide assistance in the development of medical office buildings and related health care facilities and in the purchase or sale of real estate (including site selection, financing, leasing, construction layout, design, and operation thereof), including any such services associated with the Hospital and the Replacement Hospital.

(c) Licensure. Manager shall provide assistance to Owner in maintaining all licenses, certifications, permits, and accreditations necessary for the operation of the Hospital and the Replacement Hospital (in the name of and held by the Owner), as requested by Owner.

(d) Accreditation. Manager shall arrange for and coordinate/oversee appropriate actions for the Hospital and the Replacement Hospital to be accredited by the Joint Commission and/or other appropriate accrediting bodies, as requested by Owner.

(e) Policies and Procedures. Manager shall prepare operating manuals, supervise the training of Hospital business personnel, supervise the implementation of necessary support systems for the Hospital, and develop policies and procedures necessary to satisfy the Medicare conditions of participation, accreditation standards of the Joint Commission, state licensing standards, and the Company Purposes.

(f) Market. Manager shall assist in developing the Hospital's markets, looking for leads and working with field operations in developing those leads, all with the approval of Owner. Manager shall consult with Owner in connection with acquisitions, joint ventures, and other transaction structuring issues.

***5.4 Finance and Accounting.***

(a) Budgets/Financial Planning. Manager shall provide inflation data, analyze current trends in the health care industry, set financial goals, and assist Owner with preparing budgets for the Hospital. Manager shall evaluate capital expenditures in connection with the Hospital's operations. Manager shall provide pro forma modeling, return on investment calculations, bench marking, and assumption testing. Manager shall provide a full range of support in pro forma preparation and analysis. Manager shall also provide periodic reports to Owner, as requested by the Board of Directors of Owner, regarding the provision of uncompensated care and compliance with the Standards.

(b) Treasury. Manager shall provide a centralized cash management system for all Owner funds. Manager shall manage commercial and investment bank relations, open and maintain all bank accounts, provide investment management for employee benefit plans, and manage Owner's debt and outside interest expense relating to the Hospital. Manager shall be available to consult on financial transactions relating to the Hospital.

(c) Tax. Manager shall be responsible for preparing, submitting to Owner for approval and execution, and filing federal, state, and local income, workers' compensation, unemployment compensation, franchise, tangible, premium, self-procurement, transfer, excise, and escheat tax returns and reports relating to the Hospital; provided, however, that Manager shall file payroll tax returns for the Hospital. Owner shall be responsible for filing Owner's sales and use tax returns. Manager shall review property valuation notices comparing them to other health care properties, analyze assessments, appeal valuations, when appropriate, and coordinate payments. Manager shall also coordinate audits and appeals of all taxes as part of the Management Fee. Third-party studies undertaken to save money, as well as tax-related legal expenses, are not included in the Management Fee and shall be paid by Owner.

(d) Accounting. Manager shall establish, maintain, and supervise the Hospital's accounting systems and supervise the preparation of monthly and annual balance sheets and statements of income and loss as provided in the LLC Agreement. Manager shall have the responsibility and authority to make all decisions as to accounting principles and elections, whether for book or tax purposes (and such decisions may be different for each purpose) and to set up or modify record keeping, billing, and accounts payable accounting systems.

(e) Insurance. Manager shall have the responsibility and authority to acquire and enter into any contract of insurance that Manager deems necessary and proper for the protection of Owner and the Hospital, for the conservation of Owner's assets, or for any purpose convenient or beneficial to Owner. Notwithstanding the preceding sentence, Manager shall obtain insurance on behalf of the Owner to cover Owner's indemnification obligations set forth in Section 11 (including Owner's obligation to indemnify Manager for the negligent acts of Manager or its agents or employees) with such coverage amounts that are necessary (i) for the proper protection of Owner and the Hospital and (ii) for the conservation of Owner's assets. Manager shall provide consulting services to Owner with respect to risk management. The premiums or costs associated with any such insurance products utilized by Owner are not included in the Management Fee and shall be paid by Owner. Manager shall be insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary in the businesses in which Manager is engaged.

***5.5 Human Resources.*** Manager, either directly or through one of its Affiliates, and pursuant to a separate Employee Lease Agreement dated of even date herewith (the "Employee Lease Agreement"), shall arrange for and assign all personnel necessary to operate the Hospital. Manager shall (i) determine from time to time the number and qualification of employees required or desirable in connection with the operations of the Hospital, (ii) establish, revise, and administer all wage scales, compensation rates, employee benefits, and conditions of employment, (iii) administer in-service training, seminars, and conferences, and (iv) establish staff schedules and job descriptions. Manager shall supervise human resources functions and provide employee benefits and payroll distribution functions with respect to all personnel who provide services at the Hospital. These functions include, without limitation, the administration and development of such functions, the time and attendance system, and the management of Manager and its Affiliates' consolidated corporate benefits and human resource function.

***5.6 Internal Audit***. Manager shall conduct periodic internal audits of the Hospital and shall report the results thereof to Owner. If Manager hires others to perform additional audit functions, the costs of such additional audit functions shall not be included in the Management Fee and shall be paid by Owner; provided, however, that Owner shall have prior approval of the use of any such outside auditors (such approval shall not be unreasonably withheld). During an audit, reviews and tests shall be performed related to financial statement integrity, financial controls, and operational effectiveness, particularly in the areas of accounts receivable management, materials management, health information management, charge capturing systems, and cash management. Manager shall provide recommendations to help ensure financial data integrity, reduce expenses, capture additional revenues, and improve cash flow. Manager shall provide operational support by conducting its reviews in such a manner as to streamline processes, reduce waste, and identify outdated procedures and processes.

***5.7 Legal***. Manager has access to a staff of health care attorneys who shall assist Owner with operational issues relating to the Hospital as reasonably necessary, including assistance with contract preparation and review, consultation regarding regulatory issues, and litigation oversight and management. It is not intended that the in-house legal staff handle all legal matters of the Hospital, and Manager shall determine when outside legal counsel would be desirable for a specific issue or matter. In such event, the in-house legal staff shall select and oversee the work of outside legal counsel so engaged. The costs of outside counsel are not included in the Management Fee and shall be paid by Owner. In general, the costs of litigation are not covered by the Management Fee. In addition, the costs of legal assistance from outside legal counsel regarding employee actions, human resources, labor relations, OSHA, Medicare, Medicaid, CHAMPUS, acquisition and development projects, tax, environmental, and antitrust issues are not included in the Management Fee.

***5.8 Public Affairs.***

(a) Public Relations. Manager shall provide Owner such issues management, crisis communications, and local and national media relations services as may be necessary to operate the public relations functions of the Hospital. Manager shall assist Owner in developing effective advertising programs and reducing costs related to media placements. Manager shall assist with strategic market direction, including assistance with selection and retention of advertising agencies, marketing campaign review, and program exchange.

(b) Government Relations. Manager shall monitor federal and state legislative and policy issues and provide contacts with appropriate national groups such as the Federation of American Hospitals and the American Hospital Association. At the request of Owner, Manager shall negotiate membership in such national groups. The costs of such memberships shall be allocated to, and paid by, Owner. Manager shall not cause the Company to engage in (i) substantial lobbying activities or (ii) any political campaign activities within the meaning of section 501(c)(3) of the Code in a manner that would reasonably be considered to jeopardize the federal tax exemptions of GWHN and SMHS.

***5.9 Purchasing/Materials Management***. Owner shall participate in Manager's group purchasing program and shall not participate in any competing program; provided, however, if Manager's group purchasing program does not provide access to certain materials or products, Manager and Owner shall agree on alternative purchasing arrangements. Manager shall have the authority to commit Owner's funds for the purchase or lease of supplies, goods, and services reasonably necessary or desirable to the operation of the Hospital; and to cause Owner to negotiate, enter into, administer, and terminate contracts therefor.

***5.10 Information Services***. Manager shall provide such services as may be necessary to operate the information management function of the Hospital. Manager shall provide information support and services with respect to clinical areas, patient billing, patient receivables, resources management, purchasing, general ledger, accounts payable, payroll cash management, executive reporting, and research and development activities. The costs of obtaining information technology services from third parties are not included in the Management Fee and shall be paid by Owner.

***5.11 Medical and Professional Matters***. Notwithstanding anything contained herein to the contrary, under no circumstances shall Manager be responsible for any medical or professional staff matters. Manager may, however, consult with Owner and make recommendations concerning such matters, and monitor and, as necessary, change existing quality assurance, utilization review, and risk management programs in keeping with best practices for health care providers.

***5.12 Affiliates***. Any Management Services to be provided hereunder may be provided, at the option of Manager, by any Affiliate of Manager, but Manager shall be responsible for assuring the quality and timely delivery of all Management Services hereunder. In such case, such Affiliate shall be a subcontractor of Manager, Manager shall be responsible for paying any fees of such Affiliate, and Manager's utilization of such Affiliate to fulfill its obligations hereunder shall not increase the Management Fee payable by Owner under this Agreement.

***5.13 C**ompliance Programs*. Manager shall implement and maintain at the Hospital a program designed to prevent and detect violations of legal requirements applicable to the delivery of goods and services by the Hospital or the purchase of goods or services by the Hospital.

***5.14 Reporting***. Manager shall provide Owner with such reporting on its duties hereunder as Owner may request from time to time, provided that Manager shall make such reports to Owner no less frequently than quarterly.

***5.15 Prohibited Actions***. Notwithstanding anything to the contrary herein, during the term of this Agreement, Manager shall not take any of the following actions, or engage in any substantive act as a predicate to taking any of such actions, without the prior written approval of the Board of Directors, unless such actions are specifically approved in connection with approved operating and capital budgets of Owner: (i) borrow money from any source in the name of or on behalf of Owner exceeding [redacted] in the aggregate in any fiscal year, other than trade payables and other short-term liabilities in the ordinary course of business or pursuant to the Revolving Credit and Cash Management Agreement between Owner and Manager; (ii) alienate, mortgage, pledge, or otherwise encumber real and/or personal property of Owner, other than in connection with indebtedness permitted in (i) above; (iii) adjust, arbitrate, compromise, sue, defend, abandon, or otherwise deal with and settle any and all uninsured claims in excess of [redacted] in favor of or against Owner; (iv) implement any material change in the health care services that Owner offers at the Hospital, including additions thereto and discontinuations thereof, that is not expressly identified and provided for in the strategic business plan previously approved by the Board of Directors or has not otherwise been Approved by the Board of Directors; (v) enter into any contract, agreement, or financial arrangement that requires payments by Owner in excess of [redacted] in any twelve-month period; (vi) acquire (whether by purchase or lease) in the name of or on behalf of Owner, in a single transaction of series of related transactions, any plant, property, or equipment having a book value in excess of [redacted]; or (vii) sell, assign, lease or otherwise transfer or dispose of in the name of or on behalf of Owner, in a single transaction or series of related transactions,

any plant, property, or equipment having a book value in excess of [redacted].

**6. COMPENSATION.**

***6.1 Reimbursement of Expenses.*** Owner shall reimburse Manager on a monthly basis for all reasonable out-of-pocket expenses incurred in connection with the Management Services provided pursuant to this Agreement, including, without limitation, fees to third parties and other reasonable expenses incurred on behalf of Owner. Manager's reimbursed expenses shall be without mark-up or profit added to such actual expenses. Manager shall prepare an itemization with supporting documentation of such expenses on a monthly basis to be submitted to Owner by the fifteenth ($15^{th}$) day of the subsequent month. Owner shall reimburse Manager for such expenses within fifteen (15) days after receipt of such itemization with supporting documentation.

***6.2 Management Fee***. As consideration for the services rendered by Manager pursuant to this Agreement, Owner shall pay to Manager a monthly fee equal to [redacted] of the Net Revenues (hereinafter defined) of Owner during such month (or the portion thereof) during which this Agreement is in effect (the "Management Fee"), it being agreed that such fee represents fair market value for the Management Services. For this purpose, "Net Revenues" shall mean the total operating revenues of Owner reduced by revenue deductions, which deductions shall include an allowance for contractual allowances, discounts, and charity care amounts (but not bad debt expense) as determined in accordance with generally accepted accounting principles. The Management Fee for each month shall be paid on or before the fifteenth (15th) day of the succeeding month. At the end of each fiscal year, in connection with the preparation of Owner's financial statements with respect to such year, the parties shall reconcile the Net Revenues for the entire fiscal year and, in the event that the Management Fee paid during such year was greater or less than it should have been based upon the full year's operating results, the parties shall settle the difference accordingly within sixty (60) days following the completion of such financial statements.

**7. TERM**. The term of this Agreement shall commence on the date hereof ("Effective Date") and shall expire on the fifth (5th) anniversary of the Effective Date ("Term"), unless earlier terminated as provided below. This Agreement shall automatically renew for consecutive five (5) year terms unless Owner exercises its option not to renew this Agreement for a renewal term by providing written notice to Manager not less than one hundred eighty (180) days prior to the expiration of the term then in effect that Owner elects to exercise its option not to renew this Agreement. Any action to be taken by Owner to not renew this Agreement may be taken with the Approval of the SM/W Directors only if the SM/W Directors determine in their sole discretion that either (i) Manager is not operating the Hospital in accordance with the Company Purposes and Standards, or (ii) Manager is otherwise in breach of this Agreement and has failed to cure such breach as provided below. Each such renewal term shall be subject to the terms and conditions of this Agreement.

**8. TERMINATION.**

***8.1 Termination by Owner***. Owner, with the Approval of the SM/W Directors, may terminate this Agreement upon the occurrence of any one or more of the following events:

(a) The filing of a petition in voluntary bankruptcy or an assignment for the benefit of creditors by Manager, or the taking or suffering of any action by Manager, voluntarily or involuntarily, under any federal or state law for the benefit of debtors by Manager, except for the filing of a petition in involuntary bankruptcy against Manager that is dismissed within sixty (60) days thereafter;

(b) If Manager shall default in the performance of any material duty or obligation imposed upon it by this Agreement (including failure to operate the Hospital in accordance with the Company Purposes and Standards), and such default shall continue for a period of thirty (30) days after written notice of such default has been given to Manager by Owner, or in the event of a default that cannot reasonably be cured within such thirty (30)-day period, Manager shall fail to commence a cure within such thirty (30)-day period or shall fail thereafter diligently and in good faith to pursue such cure to completion (the time for cure in any event not to exceed one hundred eighty (180) days after such written notice of default); or

(c) If Manager is excluded from participation in any federal or state health insurance or benefits program, such as Medicare, Medicaid, or CHAMPUS.

***8.2 Termination by Manager***. Manager may terminate this Agreement upon the occurrence of any one or more of the following events:

(a) The filing of a petition in voluntary bankruptcy or an assignment for the benefit of creditors by Owner, or the taking or suffering of any other action by Owner, voluntarily or involuntarily, under any federal or state law for the benefit of debtors by Owner, except for the filing of a petition in involuntary bankruptcy against Owner that is dismissed within sixty (60) days thereafter;

(b) If Owner shall fail to pay when due any amount required to be paid by Owner to Manager pursuant to this Agreement, and such failure shall continue for a period of fifteen (15) days after written notice of such failure has been given to Owner by Manager (provided, however, that Manager shall have no obligation to give written notice of any failure to pay, nor to give Owner an opportunity to cure any failure to pay, more than three (3) times in any period of twelve (12) consecutive months); or

(c) If Owner shall default in the performance of any material duty or obligation imposed upon it by this Agreement, and such default shall continue for a period of thirty (30) days after written notice of such default has been given to Owner by Manager, or in the event of a default that cannot reasonably be cured within such thirty (30)-day period, Owner shall fail to commence a cure within such thirty (30)-day period or shall fail thereafter diligently and in good faith to pursue such cure to completion (the time for cure in any event not to exceed one hundred eighty (180) days after such written notice of default).

**9. NOTICES**. Any notice, demand, or communication required, permitted, or desired to be given hereunder shall be deemed effectively given when personally delivered, when received by receipted overnight courier, or five (5) days after being deposited in the United States mail,

with postage prepaid thereon, certified or registered mail, return receipt requested, addressed as follows:

| | |
|---|---|
| If to Owner: | Southwest Connecticut Health System, LLC<br>2800 North Dallas Parkway, Suite 200<br>Plano, Texas 75093<br>Attention: CEO |
| with a copy to: | LHP Hospital Group, Inc.<br>2800 North Dallas Parkway, Suite 200<br>Plano, Texas 75093<br>Attention: General Counsel |
| and | Greater Waterbury Health Network, Inc.<br>64 Robbins Street<br>Waterbury, Connecticut 06708<br>Attention: President and CEO |
| and | Saint Mary's Health System, Inc.<br>56 Franklin Street<br>Waterbury, Connecticut 06706<br>Attention: President and CEO |
| If to Manager: | LHP Management Services, LLC<br>c/o LHP Hospital Group, Inc.<br>2800 North Dallas Parkway, Suite 200<br>Plano, Texas 75093<br>Attention: CEO |
| with a copy to: | LHP Hospital Group, Inc.<br>2800 North Dallas Parkway, Suite 200<br>Plano, Texas 75093<br>Attention: General Counsel |

Each party may change its address indicated above by giving the other party written notice of the new address in the manner above set forth.

**10. ASSIGNMENT**. Subject to the provisions hereof to the contrary, this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective legal representatives, successors, and assigns. No party hereto may assign this Agreement without the prior written consent of the other party hereto; provided, however, that Manager may, without the prior written consent of the other party hereto, assign its rights and delegate its duties hereunder to one or more Affiliates, but with each assignment, the assignor shall be required to remain obligated hereunder in the same manner as if such assignment had not been effected. This Agreement is intended solely for the benefit of the parties hereto and is not intended to, and shall not, create any enforceable third party beneficiary rights.

**11. INDEMNIFICATION**.

***11.1 Indemnification of Manager***. Owner shall indemnify and hold harmless Manager and its agents and employees of and from any third party claims, losses, liabilities, and demands of every kind and nature whatsoever, including, without limitation, the costs of defending any such claims, liabilities, and demands, including, without limitation, attorneys' and accountants' fees therefor, arising in connection with Manager's authorized activities set forth herein (including, without limitation, those arising out of the negligence of Manager or its agents or employees); provided, however, that Owner shall not be required to indemnify or hold harmless Manager from any claims, losses, liabilities, or demands that arise from actions (or failures to act) that are performed in bad faith and that arise out of willful misconduct, gross negligence, or fraud by Manager, or any of its Affiliates, agents, or employees. For purposes of this Section, the employees of the Hospital shall not be considered to be the agents or employees of Manager.

***11.2 Indemnification of Owner.*** Manager shall indemnify and hold harmless Owner and its agents and employees of and from any third party claims, losses, liabilities, and demands that arise from actions (or failures to act) that are performed by Manager in bad faith and that arise out of willful misconduct, gross negligence, or fraud by Manager, or any of its Affiliates, agents, or employees, including, without limitation, the costs of defending any such claims, liabilities, and demands, including, without limitation, attorneys' and accountants' fees therefore. For purposes of this Section, the employees of the Hospital shall not be considered to be the agents or employees of Manager.

**12. ACCESS TO THE HOSPITAL; CONFIDENTIALITY OF RECORDS**. During the term hereof, Manager shall be given complete access to the Hospital and its records, offices, and facilities, in order that it may carry out its obligations hereunder, subject to the confidentiality requirements relating to patients' records as established by Owner. Manager shall, and shall require all its employees, subcontractors, and agents to, comply with and recognize all confidentiality and non-disclosure requirements that apply to the Hospital, specifically including privacy requirements of the Health Insurance Portability and Accountability Act of 1996, as amended ("HIPAA"), Privacy and Security Standards, and state requirements and to comply with the Hospital's requirements and safeguards relating to such confidential information. Manager shall comply with the policy adopted by the Hospital for access to and disclosure of protected health information (as defined by federal regulations implementing HIPAA) and the Business Associate Agreement provisions attached and incorporated herein as Appendix A.

**13. ACCESS TO MANAGER BOOKS AND RECORDS**. To ensure that any payments made hereunder are included to the extent appropriate in determining reasonable costs incurred by a Medicare provider, Manager and Owner shall, if this Agreement is ultimately determined to be one to which 42 U.S.C. Section 1861(v)(i)(I) applies, perform the obligations as may from time to time be specified for subcontractors in 42 U.S.C. Section 1861 (v)(i)(I) and regulations promulgated in implementation thereof.

**14. AUTONOMY OF PARTIES**. The parties are independent contractors, and Manager and Owner shall not, by virtue of this Agreement, be deemed partners, employee/employer, or joint venturers, nor shall Manager be deemed to be the agent or employee of Owner. Manager shall not, by entering into and performing this Agreement, incur any liability for any of the existing obligations, liabilities, or debts of Owner, and Manager shall not, by acting hereunder, assume or become liable for any of the future obligations, debts, or liabilities of Owner. Owner shall retain the full legal authority and ultimate responsibility for the management and operation of Owner and the Hospital.

**15. MODIFICATION**. Neither this Agreement nor any provision hereof shall be amended or modified (or deemed amended or modified), except by an agreement in writing duly executed and acknowledged with the same formality as this Agreement that has been Approved by the Board of Owner. In the event that the tax-exempt status of either GWHN or SMHS is threatened as a result of any one or more provisions of this Agreement or actions of Manager under this Agreement, the parties agree to negotiate in good faith to modify or amend the offending provisions of this Agreement.

**16. GOVERNING LAW**. The parties agree that this Agreement shall be governed by and construed in accordance with the laws of the State of Connecticut without regard to conflict of laws principles. Any dispute or proceeding arising out of or relating in any way to the subject matter of this Agreement shall be brought in any state or federal court having appropriate jurisdiction over the matter.

**17. INDEPENDENT COVENANTS**. Each of the respective rights and obligations of the parties hereunder shall be deemed independent and may be enforced independently irrespective of any of the other rights and obligations set forth herein. No waivers, express or implied, by either party of any breach of any of the covenants, agreements, or duties hereunder of the other party shall be deemed to be a waiver of any other breach thereof or the waiver of any other covenant, agreement, or duty. No waiver by any party, express or implied, of a breach or violation of any provision of this Agreement shall operate as, or be construed to constitute a waiver of, any other breach of the same or any other provision hereof.

**18. ENTIRE UNDERSTANDING**. This Agreement contains the entire understanding of the parties with respect to the subject matter hereof, who hereby acknowledge that there have been and are no representations, warranties, covenants, or understandings other than those expressly set further herein. This Agreement may be executed in two or more counterparts, each and all of which shall be deemed an original and all of which together shall constitute but one and the same instrument.

**19. SEVERABILITY**. In the event any provision of this Agreement is held to be invalid, illegal, or unenforceable for any reason and in any respect, such invalidity, illegality, or unenforceability shall in no event affect, prejudice, or disturb the validity of the remainder of this Agreement, which shall be and remain in full force and effect, enforceable in accordance with its terms.

**20. WAIVER OF TRIAL BY JURY**. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHTS IT MAY HAVE TO DEMAND THAT ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT OR THE RELATIONSHIPS OF THE PARTIES HERETO BE TRIED BY JURY. THIS WAIVER EXTENDS TO ANY AND ALL RIGHTS TO DEMAND A TRIAL BY JURY ARISING FROM ANY SOURCE INCLUDING, BUT NOT LIMITED TO, THE CONSTITUTION OF THE UNITED STATES OR ANY STATE THEREIN, COMMON LAW, OR ANY APPLICABLE STATUTE OR REGULATIONS. EACH PARTY HERETO ACKNOWLEDGES THAT IT IS KNOWINGLY AND VOLUNTARILY WAIVING ITS RIGHT TO DEMAND TRIAL BY JURY.

**IN WITNESS WHEREOF** the parties hereunto have executed this Agreement as of the day and year first above written.

**OWNER:**

**SOUTHWEST CONNECTICUT HEALTH SYSTEM, LLC**

By: _____
Rebecca Hurley, Executive Vice President

**MANAGER:**

**LHP MANAGEMENT SERVICES, LLC**

By: _____
Rebecca Hurley, Executive Vice President

## Appendix A

## Business Associate Agreement

EXHIBIT 4:  DN 06-30760-VST

Wthy Hosp
County Hosp

# Office of Health Care Access

## Report of Investigative Proceedings

### Docket Number 06-30760-VST

**May 23, 2007**

**Cristine A. Vogel**
**Commissioner**
**Office of Health Care Access**

**Table of Contents**

I. Executive Summary

II. Summary of Findings

III. Findings of Fact

IV. Discussion and Conclusion

Attachments:

A. Report of Socio-Economics and Health Care Services Utilization of the Waterbury Area

B. The Chartis Group, LLC. Report

C. StayWell Health Center letter

D. Hospital Closures and Mergers in Connecticut

E. Report of the Region 5 Pediatric Inpatient Psychiatric Services Implementation Group

## I. Executive Summary

The health care services provided in the Waterbury area appear to be fragmented, competitive and in financial distress. Although utilization of inpatient and outpatient services is high -- profit margins remain low at both St. Mary's Hospital and the Waterbury Hospital. Access to care is not yet impacted; however, the long-term viability of the health care delivery system is at risk -- presenting an opportunity to restructure and develop an efficient and responsive health care delivery system. After an extensive review of data in this investigation, some of the findings are:

- Saint Mary's Hospital's financial measures indicate that the hospital is insolvent.
- Data suggest that the financial viability of the health system is more sustainable with one hospital and one outpatient system of care.
- Duplication of services is competitive and costly and limits profitability.
- A merger of St. Mary's Hospital and Waterbury Hospital is an option; however, many major issues exist.
- A planned closure of St. Mary's Hospital may be a viable solution providing a pre-determined integration plan is in place.
- Utilization data demonstrate a consistent and steady demand for inpatient and outpatient services will continue in the community.
- A comprehensive primary care system needs to be developed to respond to the immediate need for access which will ultimately improve the hospitals' financial viability and the health status of the community. Data suggest a lack of primary care services exists forcing individuals to utilize the Emergency Department as their health care provider.
- Behavioral health services must be expanded in a comprehensive and cohesive manner.

The financial hardship that St. Mary's Hospital (SMH) and the Waterbury Hospital (WH) struggle with is mostly a result of an economically challenged city. Waterbury experiences a higher rate of uninsured and unemployed compared to the state as a whole and has a lower per capita income. Socioeconomics and demographics play a significant role in the financial condition of hospitals since they rely on philanthropic donations and the balance of government and non-government reimbursement to offset losses.

Additionally, financial hardship can be created when two hospitals are located in close proximity to each other. The expenses related to marketing, advertising, recruitment and retention are increased as each hospital is competing for the most qualified employees and the most profitable patients. Related to the expenses of competition – is duplication. The duplication that exists in the outpatient market results in the thinning out of profitable services so neither organization can leverage the profit. These costs are in addition to those targeted at competing hospitals located in the secondary market. Also

related to competition is the lack of negotiating power the hospitals face during the contracting phase with managed care organizations. Typically the commercial discounts are greater in an area served by two hospitals which decreases the reimbursement from the most lucrative payer source.

This investigation conducted by the Office of Health Care Access (OHCA) was initiated to assess the viability of the health care delivery system in the Waterbury area. Several state agencies have been periodically meeting and discussing the information that OHCA has been collecting. The other state agencies involved are: Department of Public Health (DPH), Department of Social Services (DSS), Office of Policy and Management (OPM), and the Connecticut Health and Educational Facilities Authority (CHEFA).

The purpose of this investigation was to study the socioeconomic factors, utilization of hospitals services and a review of the financial condition of SMH and WH and the impact these factors have on ensuring sustainable access to hospital care in the Waterbury area. Both hospitals have reported negative operating margins for the past two years and have not experienced a strong fiscal year in some time. For Fiscal Year 2006, SMH reported a Total Margin of 0.4% and an Operating Margin of (3.7)%; and WH reported a Total Margin of (2.4)% and an Operating Margin of (3.7)%.

The distressed financial condition of both hospitals, although more severe with SMH, has restricted access to capital for facilities improvement and renovation projects. Both of the hospitals' facilities are aging, they lack sufficient parking, and increasing the capacity to meet demand for services in the Emergency Departments and patient floors has become cost-prohibitive. Thus, occupancy rates are high in many service lines and yet beds, although within licensed bed count, cannot be added.

According to FY06 audited financial statements, St. Mary's Hospital has enough cash to pay one (1) day of its short-term commitments and is taking longer than normal to pay its creditors. Although Waterbury Hospital has more cash on hand and is paying its creditors earlier than prior years, both hospitals are exhibiting the classic symptoms of financial distress.

Each of the findings mentioned above will be further discussed in the Discussion and Conclusions section of this report. All data used in this report can be found in the Findings of Fact section and the Attachments.

## II. Summary of Findings

This investigation thoroughly reviewed the socio-economic characteristics, the utilization of services, and the financial challenges of St. Mary's Hospital and the Waterbury Hospital. A detailed analysis of these factors is contained in Attachment A of this report. This summary is provided as an overview of the key factors that contribute to the on-going financial losses of the hospitals.

**Socio-economic Characteristics:**

Although there are seven towns that best define the "Waterbury Area" included in the investigation, a significant portion of residents who rely on and access St. Mary's Hospital and the Waterbury Hospital for health care services live in the towns of Waterbury, Naugatuck or Watertown. This area consists mostly of:

- young adults who may be full-time students, single, unemployed or have no permanent full-time jobs and therefore, likely to be uninsured;
- a disproportionate share of residents who are over 75 years old and live in the city of Waterbury who maybe inclined to suffer from chronic diseases that need management;
- minorities that have high hospitalization and uninsured rates;
- residents who are less likely to have a college degree or higher, to be skilled professionals or employed;
- a labor force that has a comparably higher tendency to work in service, production, transportation and material moving industries that are seasonal, temporary or part-time in nature;
- people who earn less than the statewide average per capita or household income;
- a population that has a high incidence of hospitalizations that could have been prevented if residents had adequate access to community health services; and
- a federally medically and primary care underserved population.

**Utilization:**

Utilization data collected in this investigation demonstrated an active use of inpatient and outpatient health care services. There was no significant decline in utilization which in other circumstances would be a reason for a deterioration of financial stability – the Waterbury hospitals show steady volume. This data is summarized for FY 2006 for SMH and WH combined:

- 27,562 Inpatient discharges (remained steady for the past 3 years)
- 116,644 Emergency Department visits (slight increase over the past 3 years)
- 91,684 Medical and Behavioral Health Clinic visits (overall no increase)
- 245,638 Other "outpatient" visits (i.e., surgery, radiology, etc.)

Fundamental system issues exist so although there is steady utilization of services, it is difficult to assess the necessary "size" of the health care system. The Emergency Departments show a higher utilization than typical – probably related to the lack of alternatives available; and each hospital stated the difficulty of discharging certain patients due to an inability to transfer patients to the next level of care.

Combined, the hospital system in the Waterbury area has 704 inpatient beds and 68 bassinets. Over a three-year period, the two hospitals gradually increased the number of staffed beds to 447 or 62% of licensed beds and 68 bassinets. Most of the beds (72% or 323) are for medical/surgical and critical care, 62 beds are for OB/GYN care, 42 beds for psychiatry and 36 beds for pediatric care. Based on the demographic profile of the area, there is excess demand for medical/surgical, critical care and psychiatric beds and insufficient demand for OB/GYN and pediatric beds. Although the high demand have resulted in rather high average occupancy rates (approximately 80%) over the year, the two hospitals have been limited in how many additional beds they can staff because of space constraints, capital costs, staffing shortages or difficulty with discharging patients to the appropriate level of care to a different facility (i.e., skilled nursing, rehabilitation).

Medical care is about one-half of the inpatient care the hospitals provide, surgical and maternity/pediatric care make up one-quarter each and behavioral health care is 5%. While over the three-year period the number of patients discharged increased by only 1%, patient days grew by 5%. With the increases in volumes, the cost of providing care per discharge in the area rose by 20% but growth in revenue did not keep pace with the cost as would be expected, rather loss per discharge more than doubled. Although both hospitals were incurring losses in all inpatient care service lines, larger losses were associated with behavioral health and surgical care. In FY 2006, the loss per discharge (both hospitals combined) in each service line was $2,834 for behavioral health, $1,871 for surgical care, $794 for maternity/pediatrics care and $127 medical care. But loss per service line per discharge varied between the two hospitals, the losses for medical, behavioral health and maternity/pediatric care were lower at St. Mary's Hospital, while the loss per discharge associated with surgical care was lower at Waterbury Hospital. However, some of the differences are explained by what each hospital includes in its components of costs.

The two hospitals combined have 73 Emergency Department (ED) beds and both experience the "boarding" of patients that require admission to an inpatient unit. The hospitals state that staffing, space constraints, and the lack of access to capital constrain their ability to improve through-put of patients in their respective EDs. Approximately 14% of ED visits in the area result in an inpatient admission and like the state and nation account for about one-half of all discharges. As in the case of inpatient services, both hospitals provide ED services at a loss per case.

In the area of medical and dental outpatient care, an affiliate of St. Mary's Hospital provides these services at a loss per visit despite high volumes. An affiliate of Waterbury Hospital provides some outpatient and HIV treatment services and records high volumes but was unable to provide cost data for evaluation. Affiliates of both hospitals also provide outpatient behavioral health clinic services; however, the Waterbury Hospital provides 90% of these services. Loss per visit is almost the same for both facilities, but visits per case to the St. Mary's Hospital behavioral health clinic are three times the visits made to the Waterbury Hospital clinic.

Other outpatient services such as one-day surgery, radiology/imaging, laboratory, gastroenterology and other services are the most profitable services both hospitals provide although the cost at Waterbury Hospital is 1.5 times the cost at St. Mary's Hospital.

The financial instability of both hospitals is not a result of low utilization. The hospitals' combined inpatient discharges for FY06 are 27,562; however, on average the hospitals combined lose $899 per case. In surgical cases, typically a profitable service, the combined hospital loss per case is $1,871. The utilization of the emergency departments is higher than that of the state average which is indicative of a lack of alternative primary health care services. In FY06, the two hospitals reported 116,644 visits to their EDs. This presents a fiscal challenge when 42% of their patients are covered by Medicaid and 10% are uninsured. Of the patients that were treated and discharged (not admitted) from the ED, the hospitals lose a combined $28 per case. This amount of loss per case for such a large volume is difficult to offset since they realize losses in their inpatient services and they have a relatively low reimbursement rate from commercial payers.

**Hospital Payer Mix:**

When all services are combined (inpatient and outpatient) for both hospitals, commercial payers are the dominant primary payer in the Waterbury Area accounting for 41% of total patient volume. Medicare accounts for 30%, Medicaid for 23% and the uninsured for 4% (Table 1). In fact, commercial payers are the leading primary payer (46%) in the sole profitable areas of service for the hospitals in the "other outpatient services" category, which include medical clinics, one-day surgery, radiology, laboratory, gastroenterology and all other services except ED and outpatient psychiatry. The payer mix varies between services and hospitals. EDs in the area have an unfavorable payer mix with over one-half of their patient volume being either Medicaid-covered or uninsured and an annually declining share of commercially-covered patients. Although both hospitals provide care to a large portion of uninsured patients (9% for St. Mary's Hospital and 11% for Waterbury Hospital), St. Mary's Hospital treats a disproportionate share (49%) of Medicaid patients in the ED. The payer mix presented in Table 1 is highly correlated to the demographic profile outlined in Section 3.0 of Attachment A.

**Table 1: Waterbury Area Hospitals Payer Mix by Department, FYs 2004 - 2006**

| Services | Primary Payer | St. Mary's Hospital | | | Waterbury Hospital | | | Waterbury Area Hospitals* | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | FY06 | FY05 | FY04 | FY06 | FY05 | FY04 | FY06 | FY05 | FY04 |
| Inpatient Discharges | Medicare | 42 | 43 | 43 | 44 | 43 | 43 | **43** | **43** | **43** |
| | Medicaid | 25 | 23 | 23 | 21 | 20 | 20 | **23** | **22** | **21** |
| | Commercial | 31 | 32 | 32 | 33 | 34 | 34 | **32** | **33** | **33** |
| | Worker's Compensation | 1 | 1 | 1 | 1 | 1 | 1 | **1** | **1** | **1** |
| | Self-pay/uninsured | 1 | 1 | 1 | 1 | 2 | 1 | **1** | **1** | **1** |
| | **Total** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** |
| Emergency Department Treated and Discharged Visits | Medicare | 14 | 15 | 15 | 17 | 18 | 18 | **15** | **16** | **16** |
| | Medicaid | 49 | 46 | 43 | 34 | 33 | 32 | **42** | **40** | **38** |
| | Commercial | 26 | 27 | 29 | 36 | 37 | 37 | **30** | **32** | **33** |
| | Worker's Compensation | 2 | 2 | 3 | 3 | 3 | 3 | **2** | **3** | **3** |
| | Self-pay/uninsured | 9 | 9 | 10 | 11 | 10 | 10 | **10** | **10** | **10** |
| | **Total** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** |
| Outpatient Behavioral Health Visits | Medicare | 9 | 13 | 9 | 46 | 47 | 45 | **43** | **44** | **42** |
| | Medicaid | 55 | 58 | 54 | 37 | 35 | 38 | **38** | **37** | **39** |
| | Commercial | 36 | 28 | 36 | 15 | 16 | 16 | **17** | **17** | **17** |
| | Worker's Compensation | 0 | 0 | 0 | 0 | 0 | 0 | **0** | **0** | **0** |
| | Self-pay/uninsured | 1 | 1 | 0 | 2 | 2 | 2 | **2** | **2%** | **2** |
| | **Total** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** |
| All Other Outpatient Visits | Medicare | 32 | 33 | 32 | 30 | 31 | 32 | **31** | **32** | **32** |
| | Medicaid | 17 | 17 | 16 | 18 | 18 | 18 | **18** | **18** | **17** |
| | Commercial | 47 | 47 | 46 | 45 | 45 | 45 | **46** | **46** | **45** |
| | Worker's Compensation | 1 | 1 | 3 | 1 | 1 | 1 | **1** | **1** | **2** |
| | Self-pay/uninsured | 2 | 2 | 3 | 5 | 5 | 4 | **4** | **3** | **4** |
| | **Total** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** |
| **Hospital Total** | **Medicare** | **28** | **28** | **28** | **32** | **33** | **33** | **30** | **31** | **31** |
| | **Medicaid** | **26** | **26** | **24** | **20** | **19** | **19** | **23** | **23** | **22** |
| | **Commercial** | **41** | **41** | **41** | **42** | **42** | **42** | **41** | **42** | **41** |
| | **Worker's Compensation** | **2** | **1** | **3** | **1** | **1** | **1** | **1** | **1** | **2** |
| | **Self-pay/uninsured** | **4** | **4** | **4** | **5** | **4** | **4** | **4** | **4** | **4** |
| | **Total** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** |

## Financial Indicators:

There is no single financial measure that, by itself, indicates the financial health of or the financial difficulty faced by a hospital. Important indicators to consider are the utilization of services, the payer mix, reimbursement, profit/loss of services, the ability the hospital has to meet its short-term obligations and its access to capital in order to continue to improve facilities and equipment. For consecutive years, both hospitals experienced negative operating margins, also a signal of financial distress.

St. Mary's Hospital's financial performance has deteriorated in the past three (3) years its low current assets to current liabilities ratio, 0.8 in FY06, put the hospital at a higher risk for technical insolvency (below 10$^{th}$ percentile). To improve cash flow, the hospital

shortened the average time it took to collect revenues from billed patients by ten days down to 38 days but that was not enough to improve the average time it took to pay creditors, that increased by a day to 72 days (Table 2).

Waterbury Hospital has experienced deterioration in its cash flows as well. The hospital's days of cash on hand have reduced from 42 days to 20 days, which is below state and national medians. It took the hospital seven days more to collect revenues from billed patients on average, but it paid its creditors five days earlier than it did the year before. Waterbury Hospital is at very low risk of technical insolvency since its current assets to current liabilities ratio in FY06 was 2.03 which is above the median for the state and nation (Table 2).

A serious concern for both hospitals is the difficulties they will have in financing future debt for capital projects. In order for any hospital to maintain standards of care and to remain competitive, they need to be able to invest in aging facilities, upgrade to advanced technologies, and expand or renovate to meet patient demands.

**Table 2. Financial Indicators of St. Mary's Hospital and Waterbury Hospital (FY 2004 – 2006)**

| Financial Statistics* | St. Mary's Hospital | | | Waterbury Hospital | | |
|---|---|---|---|---|---|---|
| | 2006 | 2005 | 2004 | 2006 | 2005 | 2004 |
| **Net Assets** | | | | | | |
| Hospital | ($136,000) | $23,760,000 | $26,430,000 | $124,628,134 | $126,535,925 | $119,504,105 |
| Health System | $1,424,000 | $8,469,000 | $16,197,000 | $163,330,870 | $166,079,218 | $158,400,874 |
| **Financial Indicators** | | | | | | |
| Current ratio | 0.8 | 1.96 | 1.78 | 2.03 | 2.15 | 1.93 |
| Days of expenses in accounts payable | 72 | 71 | 69 | 42 | 47 | 56 |
| Days cash on hand | 1 | 3 | 5 | 20 | 34 | 42 |
| Days of revenue in accounts receivable | 38 | 48 | 60 | 49 | 42 | 37 |

Source: *Annual Report on the Financial Status of Connecticut's Short Term Acute Care Hospitals for Fiscal Year 2005, the hospitals' Audited Financial Statements &*data submitted by the hospitals in response to the investigation.*

Current Ratio: the Current Ratio is the most widely used measure of liquidity. The value of the Current Ratio measures the number of dollars held in current assets per dollar of current liabilities. From an evaluation perspective, high values for the Current Ratio imply a good ability to pay short term obligations and thus a low probability of technical insolvency. Nationally, Current Ratios fluctuate around 2.0.

## System of Care

The infrastructure that provides access to outpatient primary care and behavioral health services overall appears to be fragmented and at capacity. The lack of access to primary health care is demonstrated by the high utilization of emergency departments and the high incidence of hospitalizations that could have been prevented if residents had adequate access to preventive community services (Attachment A). The clinics that each

hospital operates and the Federally Qualified Health Center in Waterbury also appear to be at capacity. Additionally, there is a serious concern with the ability for clinic patients to access specialty care since the majority of physicians do not accept many Medicaid patients.

In continued research regarding access to pediatric inpatient psychiatric services (Attachment E), it was recommended that Region 5 (Waterbury being part of) expand inpatient beds as well as develop a Psychiatric Residential Treatment Facility (PRTF). The lack of availability of different levels of care is creating long delays to transfer behavioral health patients to other providers and typically those referrals are out of the region.

# Office of Health Care Access

## Report of Investigative Proceedings

| | |
|---|---|
| **Subject Title:** | **An Investigation to review utilization and capacity of acute care general hospital services provided in the "Waterbury Area"** |
| **Docket Number:** | **06-3070-VST** |
| **Statutory Reference:** | **Section 19a-633 of the Connecticut General Statutes** |
| **Proceeding Date:** | **December 19, 2006** |
| **Presiding Officer:** | **Cristine A. Vogel** |
| **Date of OHCA Report:** | **May 23, 2007** |

**Cristine A. Vogel**
**Commissioner**
**Office of Health Care Access**

# Findings of Fact

1. Saint Mary's Hospital ("SMH") is an acute care hospital located at 56 Franklin, Waterbury, Connecticut. SMH's total license capacity is 379 beds and bassinets.

2. Waterbury Hospital ("WH") is an acute care hospital located at 64 Robbins Street in Waterbury, Connecticut. WH's total licensed bed capacity is 393 beds and bassinets.

3. On May 25, 2006, the Office of Health Care Access (OHCA) pursuant to Connecticut General Statutes (C.G.S.) Section 19a-633 initiated an investigation to review utilization and capacity of acute care general hospital services provided in the "Waterbury Area." The general acute care hospitals located in the city of Waterbury are St. Mary's Hospital and The Waterbury Hospital.

4. **Table 1: Financial Performance of St. Mary's and Waterbury Hospitals (FYs 2004 – 2006)**

| Financial Indicators | St. Mary's Hospital | | | Waterbury Hospital | | |
|---|---|---|---|---|---|---|
| | FY 2004 | FY 2005 | FY 2006 | FY 2004 | FY 2005 | FY 2006 |
| Operating Loss/Gain[1] | $6,306,000 | $(15,270,000) | $(6,393,000) | $(448,506) | $(2,431,845) | $(8,069,534) |
| Excess of Revenue over Expenses[2] | $11,480,000 | $(6,581,000) | $744,000 | $2,275,334 | $(30,448) | $(5,303,186) |
| Operating Margin[3] | 4.2% | (10.02)% | (3.7)% | (0.2)% | (1.2)% | (3.7)% |
| Total Margin[4] | 7.68% | (4.3)% | 0.44% | 1.2% | (0.01)% | (2.4)% |

Source: *Audited Financial Statements.*
[1] Loss or gain from reimbursement of patient services from government and non-government payers.
[2] Difference between revenue obtained from direct patient care and funds from other sources and expenses.
[3] Measures profitability and is the ratio of loss or gain per unit total operating revenue.
[4] Measures profitability and is the ratio of total operating and non-operating revenue loss or surplus to total operating revenue.

5. The investigation reviews current availability and utilization of, and demand for hospital services, system capacity and the challenges these two hospitals face in meeting demands from the community they serve. This involves an evaluation of:
   - the socio-economic make-up of the community that relies on services of the hospitals, implications on the hospitals' patient payer-mix and the effect of reimbursements on hospital operations and future plans;
   - current utilization and future demand for all hospital services including inpatient, emergency department, primary care clinics, outpatient psychiatric care and ancillary outpatient services in the area; and
   - challenges that exist in the market in general and their impact on the hospitals' operations.

6. OHCA determined that the following seven towns most frequently access health care services at "SMH" and "WH": Middlebury, Naugatuck, Prospect, Southbury, Waterbury, Watertown and Wolcott.

**Table 2: Other Connecticut hospitals' percentage share of discharges originating from the seven selected towns, FYs 2003-2005**

| Acute Care Hospital | Middlebury % | Naugatuck % | Prospect % | Southbury % | Waterbury % | Watertown % | Wolcott % | % of Hospital Total |
|---|---|---|---|---|---|---|---|---|
| **St. Mary's** | **21.5** | **32.5** | **35.7** | **7.7** | **44.6** | **20.3** | **41.2** | **81.2** |
| **Waterbury** | **53.5** | **41.2** | **37.4** | **34.9** | **42.4** | **62.7** | **30.7** | **86.5** |
| Bridgeport | 2.0 | 3.1 | 2.6 | 2.1 | 1.4 | 2.1 | 1.6 | 2.6 |
| Danbury | 5.7 | 2.1 | 0.5 | 38.9 | 1.1 | 1.9 | 0.5 | 6.8 |
| John Dempsey | 0.8 | 0.8 | 1.1 | 0.7 | 0.8 | 0.7 | 1.9 | 2.7 |
| Griffin | 1.1 | 5.9 | 1.4 | 1.7 | 0.5 | 0.4 | 0.3 | 5.2 |
| St. Raphael's | 2.8 | 2.5 | 4.8 | 1.8 | 1.5 | 1.4 | 2.6 | 2.1 |
| Yale | 6.8 | 5.9 | 8.7 | 6.2 | 3.6 | 4.7 | 4.2 | 2.8 |
| Other* | 5.7 | 6.0 | 7.8 | 6.0 | 4.3 | 5.8 | 17.1 | 0.6 |
| **Total (%)** | **100** | **100** | **100** | **94** | **100** | **100** | **100** | |
| **# of Discharges** | **2,062** | **11,365** | **3,144** | **7,413** | **49,156** | **7,349** | **5,395** | |

Source: *Office of Health Care Access Acute Care Discharge Database*
*Includes the other 23 hospitals, which individually did not discharge a significant share of patients from the seven towns.

7. According to Census 2000 data, approximately 208,861 residents live in the "Waterbury Area" as defined in Fact 6.

8. A significant portion of residents who rely on services provided by SMH and WH live in Waterbury, Naugatuck or Watertown and the socio-economics of this population is described as follows:

- young adults who may be full-time students, single, unemployed or have no permanent full-time jobs and therefore likely to be uninsured;
- a disproportionate share of residents who are over 75 years old live in the city of Waterbury who maybe inclined to suffer from chronic diseases that need management.
- minorities that have high hospitalization and uninsured rates;
- residents less likely to have a college degree or higher, to be skilled professionals or employed;
- a labor force that has a comparably higher tendency to work in service, production, transportation and material moving industries that are seasonal, temporary or part-time in nature;
- people who earn less than the statewide average per capita or household income;
- a population that has a high incidence of hospitalizations that could have been prevented if residents had adequate access to community health services; and
- a federally medically and primary care underserved population.

9. In November 2005, the Primary Care Office of the Connecticut Department of Public Health designated the city of Waterbury as a medically and a primary care underserved area under federal laws.

10.

**Table 3: Licensed and Staffed Acute Care Beds in Waterbury Area by Service Line, FYs 2004 - 2006**

| | | Staffed Beds | | | | | Share of Staffed Beds | |
|---|---|---|---|---|---|---|---|---|
| Service Line | Licensed Beds | FY 2006 | FY 2005 | FY 2004 | % of Licensed Beds Staffed in FY 2006 | % of All Staffed Beds in FY 2006 | St. Mary's Hospital | Waterbury Hospital |
| Medical/Surgical | 479 | 260 | 257 | 249 | **54%** | **58%** | 40% | 60% |
| OB/GYN | 64 | 62 | 63 | 63 | **97%** | **14%** | 50% | 50% |
| Psychiatry | 50 | 42 | 42 | 42 | **84%** | **9%** | 29% | 71% |
| Critical Care | 75 | 63 | 55 | 55 | **84%** | **14%** | 68% | 32% |
| Pediatric | 36 | 20 | 20 | 20 | **56%** | **4%** | 50% | 50% |
| **Total Beds** | **704** | **447** | **437** | **429** | **63%** | **100%** | 45% | 55% |
| **Total Bassinets** | **68** | **68** | **68** | **68** | **100%** | **n/a** | 47% | 53% |

11. Utilization for inpatient hospital services for the two hospitals combined:

**Table 4: Waterbury Area Hospitals Acute Care Discharges by Service Line, FYs 2004 - 2006**

| | Discharges | | | | % Change | | |
|---|---|---|---|---|---|---|---|
| Service Line | FY 2006 | FY 2005 | FY 2004 | 3-yr Average | 06/05 | 05/04 | 06/04 |
| Medical | 12,546 | 12,563 | 12,055 | **12,388** | 0 | 4 | 4 |
| Surgical | 7,548 | 7,527 | 7,352 | **7,476** | 0 | 2 | 3 |
| Behavioral Health | 1,538 | 1,721 | 1,650 | **1,636** | -11 | 4 | -7 |
| Maternity/Pediatrics | 5,930 | 5,942 | 6,118 | **5,997** | 0 | -3 | -3 |
| **Total** | **27,562** | **27,753** | **27,175** | **27,497** | **-1** | **2** | **1** |

12. The two hospitals combined have 73 emergency "beds" with the following breakdown by hospital:

**Table 5: Waterbury Area Hospitals Emergency Department Beds, 2006**

| St. Mary's Hospital | | Waterbury Hospital | |
|---|---|---|---|
| Description | # Beds | Description | # Beds |
| Treatment Room | 24 | Acute ER | 21 |
| Trauma room | 2 | Prompt Care | 5 |
| Behavioral Health | 5 | Behavioral Health | 4 |
| Urgi-care room | 7 | Surge (for high census & boarders) | 5 |
| **Total** | **38** | **Total** | **35** |

13. SMH and WH report high utilization rates of emergency department (ED) visits when compared to the state and nation.

14. ED utilization broken down by hospital and combined:

**Table 6: Waterbury Area Hospital Emergency Department Utilization, FYs 2004 - 2006**

| Hospital | | FY 2006 | FY 2005 | FY 2004 | 3-yr Average |
|---|---|---|---|---|---|
| St. Mary's | Treated & Discharged[1] | 56,170 | 55,165 | 52,044 | 54,460 |
| | Treated & Admitted[1] | 8,286 | 8,177 | 7,581 | 8,015 |
| | All ED Visits | 64,456 | 63,342 | 59,625 | 62,474 |
| Waterbury | Treated & Discharged | 43,360 | 45,506 | 44,581 | 44,482 |
| | Treated & Admitted | 8,828 | 8,126 | 8,075 | 8,343 |
| | All ED Visits | 52,188 | 53,632 | 52,656 | 52,825 |
| **Waterbury Area Hospitals** | **Treated & Discharged** | **99,530** | **100,671** | **96,625** | **98,942** |
| | **Treated & Admitted** | **17,114** | **16,303** | **15,656** | **16,358** |
| | **All ED Visits** | **116,644** | **116,974** | **112,281** | **115,300** |
| ED Utilization Per 1,000 | | 558 | 560 | 538 | 552 |

15. Utilization of medical outpatient clinics vary by hospital as well as which type of services are offered. The two tables measure such activity; however, it was not determined that this data is comparable.

**Table 7: St. Mary's Hospital Medical Clinic Visits by Service Line, FYs 2004 – 2006**

| | Visits | | | | % Change | | |
|---|---|---|---|---|---|---|---|
| Clinic Service | FY 2006 | FY 2005 | FY 2004 | 3-yr Average | 06/05 | 05/04 | 06/04 |
| Family Health | 21,830 | 25,313 | 22,927 | **23,357** | -14 | 10 | -5 |
| Children's Health | 17,732 | 18,146 | 17,524 | **17,801** | -2 | 4 | 1 |
| Dental | 7,460 | 6,715 | 6,342 | **6,839** | 11 | 6 | 15 |
| **Total** | **47,022** | **50,174** | **46,793** | **47,996** | -6 | 7 | 0 |

**Table 8: Waterbury Hospital Clinic Visits by Service Line, FYs 2004 - 2006**

| | Visits | | | | % Change | | |
|---|---|---|---|---|---|---|---|
| Clinic Service | FY 2006 | FY 2005 | FY 2004 | 3-yr Average | 06/05 | 05/04 | 06/04 |
| Chase Outpatient Center | 10,712 | 8,581 | 10,806 | **10,033** | 25 | -21 | -1 |
| HIV | 1,138 | 997 | 451 | **862** | 14 | 121 | 60 |
| **Total** | **11,850** | **9,578** | **11,257** | **10,895** | 24 | -15 | 5 |

16. Utilization of Outpatient Psychiatric Clinics vary by hospital as well as which type of services are offered. The table below measures such activity; however, it was not determined that this data is comparable.

**Table 9: Waterbury Area Hospitals Outpatient Psychiatric Cases, Visits and Average Visits per Case, FYs 2004 - 2006**

| | Number of Cases | | | | % Change | | |
|---|---|---|---|---|---|---|---|
| Hospital | FY 2006 | FY 2005 | FY 2004 | 3-yr Average | 06/05 | 05/04 | 06/04 |
| St. Mary's | 1,026 | 929 | 816 | **924** | 10 | 14 | 26 |
| Waterbury | 10,978 | 11,428 | 11,854 | **11,420** | -4 | -4 | -7 |
| **Waterbury Area** | **12,004** | **12,357** | **12,670** | **12,344** | -3 | -2 | -5 |
| | Number of Visits | | | | % Change | | |
| Hospital | FY 2006 | FY 2005 | FY 2004 | 3-yr Average | 06/05 | 05/04 | 06/04 |
| St. Mary's | 6,712 | 5,898 | 3,731 | **5,447** | 14 | 58 | 80 |
| Waterbury | 26,100 | 28,601 | 29,566 | **28,089** | -9 | -3 | -12 |
| **Waterbury Area** | **32,812** | **34,499** | **33,297** | **33,536** | -5 | 4 | -1 |
| | Average Visits/Case | | | | | | |
| Hospital | FY 2006 | FY 2005 | FY 2004 | 3-yr Average | | | |
| St. Mary's | 7 | 6 | 5 | **6** | | | |
| Waterbury | 2 | 3 | 2 | **2** | | | |
| **Waterbury Area** | **3** | **3** | **3** | **3** | | | |

17. Utilization of "other" outpatient services (one-day surgery, radiology, laboratory, GI, etc.) is presented below. Data varies between each hospital and may not be consistent or necessarily comparable.

**Table 10: Waterbury Area Hospitals Other Outpatient Utilization, FYs 2004 - 2006**

| | Visits | | | | % Change | | |
|---|---|---|---|---|---|---|---|
| Hospital | FY 2006 | FY 2005 | FY 2004 | 3-yr Average | 06/05 | 05/04 | 06/04 |
| St. Mary's | 135,516 | 131,538 | 141,478 | 136,177 | 3 | -7 | -4 |
| Waterbury | 110,122 | 111,971 | 119,728 | 113,940 | -2 | -6 | -8 |
| **Waterbury Area** | **245,638** | **243,509** | **261,206** | **250,118** | 1 | -7 | -6 |
| Utilization Per 1,000 | 1,176 | 1,166 | 1,251 | 1,198 | | | |

18.

**Table 11: Waterbury Area Hospitals Primary Payer Payment to Cost, FYs 2003 - 2005**

| | St. Mary's Hospital | | | Waterbury Hospital | | | Connecticut | | |
|---|---|---|---|---|---|---|---|---|---|
| | FY03 | FY04 | FY05 | FY03 | FY04 | FY05 | FY03 | FY04 | FY05 |
| Ratio of cost to charges | 0.44 | 0.44 | 0.47 | 0.42 | 0.36 | 0.34 | 0.49 | 0.46 | 0.44 |
| Medicare payment to cost | 1.03 | 1.12 | 1.03 | 0.89 | 0.95 | 0.96 | 0.97 | 0.97 | 0.97 |
| Medicaid payment to cost | 0.85 | 0.80 | 0.47 | 0.68 | 0.82 | 0.79 | 0.73 | 0.73 | 0.72 |
| Private payment to cost | 0.95 | 1.08 | 0.96 | 1.02 | 1.07 | 1.06 | 1.14 | 1.18 | 1.20 |

Source: *Office of Health Care Access Hospital Financial Stability Reports for multiple years*

19.

**Table 12: Waterbury Area Hospitals Payer Mix by Department, FYs 2004 - 2006**

| Services | Primary Payer | St. Mary's (%) | | | Waterbury (%) | | | Waterbury Area Hospitals (%) | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | FY06 | FY05 | FY04 | FY06 | FY05 | FY04 | FY06 | FY05 | |
| Inpatient Discharges | Medicare | 42 | 43 | 43 | 44 | 43 | 43 | **43** | **43** | **43** |
| | Medicaid | 25 | 23 | 23 | 21 | 20 | 20 | **23** | **22** | **21** |
| | Commercial | 31 | 32 | 32 | 33 | 34 | 34 | **32** | **33** | **33** |
| | Worker's Compensation | 1 | 1 | 1 | 1 | 1 | 1 | **1** | **1** | **1** |
| | Self-pay/uninsured | 1 | 1 | 1 | 1 | 2 | 1 | **1** | **1** | **1** |
| | | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** |
| Emergency Department Treated and Discharged Visits | Medicare | 14 | 15 | 15 | 17 | 18 | 18 | **15** | **16** | **16** |
| | Medicaid | 49 | 46 | 43 | 34 | 33 | 32 | **42** | **40** | **38** |
| | Commercial | 26 | 27 | 29 | 36 | 37 | 37 | **30** | **32** | **33** |
| | Worker's Compensation | 2 | 2 | 3 | 3 | 3 | 3 | **2** | **3** | **3** |
| | Self-pay/uninsured | 9 | 9 | 10 | 11 | 10 | 10 | **10** | **10** | **10** |
| | | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** |
| Outpatient Behavioral Health Visits | Medicare | 9 | 13 | 9 | 46 | 47 | 45 | **43** | **44** | **42** |
| | Medicaid | 55 | 58 | 54 | 37 | 35 | 38 | **38** | **37** | **39** |
| | Commercial | 36 | 28 | 36 | 15 | 16 | 16 | **17** | **17** | **17** |
| | Worker's Compensation | 0 | 0 | 0 | 0 | 0 | 0 | **0** | **0** | **0** |
| | Self-pay/uninsured | 1 | 1 | 0 | 2 | 2 | 2 | **2** | **2%** | **2** |
| | | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** |
| All Other Outpatient Visits | Medicare | 32 | 33 | 32 | 30 | 31 | 32 | **31** | **32** | **32** |
| | Medicaid | 17 | 17 | 16 | 18 | 18 | 18 | **18** | **18** | **17** |
| | Commercial | 47 | 47 | 46 | 45 | 45 | 45 | **46** | **46** | **45** |
| | Worker's Compensation | 1 | 1 | 3 | 1 | 1 | 1 | **1** | **1** | **2** |
| | Self-pay/uninsured | 2 | 2 | 3 | 5 | 5 | 4 | **4** | **3** | **4** |
| | | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** |
| **Hospital Total** | **Medicare** | **28** | **28** | **28** | **32** | **33** | **33** | **30** | **31** | **31** |
| | **Medicaid** | **26** | **26** | **24** | **20** | **19** | **19** | **23** | **23** | **22** |
| | **Commercial** | **41** | **41** | **41** | **42** | **42** | **42** | **41** | **42** | **41** |
| | **Worker's Compensation** | **2** | **1** | **3** | **1** | **1** | **1** | **1** | **1** | **2** |
| | **Self-pay/uninsured** | **4** | **4** | **4** | **5** | **4** | **4** | **4** | **4** | **4** |
| | **Total** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** |

20.

**Table 13: Waterbury Area Hospitals Acute Care Gain or Loss per Discharge or Case by Service Line, FYs 2004 - 2006**

| Service Line | Gain or Loss per Discharge/Case ($) | | | | % Change | | |
|---|---|---|---|---|---|---|---|
| | FY 2006 | FY 2005 | FY 2004 | 3-yr Average | 06/05 | 05/04 | 06/04 |
| Medical | (127) | 62 | 322 | **82** | -306 | -81 | 353 |
| Surgical | (1,871) | (1,112) | (850) | **(1,282)** | 68 | 31 | 55 |
| Behavioral Health | (2,834) | (1,805) | (1,472) | **(2,015)** | 57 | 23 | 48 |
| Maternity/Pediatrics | (794) | (765) | (927) | **(830)** | 4 | -18 | -17 |
| **Total** | **(899)** | **(549)** | **(386)** | **(612)** | 64 | 42 | 57 |

[1] The combined per case gain/loss is sum of total revenue for the two hospitals minus the sum of their total costs divided by sum of discharges from both hospitals.

**Table 14: Waterbury Area Hospital Emergency Department Gain or Loss Per Treated & Discharged Visit, FYs 2004 - 2006**

| | Gain or Loss Per Discharge/Visit ($)[1] | | | |
|---|---|---|---|---|
| Hospital | FY 2006 | FY 2005 | FY 2004 | 3 Yr. Average |
| St. Mary's | (22) | (15) | 24 | **(5)** |
| Waterbury[2] | (36) | (29) | (30) | **(32)** |
| **Waterbury Area Hospitals** | **(28)** | **(21)** | **(1)** | **(17)** |

[1] For each cell, the combined per case gain/loss is sum of net revenues for the two hospitals minus the sum of total costs for the two divided by sum of discharges from both hospitals.

21. SMH and WH jointly contracted with The Chartis Group, LLC to conduct an assessment and financial review to present options of integration of the two hospitals. The table below summarizes the costs associated with the different Levels:

**Table 15: Projected Costs Associated with Levels of Integration.**

| | **Level One** ("Millions") | **Level Two** ("Millions") | **Level Three** ("Millions" |
|---|---|---|---|
| A. Affiliation Costs | $ 12.0 | $ 17.0 | $ 25.0 |
| B. Technical Costs | $ 12.2 | $ 12.2 | $ 12.2 |
| C. Facilities Costs | $ 1.0 | $ 3.9 | $ 62.2 |
| | **$ 25.2** | **$ 33.1** | **$ 99.4** |

Level 1: Administrative and Operational Support Integration only
Level 2: Limited Clinical Integration and Level 1
Level 3: Full Administrative and Clinical Integration

22. According to The Chartis Group presentation, all levels of integration show a positive financial gain 5 years out. There would be a significant spend down or depletion of WH cash reserves to facilitate the affiliation. Therefore, WH would be at risk of violating some of its bond covenants and possibly alter its credit profile and its future access to capital.

23. According to The Chartis Group presentation, SMH and WH have internal issues that would need to be addressed, such as: Catholic and Secular organizations, WH has a unionized workforce, SMH liabilities, and a general cultural divide between the two organizations.

24. StayWell Health Center is a federally-qualified health center located in Waterbury, Connecticut, and provides primary care, dental and behavioral health services.

25. In fiscal year 2006, StayWell provided 55,687 visits, a rate of growth of 275% When compared to fiscal year 2000.

26. According to StayWell's letter to the agency, the organization struggles with staffing. "With the shortage in qualified nurses, we are frequently competing for staff. We have seen this to be the case for physicians also. Hiring culturally competent staff is always a struggle and then unfortunately added to the existing community shortages. Ultimately, staffing shortages impact access to care when special outreach services or walk-in hours need to be suspended due to inadequate staff to assign."

27. According to StayWell's letter, "We have difficulty getting access to Specialists who are not interested in seeing our patients. The low reimbursement rates for Title 18 and Title 19 for non-community health care providers has a trickle down effect on our patients."

28. According to a recent telephone conversation held between Commissioner Vogel and Donald Thompson of StayWell, in general StayWell Health Center's growth is limited by the space it occupies.

29. Connecticut has experienced 6 mergers; one closure of a small rural community hospital; one acquisition and conversion of a small non-profit to the state's only for-profit hospital; and the construction of a new children's hospital and a 94-bed community hospital (both results of mergers).

30. After reviewing the closures and mergers, it was apparent that each circumstance was different depending upon the financial strengths and weakness of the hospitals involved. In all of the mergers (in the cities of Bridgeport, Hartford and Meriden) one hospital was financially capable of absorbing the debt of the less viable; and in no circumstances was the State of Connecticut financially responsible for merger/closure activity.

31. The "Report of the Region 5 Pediatric Inpatient Psychiatric Services Implementation Group" examined the previous report regarding the current situation of inpatient services available for children & adolescents and offered recommendations to address the need and capacity for such services.

32. Region 5 has six acute care hospitals (Charlotte Hungerford, New Milford, Sharon, Danbury, St. Mary's and Waterbury) but has only five inpatient beds to serve the area and no free-standing psychiatric hospital.

33. The five inpatient beds for adolescent behavioral health services are located at Waterbury Hospital.

34. The Implementation Group recommends an additional 20 to 30 inpatient psychiatric beds are required in Region 5.

35. The data indicate that the majority of discharges are from the areas of Waterbury (27%), Danbury (11%), and Torrington (8%).

36. The Implementation Group recommends to establish 15 – 25 Psychiatric Residential Treatment Facility beds in Region 5.

## IV. Discussion and Conclusion

The main purpose and intent of the processes undertaken by OHCA under the Investigative Proceeding of Docket Number 06-30760-INV was to gather and analyze pertinent data and facts regarding the utilization, capacity and demand, and the challenges to meet these demands in the Waterbury area. The financial condition of both SMH and WH were critical to this assessment. The following is a discussion of the results of the analysis and OHCA's conclusions. All conclusions are independent of Certificate of Need decisions and any review and issuance of CHEFA bonds. Any coordination of services must proceed in full conformance with the antitrust laws.

Throughout this investigation it became evident, either through data or by comments of those involved, that having two hospitals within the city of Waterbury is a root cause for the financial hardship experienced by both hospitals. As a community served by one hospital and one outpatient services system the financial stability of the remaining hospital would return through:

- Improved commercial payer rates
- Improved payer mix of patients
- Reduced expenses related to marketing/advertising/recruitment
- Reduced expenses in duplicative services
- Gain a competitive advantage over hospitals located in the secondary markets

Ideally this one inpatient/outpatient system would further develop an integrated and comprehensive primary care and behavioral health care system with the overriding goal to improve the health status of the community and reduce the number of ED visits and unnecessary hospitalizations.

There has been much discussion regarding the state's Medicaid reimbursement being a lead factor in the financial deterioration since a large portion of the patients are covered by Medicaid. A brief review of the percentage of Medicaid inpatient discharges from other hospitals located in similar markets shows that St. Mary's is the third highest Medicaid inpatient provider and Waterbury Hospital is within the state's average. As Table 1 demonstrates, it is difficult to directly correlate the percentage of inpatients by payer source to profit margins. Payer mix is a strong variable in a hospital's financial condition, but other operational factors play a significant role as well. The patient mix for ED discharges for St. Mary's is 49% and for Waterbury Hospital is 34% (comparable data for other hospitals is not available).

Table 1. FY06 Inpatient Discharge Patient Mix by Payer Source; Total Discharges, Total Profit Margin and Operating Profit Margin

| Hospital | Medicare | Medicaid | Private | Uninsured | Total Discharges | Total Margin | Operating Margin |
|---|---|---|---|---|---|---|---|
| Bridgeport | 34% | 25% | 38% | 2% | 19,574 | 4.1% | 1.4% |
| St. Vincent's | 46% | 14% | 35% | 5% | 19,672 | 9.4% | 3.8% |
| Hartford | 38% | 18% | 41% | 3% | 39,323 | 2.4% | 0.0% |
| St. Francis | 41% | 20% | 37% | 2% | 31,647 | 1.0% | -0.1% |
| Yale-New Haven | 28% | 25% | 44% | 2% | 50,354 | 3.9% | 2.1% |
| St. Raphael | 53% | 13% | 33% | 1% | 25,354 | -2.1% | -2.6% |
| Stamford | 35% | 16% | 46% | 4% | 17,003 | 6.1% | 5.1% |
| New Britain | 41% | 21% | 35% | 3% | 18,585 | 4.3% | 3.3% |
| St. Mary's | 42% | 23% | 33% | 2% | 12,718 | 0.4% | -3.7% |
| Waterbury | 45% | 18% | 35% | 2% | 15,000 | -2.4% | -3.6% |
| | | | | | | | |
| Statewide | 40% | 17% | 39% | 3% | 423,051 | 2.5% | 0.6% |

Source: OHCA Discharge Database and FY06 Financial Audited Statements (profit margins are hospital only)

Although any improvement to any of the payer reimbursement will benefit the two hospitals – it alone will not address the fundamental issues of fragmentation, duplication, competition and the ability to improve access to capital.

Recently the hospitals have engaged in discussions on the matter of integrating or consolidating services. They jointly contracted a consultant and shared some of the findings as part of this investigation. The consultant's analysis explored the potential options and the costs associated with each option. Realizing that "Level 1 Integration of Administrative and Operational Support Only" would be the most achievable first step, it offers limited long-term sustainability, costs an estimated $25 million, would continue the two-hospital campus with different organizational cultures, and it would have difficulties differentiating itself in the marketplace. The other levels of integration begin to consolidate services and structurally become one hospital with two locations. The costs rise significantly with these options from approximately $33 to $100 million; however, they begin to realize the benefits of a merged entity.

These figures are only estimates; however, they provide insight to the real costs of integration. In other mergers that have occurred in Connecticut (Attachment D), typically one of the hospitals involved was financially capable of absorbing the debt of the less viable hospital and the associated costs of the merger. Of concern is the inability of the hospitals to fund the potential integration.

This situation differs from other mergers in the state because both hospitals are in financial distress and utilization of services remains active. If a merger were to occur, Waterbury Hospital would be responsible to absorb any liabilities and debt of St. Mary's Hospital and that will further weaken the stability of Waterbury Hospital. The hospitals

are aware of some services that can be consolidated (termination of services from one hospital and transferring the patients to the remaining program may require Certificate of Need approval). Such services may include neurology, certain surgical procedures, orthopedics, cardiology, maternity, neonatology, the on-call system for the coverage of two EDs, trauma services, and ancillary services (i.e., laundry, laboratory, pathology, etc.). A slow and deliberate closure of St. Mary's Hospital may also be a viable option.

In conclusion, St, Mary's Hospital's financial measures indicate that the hospital is insolvent. The annual infusion of state funding, although enabling continued access for patients, does not address nor resolve the fundamental system issues that are creating the on-going losses. St. Mary's Hospital should be responsible for providing adequately for its employees during this transition and fully fund the pension obligation. In the event of a closure or merger, the remaining hospital will be able to absorb some of the volume; however, it will need to reconfigure and possibly expand the inpatient services. Removing the competition and duplication in the profitable outpatient market is critical to be able to flow funds back into the remaining hospital system to ensure sustainability.

The infrastructure for primary care and behavioral health care services needs to be re-designed and a comprehensive and integrated system developed. Ideally, a system of care that involves the hospital, the community health centers, community providers and school-based clinics will serve the population well. Additionally, the community may benefit from a workforce development plan as the system begins to reshape the health care delivery system.

St. Mary's Hospital, the Waterbury Hospital and the state agencies were actively involved in this investigatory process. Both hospitals are committed to providing high quality patient care and continue discussions regarding how to best sustain access and return financial stability to the delivery system of the Waterbury community.

**State of Connecticut**

# REPORT OF SOCIO-ECONOMICS AND HEALTH CARE SERVICES UTILIZATION OF THE WATERBURY AREA

**Docket Number 06-30760-VST**

**Cristine A. Vogel**
**Commissioner**
**Office of Health Care Access**

## Table of Contents


| | | Page |
|---|---|---|
| 1.0 | Introduction | 1 |
| 2.0 | Determining the towns of the "Waterbury Area" | 2 |
| 3.0 | Socio-economic profile of the Waterbury Area | 4 |
| | A. Population and age distribution | 4 |
| | B. Gender mix | 5 |
| | C. Racial composition | 5 |
| | D. Educational attainment | 6 |
| | E. Employment status and occupation | 6 |
| | F. Per capita and average household incomes | 7 |
| | G. Estimated rate and number of uninsured | 8 |
| | H. Rate of preventable hospitalization | 8 |
| | I. Primary care physicians per 1,000 of area population | 9 |
| 4.0 | Hospital services utilization, area needs and payer mix | 10 |
| | A. Inpatient bed capacity, occupancy and availability | 10 |
| | B. Acute care inpatient utilization by service type | 12 |
| | C. Emergency Department utilization | 14 |
| | D. Outpatient services utilization | 17 |
| | i. Medical clinics utilization | 17 |
| | ii. Behavioral health services utilization | 19 |
| | iii. Other outpatient services utilization | 21 |
| | E. Payer reimbursement and mix | 22 |
| | i. Hospital payer mix | 23 |
| | ii. Medical clinics payer mix | 24 |
| 5.0 | Financial status of the hospitals at the end of FY 2006 | 26 |

APPENDICES

| | | |
|---|---|---|
| Appendix A: | Connecticut General Statutes Section 19a-633 | 28 |
| Appendix 1: | Saint Mary's Hospital Licensed and Staffed Beds by Service Line, FYs 2004 - 2006 | 29 |
| Appendix 2: | Waterbury Hospital Licensed and Staffed Beds by Service Line, FYs 2004 - 2006 | 29 |
| Appendix 3: | Saint Mary's Hospital Acute Care Discharges by Service Line, FYs 2004 – 2006 | 30 |

**Page**


| | | |
|---|---|---|
| Appendix 4: | Waterbury Hospital Acute Care Discharges by Service Line, FYs 2004 – 2006 | 30 |
| Appendix 5: | Saint Mary's Hospital Acute Care Days by Service Line, FYs 2004 – 2006 | 31 |
| Appendix 6: | Waterbury Hospital Acute Care Days by Service Line, FYs 2004 – 2006 | 31 |
| Appendix 7: | Case Mix Indices for St. Mary's and Waterbury Hospitals FYs 2003 – 2005 | 31 |
| Appendix 8: | Saint Mary's Hospital Acute Care Gain or Loss per Discharge or Case by Service Line, FYs 2004 – 2006 | 32 |
| Appendix 9: | Waterbury Hospital Acute Care Gain or Loss per Discharge or Case by Service Line, FYs 2004 – 2006 | 32 |
| Appendix 10: | St. Mary's Hospital Top Ten Principal Reasons for Emergency Department Treated and Discharged Visits, FYs 2004 - 2006 | 33 |
| Appendix 11: | Waterbury Hospital Top Ten Primary Reasons for Emergency Department Treated and Discharged Visits, FYs 2004 – 2006 | 33 |
| Appendix 12: | Waterbury Hospitals Top Ten Primary Reasons for Emergency Department Treated and Admitted to Acute Care, FYs 2004 – 2006 | 34 |
| Endnotes | | 35 |

## 1.0 Introduction

On May 25, 2006, the Office of Health Care Access (OHCA) pursuant to Connecticut General Statutes (C.G.S.) Section 19a-633 (Appendix A), initiated an investigation to review utilization and capacity of acute care general hospital services provided in the "Waterbury Area." The general acute care hospitals located in the city of Waterbury are St. Mary's Hospital and The Waterbury Hospital.

The investigation stemmed from concerns about the long-term viability of either or both hospitals, and their ability to provide and maintain needed health care services in the communities they serve vis-à-vis their financial performance in the last two fiscal years (FY) (Table 1). In addition to providing acute inpatient care, the hospitals serve as a safety net for residents of the area who do not have access to or cannot afford primary care. Based on the hospitals audited financial statements, both hospitals are operating at a loss from direct patient care; the hospitals' expenses exceed revenue from direct patient care and other operating revenue; inadequate funds obtained from philanthropic or non-philanthropic sources not directly related to patient care; as well as other issues discussed in this report.

**Table 1: Financial Performance of St. Mary's and Waterbury Hospitals (FYs 2004 – 2006)**

| Financial Indicators | St. Mary's Hospital | | | Waterbury Hospital | | |
|---|---|---|---|---|---|---|
| | FY 2004 | FY 2005 | FY 2006 | FY 2004 | FY 2005 | FY 2006 |
| Operating Loss/Gain[1] | $6,306,000 | $(15,270,000) | $(9,694,000) | $(448,506) | $(2,431,845) | $(5,262,405) |
| Excess of Revenue over Expenses[2] | $11,480,000 | $(6,581,000) | $(6,197,000) | $2,275,334 | $(30,448) | $(2,479,026) |
| Operating Margin[3] | 4.2% | (10.02)% | (4.7)% | (0.2)% | (1.2)% | (2.2)% |
| Total Margin[4] | 7.68% | (4.3)% | (3.0)% | 1.2% | (0.01)% | (1.1)% |

Source: *Audited Financial Statements.*

[1] Loss or gain from reimbursement of patient services from government and non-government payers.

[2] Difference between revenue obtained from direct patient care and funds from other sources and expenses.

[3] Measures profitability and is the ratio of loss or gain per unit total operating revenue.

[4] Measures profitability and is the ratio of total operating and non-operating revenue loss or surplus to total operating revenue.

The investigation reviews current availability and utilization of, and demand for hospital services, system capacity and the challenges these two hospitals face in meeting demands from the community they serve. This involves an evaluation of:

- the socio-economic make-up of the community that relies on services of the hospitals, implications on the hospitals' patient payer-mix and the effect of reimbursements on hospital operations and future plans;
- current utilization and future demand for all hospital services including inpatient, emergency department, primary care clinics, outpatient psychiatric care and ancillary outpatient services in the area; and
- challenges that exist in the market in general and their impact on the hospitals' operations.

On the basis of this investigative proceeding, OHCA will make recommendations for ensuring continued availability and access to health care for the area.

## 2.0 Determining the towns of the "Waterbury Area"

The towns a hospital provides services to make up its primary and secondary service areas. Primary service area towns are either a significant portion of the hospital's patient base or most residents from the towns access services at the hospital; and the secondary service area consists of all other towns whose residents access the hospital's services at a steady but lower rate. This investigation determines which towns will be most adversely impacted if one of the two hospitals or both are unable to provide services. Therefore, to determine which towns rely significantly on health care services that the two hospitals provide, OHCA first included towns that comprise the top 70% of each of the two hospitals' acute care inpatient discharges. Based on this definition, OHCA identified Waterbury and Naugatuck for St. Mary's Hospital and these same towns and an additional two, Watertown and Southbury, for the Waterbury Hospital (Table 2).

**Table 2: Towns of Origin for St. Mary's Hospital and Waterbury Hospital Top Seventy Percent Discharges (FY 2003 – 2005)**

| | St. Mary's Hospital | | | Waterbury Hospital | | |
|---|---|---|---|---|---|---|
| Patient Town | Discharges | % of Hospital Total | Cum % Total | Discharges | % of Hospital Total | Cum % Total |
| Waterbury | 21,903 | 60.2 | 60.2 | 20,818 | 46.1 | 46.1 |
| Naugatuck | 3,693 | 10.2 | 70.4 | 4,685 | 10.4 | 56.5 |
| Watertown | n/a | n/a | n/a | 4,610 | 10.2 | 66.7 |
| Southbury | n/a | n/a | n/a | 2,588 | 5.7 | 72.4 |

Source: *Office of Health Care Access Acute Care Discharge Database*

Other towns were included if the combined share of patients originating from that town for the two hospitals exceeded 70%, demonstrating a significant reliance of the town on the health care system in Waterbury. Middlebury, Prospect and Wolcott became part of the group because the two hospitals account for about three-quarters of discharges originating from each town, bringing the number of towns in the "Waterbury Area" to seven, namely Middlebury, Naugatuck, Prospect, Southbury, Waterbury, Watertown and Wolcott (Table 3).

**Table 3: Percent of Patients from Selected Towns Discharged from St. Mary's Hospital and Waterbury Hospital (FY 2003-2005)**

| Patient Town | St. Mary's Hospital % Share | Waterbury Hospital % Share | Combined % Share |
|---|---|---|---|
| Middlebury | 21.5% | 53.5% | 75.0% |
| Naugatuck | 32.5% | 41.2% | 73.7% |
| Prospect | 35.7% | 37.4% | 73.1% |
| Southbury | 7.7% | 34.9% | 42.6% |
| Waterbury | 44.6% | 42.4% | 87.0% |
| Watertown | 20.3% | 62.7% | 83.0% |
| Wolcott | 41.2% | 30.7% | 71.9% |

Source: *Office of Health Care Access Acute Care Discharge Database*

Patients residing in the seven towns included make up over 80% of each hospital's discharges. Although residents of those towns migrate to nearby hospitals to receive care most utilize the Waterbury hospitals more than any other single hospital (Table 4). Patient migration to access care in other areas depends on factors such as patient preference, patient ability to travel and physician referral patterns. Out-migration from local areas also occurs because certain treatment modalities or physician specialists are available outside the Waterbury area.

**Table 4: Other Connecticut hospitals' percentage share of discharges originating from the seven selected towns, FYs 2003-2005**

| Acute Care Hospital | Middlebury % | Naugatuck % | Prospect % | Southbury % | Waterbury % | Watertown % | Wolcott % | % of Hospital Total |
|---|---|---|---|---|---|---|---|---|
| **St. Mary's** | **21.5** | **32.5** | **35.7** | **7.7** | **44.6** | **20.3** | **41.2** | **81.2** |
| **Waterbury** | **53.5** | **41.2** | **37.4** | **34.9** | **42.4** | **62.7** | **30.7** | **86.5** |
| Bridgeport | 2.0 | 3.1 | 2.6 | 2.1 | 1.4 | 2.1 | 1.6 | 2.6 |
| Danbury | 5.7 | 2.1 | 0.5 | 38.9 | 1.1 | 1.9 | 0.5 | 6.8 |
| John Dempsey | 0.8 | 0.8 | 1.1 | 0.7 | 0.8 | 0.7 | 1.9 | 2.7 |
| Griffin | 1.1 | 5.9 | 1.4 | 1.7 | 0.5 | 0.4 | 0.3 | 5.2 |
| St. Raphael's | 2.8 | 2.5 | 4.8 | 1.8 | 1.5 | 1.4 | 2.6 | 2.1 |
| Yale | 6.8 | 5.9 | 8.7 | 6.2 | 3.6 | 4.7 | 4.2 | 2.8 |
| Other* | 5.7 | 6.0 | 7.8 | 6.0 | 4.3 | 5.8 | 17.1 | 0.6 |
| **Total (%)** | **100** | **100** | **100** | **94** | **100** | **100** | **100** | |
| **# of Discharges** | **2,062** | **11,365** | **3,144** | **7,413** | **49,156** | **7,349** | **5,395** | |

Source: *Office of Health Care Access Acute Care Discharge Database*
*Includes the other 23 hospitals, which individually did not discharge a significant share of patients from the seven towns.

## 3.0 Socio-economic profile of the Waterbury Area

Socio-economic status, that is age, gender, race or ethnicity, educational attainment, employment status and income and physician availability, are well-documented joint indicators of health status, need for health care services, timeliness of heath care treatment, and ability to pay for health care services. Therefore, this section examines the social and economic characteristics of the Waterbury area population for insight into the type of services needed, the ability to pay for and the ease of access to health care services. The section also provides information on the inherent patient payer mix experienced by both hospitals.

### A. Population and age distribution

According to Census 2000, there are approximately 208,861 residents in the Waterbury area, which is 6% of the state's population. About 51.4% of the area's residents live in Waterbury, 14.8% in Naugatuck and 10.4% in Watertown and a combined 23.4% in Southbury, Wolcott, Prospect and Middlebury (Table 5).

**Table 5: Population and Age Distribution of the Waterbury Area**

| Patient Town | 0-19 | 20-44 | 45-64 | 65-74 | 75+ | 2000 Population | % of Total |
|---|---|---|---|---|---|---|---|
| Middlebury | 26.0% | 28.0% | 29.3% | 8.0% | 8.4% | 6,451 | 3.1% |
| Naugatuck | 29.1% | 38.1% | 21.0% | 5.4% | 6.3% | 30,989 | 14.8% |
| Prospect | 26.9% | 33.7% | 26.0% | 6.8% | 6.3% | 8,707 | 4.2% |
| Southbury | 24.0% | 24.8% | 25.1% | 9.9% | 16.2% | 18,567 | 8.9% |
| Waterbury | 28.9% | 36.3% | 19.7% | 6.7% | 8.2% | 107,271 | 51.4% |
| Watertown | 26.7% | 34.2% | 24.8% | 7.0% | 7.0% | 21,661 | 10.4% |
| Wolcott | 27.9% | 34.9% | 23.9% | 6.9% | 6.1% | 15,215 | 7.3% |
| **Total** | **28.1%** | **34.9%** | **21.8%** | **6.9%** | **8.3%** | **208,861** | **100.0%** |
| **Connecticut** | **27.1%** | **35.8%** | **23.1%** | **6.7%** | **7.0%** | **3,405,565** | |

Source: *U.S. Census Bureau Census 2000*

Some age characteristics of this area are:

- Children under 19 years old are overrepresented in Naugatuck although there is no significant difference between children's share of the area and state population.
- Naugatuck and Waterbury residents, representing almost two-thirds of the area, have a relatively larger share of 20 to 44-year olds. According to OHCA research, 19 to 29 year-olds are four times as likely to be uninsured because they may be full-time students, single, unemployed or have no permanent full-time jobs. This means they are less likely to have health insurance coverage through an employer, are too old to receive coverage from a parent who has coverage through an employer and are ineligible for Medicaid.[1]
- Fewer adults in the 45 to 64 age range, a group that is likely to be employed and insured, compared to the state.[2] In Waterbury, there are only 19.7% in this age range compared to 23.1% in the state.
- Waterbury, representing about one-half of the area, has relatively more residents over 75 years than the state, 8.2% versus 7.0%. This age group has the highest potential to suffer from chronic diseases, experiences greater disease acuity and tend to have higher hospitalization rates than the general population and therefore costs more to treat.[3] Older residents are also less mobile and tend to access care in the local area.

## B. Gender mix

The gender mix provides information on the types and volume of services the area needs. The gender mix of the area is similar to that of the state with slightly more women than men, although Southbury, Waterbury, Watertown have relatively more women than average (Table 6). Generally younger women tend to require hospitalization 2.5 times as more frequently as their male counterparts due to pregnancies and childbirth, but this disparity narrows, as women get older. In fact, even at age 65 and over when hospitalizations are 2.6 times the rate for the general population, men tend to require acute care at a higher rate than women of the same age cohort.[4]

**Table 6: Gender Mix of Waterbury Area**

| Patient Town | Males | Females | Males % | Females % |
|---|---|---|---|---|
| Middlebury | 3,127 | 3,324 | 48.5 | 51.5 |
| Naugatuck | 15,069 | 15,920 | 48.6 | 51.4 |
| Prospect | 4,255 | 4,452 | 48.9 | 51.1 |
| Southbury | 8,633 | 9,934 | 46.5 | 53.5 |
| Waterbury | 50,781 | 56,490 | 47.3 | 52.7 |
| Watertown | 10,379 | 11,282 | 47.9 | 52.1 |
| Wolcott | 7,411 | 7,804 | 48.7 | 51.3 |
| **Total** | **99,655** | **109,206** | **47.7** | **52.3** |
| **Connecticut** | **1,649,319** | **1,756,246** | **48.4** | **51.6** |

Source: *U.S. Census Bureau Census 2000*

## C. Racial composition

Research shows that minorities[5], especially Blacks and Hispanics or Latinos, are hospitalized at rates disproportionate to their share of the population than Whites.[6] Hispanics or Latinos are also 3.5 times as likely to be uninsured as all races in the state.[7] Six of the towns in the area are predominantly White compared to the state in general, but because Waterbury, which is about one-half of the area, has a significantly large minority population, mostly Hispanics and Blacks, the area has almost 1.5 times more minorities than the state (Table 7).

**Table 7: Racial and Ethnic Distribution of Residents in the Waterbury Area**

| | | | Minorities | | | |
|---|---|---|---|---|---|---|
| Patient Town | Total Population | % White Alone | % Hispanic/Latino (of any race) | % Black Alone | % Asian Alone | % Other races excluding Hispanics/Latinos |
| Middlebury | 6,451 | 96.2 | 1.2 | 0.4 | 1.3 | 0.9 |
| Naugatuck | 30,989 | 88.9 | 4.5 | 2.8 | 1.7 | 2.1 |
| Prospect | 8,707 | 95.0 | 1.9 | 1.4 | 0.7 | 1 |
| Southbury | 18,567 | 96.1 | 1.6 | 0.5 | 1.2 | 0.7 |
| Waterbury | 107,271 | 58.2 | 21.8 | 16.3 | 1.5 | 2.3 |
| Watertown | 21,661 | 95.2 | 1.9 | 0.7 | 1.3 | 0.8 |
| Wolcott | 15,215 | 95.2 | 1.8 | 1.2 | 0.7 | 1 |
| **Total** | **208,861** | **75.4** | **12.4** | **9.1** | **1.4** | **1.8** |
| **Connecticut** | **3,405,565** | **77.5** | **9.4** | **9.1** | **2.4** | **1.6** |

Source: *U.S. Census Bureau Census 2000*

## D. Educational attainment

In general, higher educational attainment enhances employment prospects and the chances of gaining employment with an employer who provides health insurance coverage for eligible employees, especially for skilled labor. In the Waterbury area, fewer residents 25 years and over graduated from high school or have a college degree than the state in general, 78.9% compared to 84.0%. The residents are also 1.5 times less likely to have a bachelor's degree or higher (Table 8).

**Table 8: Educational Attainment of the Waterbury Area 25 Years and Over Population**

| Patient Town | Population 25 Years and Over | % High School Graduate or Higher | % Bachelor's Degree or Higher |
|---|---|---|---|
| Middlebury | 4,662 | 91.9 | 41.5 |
| Naugatuck | 20,451 | 83.0 | 19.0 |
| Prospect | 6,015 | 87.1 | 22.8 |
| Southbury | 13,727 | 89.2 | 31.4 |
| Waterbury | 69,791 | 71.7 | 13.9 |
| Watertown | 14,922 | 83.8 | 25.0 |
| Wolcott | 10,350 | 87.8 | 19.3 |
| **Total** | 139,918 | 78.9 | 20.3 |
| **Connecticut** | 2,295,617 | 84.0 | 31.4 |

Source: *U.S. Census Bureau Census 2000*

## E. Employment status and occupation

There are also fewer residents of the Waterbury area in the civilian labor force relative to the state, 49.3% versus 51.6%. The area total is lower mainly because only 46.4% of the city of Waterbury's residents are in the labor force (Table 9). Regardless, the city also has the highest unemployment rate, over 1.5 times the rate for the state, 8.6% versus 5.3%. This means potentially more people in the area are unable to afford needed health care services.

**Table 9: Employment Status of Waterbury Area 16 Years and Over Civilian Labor Force**

| | | Population 16 Years and Over | | |
|---|---|---|---|---|
| Patient Town | Population | % in Civilian Labor Force | % of Civilian Labor Force Employed | % of Civilian Labor Force Unemployed |
| Middlebury | 6,451 | 52.9 | 97.5 | 2.5 |
| Naugatuck | 30,989 | 53.1 | 94.7 | 5.3 |
| Prospect | 8,707 | 55.1 | 97.9 | 2.1 |
| Southbury | 18,567 | 44.6 | 96.9 | 3.1 |
| Waterbury | 107,271 | 46.4 | 91.4 | 8.6 |
| Watertown | 21,661 | 54.9 | 95.4 | 4.6 |
| Wolcott | 15,215 | 54.6 | 95.7 | 4.3 |
| **Total** | **208,861** | **49.3** | **93.7** | **6.3** |
| **Connecticut** | **3,405,565** | **51.6** | **94.7** | **5.6** |

Source: *U.S. Census Bureau Census 2000*

Only 56.1% residents of the area are in "management and professional' and "sales and office" occupations compared to 65.6% of the state as a whole (Table 10). These occupations tend to be higher paying and permanent full-time positions, which increase the likelihood of being able to afford and/or qualify for employer-sponsored health insurance (ESI) coverage. Instead, area residents, especially those residing in Waterbury, have a comparatively higher tendency to be in "service" and "production, transportation and material moving," occupations that are seasonal, temporary or part-time in nature which lessen residents' ability to qualify for or to afford ESI when offered.

**Table 10: Occupations of Waterbury Area 16 Years and Over Civilian Labor Force**

| Patient Town | % in Management, Professional, & Related Occupations | % in Service | % in Sales & Office | % in Farming, Fishing, Forestry | % in Construction, Extraction, Maintenance | % in Production, Transportation, Material Moving |
|---|---|---|---|---|---|---|
| Middlebury | 52.1 | 13.3 | 20.6 | 0.0 | 6.0 | 8.0 |
| Naugatuck | 30.3 | 15.6 | 25.1 | 0.1 | 10.1 | 19.0 |
| Prospect | 37.1 | 11.3 | 28.0 | 0.1 | 8.6 | 14.7 |
| Southbury | 47.6 | 11.6 | 24.2 | 0.3 | 8.3 | 8.0 |
| Waterbury | 25.1 | 20.1 | 24.6 | 0.1 | 8.8 | 21.4 |
| Watertown | 35.5 | 16.4 | 23.6 | 0.1 | 8.5 | 15.9 |
| Wolcott | 33.9 | 14.6 | 28.3 | 0.1 | 9.6 | 13.5 |
| **Total** | **31.2** | **17.1** | **24.9** | **0.1** | **8.9** | **17.8** |
| **Connecticut** | **39.1** | **14.3** | **26.5** | **0.2** | **8.0** | **12.0** |

Source: *U.S. Census Bureau Census 2000*

## F. Per capita and average household incomes

Higher individual or family incomes are linked to greater ability and willingness to spend on needed health care services. Per capita and average household incomes are the proxies for measuring what an individual or a family can afford. For most towns in the Waterbury area, both amounts are below the state average, resulting in a low average for the area in general, $28,505 versus the state's $31,816 and $76,939 compared to $82,601 (Table 11).

**Table 11: Per Capita and Average Household Income for Waterbury Area Residents**

| Patient Town | Per Capita Income ($) | Median Household Income ($) | Average Household Income ($) |
|---|---|---|---|
| Middlebury | 39,129 | 68,090 | 105,684 |
| Naugatuck | 25,477 | 56,677 | 67,314 |
| Prospect | 26,881 | 68,770 | 79,946 |
| Southbury | 34,318 | 64,437 | 85,269 |
| Waterbury | 21,238 | 41,258 | 51,888 |
| Watertown | 24,276 | 57,832 | 66,766 |
| Wolcott | 28,214 | 71,144 | 81,709 |
| **Total** | **28,505** | **64,437** | **76,939** |
| **Connecticut** | **31,816** | **59,697** | **82,601** |

Source: *CT Department of Economic & Community Development 2000 Data from Claritas*

## G. Estimated rate and number of uninsured

The "estimated" uninsured rate for Waterbury area residents based on the OHCA 2006 Household Survey is over 1.5 times the rate for the state, that is, 9.8% compared to 6.4% (Table 12).

**Table 12: Estimated rate and number of uninsured in Waterbury Area, 2006**

| Uninsured Rate (%) | | | Estimated Number of Uninsured | | |
|---|---|---|---|---|---|
| Lower | Estimate | Upper | Lower | Estimate | Upper |
| 5.9 | **9.8** | 13.7 | 12,688 | **21,034** | 28,380 |

***Source***: *CT Office of Health Care Access 2006 Household Survey and U.S. Census Bureau 2005 Population Estimates*

[1] The estimated uninsured rate will fall within the given lower and upper boundaries 95% of the time if the survey were repeated 100 times. The estimated rate of uninsured for the state is 6.4%.

## H. Rate of preventable hospitalization

Preventable hospitalizations (PH) are acute care admissions that would not have occurred, if patients had received "timely and effective primary care and medical management."[8] Such conditions include asthma, angina, bacterial pneumonia, chronic obstructive pulmonary disease, congestive heart failure, dehydration, diabetes, hypertension, low birth weight, lower extremity amputation, pediatric gastroenteritis, perforated appendix and urinary infection. Based on a methodology developed by the federal Agency for Healthcare Research and Quality (AHRQ), the Waterbury area has a relatively higher incidence of PH than the state for children and adults, 1.9 versus 1.2 and 1.5 versus 1.2 per 1,000 of the respective population (Table 13). For both age groups, the city of Waterbury had the highest incidence of PH, which was also twice the state rate.

**Table 13: Ambulatory Care Sensitive Condition* Discharges per 1,000 population, FYs 2000 – 2004**

| Patient Town | Children (0-17) | Adults (18+) |
|---|---|---|
| Middlebury | 2 | 1.3 |
| Naugatuck | 1.9 | 1.8 |
| Prospect | 1.7 | 1.5 |
| Southbury | 0.7 | 1.3 |
| Waterbury | 4.2 | 2.5 |
| Watertown | 2.3 | 1.4 |
| Wolcott | 1.8 | 1.5 |
| **Median for Area** | **1.9** | **1.5** |
| **Median for Connecticut** | **1.2** | **1.2** |

Source: *Office of Health Care Access Acute Care Discharge Database*
*Conditions include asthma, angina, bacterial pneumonia, chronic obstructive pulmonary disease, congestive heart failure, dehydration, diabetes, hypertension, low birth weight, lower extremity amputation, pediatric gastroenteritis, perforated appendix and urinary infection.

## I. Primary care physicians per 1,000 of area population

There is a recognized link between receiving primary care and improved health status. Payers of health care services broadly define primary care physicians (PCP) to include family or general practice physicians, pediatricians, internists, nurse practitioners, physician assistants and naturopathic physicians. These PCPs, including being trained to treat a wide range of diseases, maintain comprehensive records of patients, refer patients to specialists, coordinate care provided to patients by specialists and facilities, and manage patients' chronic health conditions. Ideally, a PCP should be a patient's first contact in a health care system. But generally, these PCPs are not distributed evenly between communities in the state and across the nation. In November 2005, the Primary Care Office of Connecticut Department of Public Health (DPH) designated the city of Waterbury as a medically and a primary care underserved area under federal law as an initial step to improving access to primary health care in the area.[9]

## 4.0 Hospital services utilization, payer reimbursement and mix

This section discusses the utilization of hospital services in the Waterbury area and identifies the payers of those services. This includes a discussion of acute care inpatient bed capacity, availability and utilization; emergency department use; outpatient psychiatric and other outpatient services utilization; and payer mix in these areas of operation. Unless otherwise stated, the two hospitals provided all the data for this section in response to OHCA's preliminary questions for the investigation; FY 2006 data are annualized.

### A. Inpatient bed capacity, occupancy and availability

The "size" or "capacity" of inpatient services is the average number of inpatient beds a hospital staffs. Occupancy is the average number of staffed beds in use by midnight census throughout the year. The Department of Public Health (DPH) has licensed the two hospitals in the Waterbury area to operate a maximum of 704 beds and 68 bassinets. But over the last three years, the hospitals have gradually increased staffed beds to make available 63% or 447 beds in FY 2006 (Table 15). As a rule of thumb, hospitals obtain bed licenses to their maximum allowable capacity and staff beds based on demand and ability to staff them adequately.

Including critical care beds, about 70% of staffed beds in the area are medical or surgical. According to the two hospitals, in the last year, both have experienced increases in volumes associated with those beds, raising their medical/surgical occupancy rates to over 86% and ICU beds to over 80% for most of the year. Over a three-year period ending in FY 2006, both hospitals gradually added to the number of beds staffed for those services to bring the total to 323 (Table 15, see Appendices 1 and 2 for hospital details). But they staffed psychiatric beds at the same level in three consecutive years although they report occupancy at over 80%.

**Table 15: Licensed and Staffed Acute Care Beds in Waterbury Area by Service Line, FYs 2004 - 2006**

| | | Staffed Beds | | | | | Share of Staffed Beds | |
|---|---|---|---|---|---|---|---|---|
| Service Line | Licensed Beds | FY 2006 | FY 2005 | FY 2004 | % of Licensed Beds Staffed in FY 2006 | % of All Staffed Beds in FY 2006 | St. Mary's Hospital | Waterbury Hospital |
| Medical/Surgical | 479 | 260 | 257 | 249 | **54%** | **58%** | 40% | 60% |
| OB/GYN | 64 | 62 | 63 | 63 | **97%** | **14%** | 50% | 50% |
| Psychiatry | 50 | 42 | 42 | 42 | **84%** | **9%** | 29% | 71% |
| Critical Care | 75 | 63 | 55 | 55 | **84%** | **14%** | 68% | 32% |
| Pediatric | 36 | 20 | 20 | 20 | **56%** | **4%** | 50% | 50% |
| **Total Beds** | **704** | **447** | **437** | **429** | **63%** | **100%** | 45% | 55% |
| **Total Bassinets** | **68** | **68** | **68** | **68** | **100%** | **n/a** | 47% | 53% |

The high demands for medical/surgical, critical care and psychiatric beds are from:

- Growing demand for monitored beds at both hospitals due to an aging population with more complex medical conditions that require higher intensity nursing care;
- Systemic issues caused by difficulty in discharging patients to either extended care facilities or other next level of care resources. Delayed discharge of patients to step down

care because of insufficient availability of the next level of care in the community for both elderly and behavioral health patients; and

- Waterbury Hospital is the only provider of hospital inpatient behavioral health care to adolescents in mental health Region 5[10].

Both hospitals' ability to increase staffed beds to accommodate rising demand for medical, surgical and critical care beds is limited by factors either unique to the individual hospital or widespread in the hospital industry. Some limitations, which continue to exist, include:

- A decommissioned 27-bed unit at St. Mary's Hospital;
- Conversion of semi-private rooms to single occupancy rooms stemming from need to provide privacy and isolation for patients that require it at both hospitals.
- Physical plant constraints including aging building and inefficient configuration of nursing units;
- Restricted access to capital for renovating decommissioned units or converting administrative space to clinical space;
- Difficulty in recruiting additional and retaining existing staff; and
- Regulatory challenges.

In FY 2006, both St. Mary's Hospital and Waterbury Hospital held staffing levels for OB/GYN and pediatric beds consistent with prior years even though both hospitals continue to report low occupancy for the beds.

Based on the area towns identified, which constitutes over 80% of the hospitals' discharges, the area seems to have relatively more staffed medical and surgical acute care beds available per 100,000 of the population than the state as a whole, that is 209 versus 186 per 100, 000 (Table 16). Although psychiatric beds seem sufficient for the area, Waterbury is the sole provider of behavioral health care for residents less than 18 years old in Region 5 and the hospital has assigned five beds to the age group, already deemed inadequate for the region.[11]

**Table 16: Licensed and Staffed Acute Care Bed Availability in the Waterbury Area by Service Line, FYs 2004 - 2006**

| | | | Waterbury Area | | | |
|---|---|---|---|---|---|---|
| Service Line | Licensed Beds | FY 2006 Staffed Beds | Census 2000 Population | Licensed Bed Availability per 100,000 | Staffed Bed Availability per 100,000 | CT Staffed Bed Availability per 100,000 |
| Medical/Surgical[1] | 554 | 323 | 154,773 | 358 | 209 | 186 |
| OB/GYN[2] | 64 | 62 | 82,519 | 78 | 75 | 80 |
| Psychiatry[3] | 50 | 42 | 194,438 | 26 | 22 | 21 |
| Pediatric[4] | 36 | 20 | 51,520 | 70 | 39 | 33 |
| **Total Beds** | **704** | **447** | **206,293** | **341** | **217** | **209** |
| **Total Bassinets[5]** | **68** | **68** | **2,568** | **2,648** | **2,648** | **-** |

Source: *US Census 2000 & * Studying Health Care Utilization in Connecticut, A Report to the Governor and General Assembly.*
[1] Adults over 17 years old. Beds include critical care beds.
[2] Females over 17 years old.
[3] Ages 5 and over.
[4] Population under 18 years old (54,088) minus discharges reported for (5) below.
[5] Bassinets for both nursery and NICU. Population is three-year average number of discharges reported by the two hospitals for discharges assigned Diagnosis Related Group (DRGs) 385-391in the OHCA Acute Care Discharge Database.

## B. Acute care inpatient utilization by service type

This section provides an overview of the inpatient (IP) services that Waterbury area residents utilized over the three-year period ending in FY 2006. It combines utilization at both hospitals to better assess the needs of the community overall.

Inpatient medical care is almost one-half of the services the two hospitals provide; surgical and maternity/pediatrics care each account for about one-quarter; and behavioral health is 5%. The two hospitals started a joint advance cardiac services program over a year ago, which generated an increase in volume that was offset by a decline in behavioral health care. The combined inpatient services provided grew by 2% although maternity/pediatric care accessed declined by 3% in FY 2005 (Table 17, see Appendices 3 and 4 for hospital details). The overall increase in discharges in the area was no different from state level increases. Annualized volumes for FY 2006 indicate a significant drop in behavioral health discharges (11%) while discharges for other services will be close to their FY 2005 levels altogether resulting in a 1% decline in inpatient care utilization for the area.

**Table 17: Waterbury Area Hospitals Acute Care Discharges by Service Line, FYs 2004 - 2006**

| | Discharges | | | | % Change | | |
|---|---|---|---|---|---|---|---|
| Service Line | FY 2006 | FY 2005 | FY 2004 | 3-yr Average | 06/05 | 05/04 | 06/04 |
| Medical | 12,546 | 12,563 | 12,055 | **12,388** | 0 | 4 | 4 |
| Surgical | 7,548 | 7,527 | 7,352 | **7,476** | 0 | 2 | 3 |
| Behavioral Health | 1,538 | 1,721 | 1,650 | **1,636** | -11 | 4 | -7 |
| Maternity/Pediatrics | 5,930 | 5,942 | 6,118 | **5,997** | 0 | -3 | -3 |
| **Total** | **27,562** | **27,753** | **27,175** | **27,497** | **-1** | **2** | **1** |

By the end of FY 2006, although total medical and surgical discharges are expected to remain the same and behavioral health and maternity/pediatric days to reduce, the hospitals anticipate 3% and 10% increases in medical and surgical patient days respectively. The result is a net increase in patient days of 4% for the year and 5% over the three-year period (Table 18, see Appendices 5 and 6 for hospital details).

**Table 18: Waterbury Area Hospitals Acute Care Days by Service Line, FYs 2004 - 2006**

| | Acute Care Days | | | | % Change | | |
|---|---|---|---|---|---|---|---|
| Service Line | FY 2006 | FY 2005 | FY 2004 | 3-yr Average | 06/05 | 05/04 | 06/04 |
| Medical | 63,472 | 61,732 | 58,829 | **61,344** | 3 | 5 | 7 |
| Surgical | 39,926 | 36,345 | 37,832 | **38,034** | 10 | -4 | 5 |
| Behavioral Health | 11,206 | 11,893 | 11,364 | **11,488** | -6 | 5 | -1 |
| Maternity/Pediatrics | 15,802 | 15,969 | 15,980 | **15,917** | -1 | 0 | -1 |
| **Total** | **130,406** | **125,939** | **124,005** | **126,783** | **4** | **2** | **5** |

Costs per discharge for all services are rising at both hospitals. Inpatient medical care cost per discharge was higher at Waterbury Hospital while inpatient surgical care cost per discharge was higher at St. Mary's Hospital. But by the end of FY 2006, the costs for both services at the hospitals were almost similar, $8,302 and $15,269 at St. Mary's Hospital versus $8,323 and $15,236 at Waterbury Hospital (Table 19). The converging unit cost for those service lines is better illustrated by the patient resource usage indicator or case mix index which was higher in FY 2003 for Waterbury Hospital but reduced for the hospital for two consecutive years to become almost equivalent to St. Mary's Hospital in FY 2005, 1.3534 versus 1.3577 respectively (for hospital details see Appendix 7). On the other hand, cost per discharge for behavioral health and maternity/pediatric inpatient care continue to be lower at St. Mary's Hospital. Generally, some of the variations in cost are attributable to what is included in cost, which tend to vary from hospital to hospital.

**Table 19: Waterbury Area Hospitals Acute Care Cost[1] Per Discharge by Service Line, FYs 2004 - 2006**

| | St. Mary's Hospital (5) | | | | Waterbury Hospital (6) | | | |
|---|---|---|---|---|---|---|---|---|
| Service Line | FY 2006 | FY 2005 | FY 2004 | 3-Yr Average | FY 2006 | FY 2005 | FY 2004 | 3-Yr Average |
| Medical | 8,302 | 7,043 | 6,189 | **7,211** | 8,323 | 7,779 | 6,926 | **7,676** |
| Surgical | 15,269 | 12,874 | 12,391 | **13,507** | 15,236 | 12,843 | 11,776 | **13,311** |
| Behavioral Health | 7,303 | 6,612 | 5,999 | **6,648** | 9,376 | 8,059 | 7,620 | **8,301** |
| Maternity/Pediatrics | 3,095 | 3,980 | 3,662 | **3,553** | 4,260 | 3,548 | 3,581 | **3,773** |
| **Total** | **8,817** | **7,998** | **7,305** | **8,058** | **9,590** | **8,227** | **7,527** | **8,433** |

[1] There may be a variation in the components of cost between hospitals.

Medical care, which showed a gain of $62 per case in FY 2005 is projected to convert to a loss of $127 per case in FY 2006; behavioral health care although not the most expensive service to provide, lost the hospitals the most money per discharge, at a loss of $1,805 per case in FY 2005 and is expected to almost double to $2,834 per case in FY 2006 (Table 20, see Appendices 8 and 9 for hospital details). Despite sporadic growth in surgical care, losses per case for the service continue to rise. Based on annualized figures, loss per case for all services will grow by 64% by the end of FY 2006.

**Table 20: Waterbury Area Hospitals Acute Care Gain or Loss per Discharge or Case by Service Line, FYs 2004 - 2006**

| | Gain or Loss Per Discharge/Case (7) | | | | % Change | | |
|---|---|---|---|---|---|---|---|
| Service Line | FY 2006 | FY 2005 | FY 2004 | 3-Yr Average | 06/05 | 05/04 | 06/04 |
| Medical | (127) | 62 | 322 | **82** | -306 | -81 | 353 |
| Surgical | (1,871) | (1,112) | (850) | **(1,282)** | 68 | 31 | 55 |
| Behavioral Health | (2,834) | (1,805) | (1,472) | **(2,015)** | 57 | 23 | 48 |
| Maternity/Pediatrics | (794) | (765) | (927) | **(830)** | 4 | -18 | -17 |
| **Total** | **(899)** | **(549)** | **(386)** | **(612)** | 64 | 42 | 57 |

[1] The combined per case gain/loss is sum of total revenue for the two hospitals minus the sum of their total costs divided by sum of discharges from both hospitals.

## C. Emergency Department utilization

Emergency Departments (ED) are an essential part of a health care system as they serve as the safety net for communities. For vulnerable populations, they can also be the primary mode of access to health care in general.

Between the two hospitals, the Waterbury area has 73 ED beds (Table 21); St. Mary's Hospital recently added eight of beds in response to continuous growth in volumes. Both hospitals experience "boarding" in the ED where patients wait over 12 hours for admission to an inpatient bed or transferred to mostly psychiatric facilities, throughout the year. Longer wait times and boarding occur mostly for medical/surgical, telemetry and psychiatric patients despite improvements in patient flow processes. The wait for inpatient admits is mostly related to staffing constraints or physical limitations to increase available beds.

**Table 21: Waterbury Area Hospitals Emergency Department Beds, 2006**

| St. Mary's Hospital | | Waterbury Hospital | |
|---|---|---|---|
| Description | Beds | Description | Beds |
| Treatment Room | 24 | Acute ER | 21 |
| Trauma room | 2 | Prompt Care | 5 |
| Behavioral Health | 5 | Behavioral Health | 4 |
| Urgi-care room | 7 | Surge (for high census & boarders) | 5 |
| **Total** | **38** | **Total** | **35** |

Area residents recorded an average of 115,300 ED visits or 552 visits per 1,000 of their population per year (Table 22) which is over 1.3 times the average rate for the state and the nation,[12] an average that continues to rise from year to year. The high utilization rate may be associated with insufficient availability of primary care services in the area; increased demand on EDs to provide primary care after hours coverage; admission of physician referred patients through the ED because of limited capacity to accommodate direct admit patients; and increased patient disease acuity from lack of ongoing preventive care or management.

**Table 22: Waterbury Area Hospital Emergency Department Utilization, FYs 2004 - 2006**

| Hospital | | FY 2006 | FY 2005 | FY 2004 | 3-yr. Average |
|---|---|---|---|---|---|
| St. Mary's | Treated & Discharged[1] | 56,170 | 55,165 | 52,044 | 54,460 |
| | Treated & Admitted[1] | 8,286 | 8,177 | 7,581 | 8,015 |
| | All ED Visits | 64,456 | 63,342 | 59,625 | 62,474 |
| Waterbury | Treated & Discharged | 43,360 | 45,506 | 44,581 | 44,482 |
| | Treated & Admitted | 8,828 | 8,126 | 8,075 | 8,343 |
| | All ED Visits | 52,188 | 53,632 | 52,656 | 52,825 |
| **Waterbury Area Hospitals** | **Treated & Discharged** | **99,530** | **100,671** | **96,625** | **98,942** |
| | **Treated & Admitted** | **17,114** | **16,303** | **15,656** | **16,358** |
| | **All ED Visits** | **116,644** | **116,974** | **112,281** | **115,300** |
| ED Utilization Per 1,000 | | 553 | 560 | 538 | 552 |

When a patient visits an ED, the patient is either "treated and discharged" or "treated and admitted" to inpatient care or transferred to other types of health care institutions. In the Waterbury area, an average of 16,358 or 14% of ED visits result in an acute care admission, which is similar to 15% in the state. Also similar to the state, inpatients admitted through the ED at the two hospitals have increased from one-third of all acute care inpatients in FY 2004 to one-half in FY 2006. In both instances, admissions through the ED have effectively replaced physician referrals as the primary source of admissions to acute care.

Some of the top ten primary reasons for ED visits for the "treated and discharged" probably could have been taken care of in a doctor's office or a primary care center providing one was available at onset of symptoms (for details see Appendices 10 and 11). The top ten primary reasons Waterbury area hospitals admitted ED patients to inpatient care were mostly cardiac, respiratory or infection related (for details see Appendix 12).

On average, Waterbury Hospital cost per ED per visit is almost 1.5 times St. Mary's cost (Table 23). According to the hospitals, the difference is in the items each hospital includes in its cost structure. For example, in this case St. Mary's Hospital excludes ED-related physician cost but accounts for it in the cost structure of its for-profit affiliate, the Franklin Medical Group, PC. Waterbury Hospital's cost structure also includes the cost of medical liability.

**Table 23: Waterbury Area Hospital Emergency Department Cost[1] Per Treated and Discharged Visit, FYs 2004 - 2006**

| Hospital | Average Cost per Visit ($) | | | |
|---|---|---|---|---|
| | FY 2006 | FY 2005 | FY 2004 | 3 Yr Average |
| St. Mary's | 290 | 290 | 242 | **274** |
| Waterbury | 484 | 454 | 444 | **460** |
| **Waterbury Area Hospitals** | **374** | **364** | **335** | **358** |

[1] There may be a variation in the components of cost between hospitals.

Similar to inpatient care services, both hospitals provide emergency services at a loss per visit; the three-year combined average loss was $17 per "treated and discharged" visit (Table 24). The losses are increasing from year to year. Waterbury Hospital experienced the higher losses per visit than St. Mary's Hospital.

**Table 24: Waterbury Area Hospital Emergency Department Gain or Loss Per Treated & Discharged Visit, FYs 2004 - 2006**

| Hospital | Gain or Loss Per Discharge/Visit ($) | | | |
|---|---|---|---|---|
| | FY 2006 | FY 2005 | FY 2004 | 3 Yr Average |
| St. Mary's | (22) | (15) | 24 | **(5)** |
| Waterbury[2] | (36) | (29) | (30) | **(32)** |
| **Waterbury Area Hospitals** | **(28)** | **(21)** | **(1)** | **(17)** |

[1] For each cell, the combined per case gain/loss is sum of net revenues for the two hospitals minus the sum of total costs for the two divided by sum of discharges from both hospitals.

## D. Outpatient services utilization

Outpatient (OP) services the two hospitals provide in the area include medical and dental clinics; behavioral health care and other OP care such as one-day surgery, radiology, laboratory, gastroenterology and other services.

### i. Medical clinic utilization

Affiliates of each hospital own and operate the medical outpatient clinics for both hospitals.

Franklin Medical Group, PC (FMG) a for-profit entity, provides adult primary care in its Family Health Center, pediatric primary care in its Children's Health Center and dental care in the Dental Health Center for St. Mary's Hospital. On average, FMG records 47,996 visits per year at the three clinics combined (Table 25). In the last three years, area residents made the largest number of visits in FY 2005 at 50,174, but this dropped by 6% by the end of FY 2006.

**Table 25: St. Mary's Hospital Medical Clinic Visits by Service Line, FYs 2004 - 2006**

| | Visits | | | | % Change | | |
|---|---|---|---|---|---|---|---|
| Clinic Service | FY 2006 | FY 2005 | FY 2004 | 3-Yr Average | 06/05 | 05/04 | 06/04 |
| Family Health | 21,830 | 25,313 | 22,927 | **23,357** | -14 | 10 | -5 |
| Children's Health | 17,732 | 18,146 | 17,524 | **17,801** | -2 | 4 | 1 |
| Dental | 7,460 | 6,715 | 6,342 | **6,839** | 11 | 6 | 15 |
| **Total** | **47,022** | **50,174** | **46,793** | **47,996** | -6 | 7 | 0 |

While visits to the clinics will drop in FY 2006, cost per visit will rise in each clinic to an average $132 for all clinics (Table 26). Except for dental care, cost per visit at each of the other two clinics was lowest at the three-year peak volumes.

**Table 26: St. Mary's Hospital Clinics Cost per Visit by Service, FYs 2004 - 2006**

| | Cost Per Visit ($) | | | | % Change | | |
|---|---|---|---|---|---|---|---|
| Clinic Service | FY 2006 | FY 2005 | FY 2004 | 3-Yr Average | 06/05 | 05/04 | 06/04 |
| Family Health | 140 | 117 | 125 | **127** | 20 | -7 | 11 |
| Children's Health | 138 | 122 | 144 | **134** | 13 | -15 | -5 |
| Dental | 94 | 79 | 57 | **78** | 20 | 38 | 39 |
| **Total** | **132** | **113** | **123** | **123** | 16 | -8 | 7 |

From year to year, FMG operated the three clinics at a loss per visit; by the end of FY 2006, loss per visit will increase by 10% to $77 (Table 27).

**Table 27: St. Mary's Hospital Clinics Gain or Loss per Visit by Service, FYs 2004 - 2006**

| Clinic Service | Gain or Loss Per Visit ($) | | | | % Change | | |
|---|---|---|---|---|---|---|---|
| | FY 2006 | FY 2005 | FY 2004 | 3 Yr Average | 06/05 | 05/04 | 06/04 |
| Family Health | (93) | (89) | (89) | **(90)** | 4 | 0 | 4 |
| Children's Health | (69) | (55) | (79) | **(67)** | 25 | -31 | -15 |
| Dental | (51) | (40) | (35) | **(42)** | 28 | 12 | 30 |
| **Total** | **(77)** | **(70)** | **(78)** | **(75)** | 10 | -11 | -2 |

Greater Waterbury Network, Inc owns Chase Outpatient Center and the HIV clinic; but the Greater Waterbury Management Resources, Inc. and Alliance Medical Group, PC operate the two clinics on behalf of Waterbury Hospital. The outpatient center provides primary care, neurology, orthopedics, podiatry and urology services and the other provides HIV-related medical services and counseling to the Waterbury area.

Together the two clinics record an average of 10,895 visits per year and the number of visits is expected to grow by 24% by the end of FY 2006 and 5% in the three-year period (Table 28).

**Table 28: Waterbury Hospital Clinic Visits by Service Line, FYs 2004 – 2006**

| Clinic Service | Visits | | | | % Change | | |
|---|---|---|---|---|---|---|---|
| | FY 2006 | FY 2005 | FY 2004 | 3 Yr Average | 06/05 | 05/04 | 06/04 |
| Chase Outpatient Center | 10,712 | 8,581 | 10,806 | **10,033** | 25 | -21 | -1 |
| HIV | 1,138 | 997 | 451 | **862** | 14 | 121 | 60 |
| **Total** | **11,850** | **9,578** | **11,257** | **10,895** | 24 | -15 | 5 |

The Waterbury Hospital only provided revenue data for the two clinics because cost at service line level is not available; as a result, OHCA is unable to determine gain or loss per visit at this time.

## ii. Behavioral health services utilization

Patients in need of behavioral health care who receive adequate and continuous outpatient care have a reduced tendency to require emergency or inpatient care; therefore, there is a community benefit associated with providing outpatient psychiatric care. The FMG provides adult behavioral and substance abuse care for St. Mary's Hospital, while Behavioral Health of Waterbury Hospital Mental Health Outpatient Services and Behavioral Health of Waterbury Hospital Mental Addiction Services, both owned by Waterbury Hospital, provide psychiatry and addiction treatment for adolescents and children (ten years and older), adults and geriatrics.

Over the three-year period, the psychiatric clinics operated by or on behalf of the two hospitals experienced some decline in number of cases and visits, the facilities treated an average of 12,344 cases in 33,536 visits or 3 visits per case (Table 29). Although Waterbury Hospital clinics treated the overwhelming majority, on average, St. Mary's cases visited the clinics three times as often.

**Table 29: Waterbury Area Hospitals Outpatient Psychiatric Cases, Visits and Average Visits per Case, FYs 2004 - 2006**

| | Number of Cases | | | | % Change | | |
|---|---|---|---|---|---|---|---|
| Hospital | FY 2006 | FY 2005 | FY 2004 | 3-yr Average | 06/05 | 05/04 | 06/04 |
| St. Mary's | 1,026 | 929 | 816 | **924** | 10 | 14 | 26 |
| Waterbury | 10,978 | 11,428 | 11,854 | **11,420** | -4 | -4 | -7 |
| **Waterbury Area** | **12,004** | **12,357** | **12,670** | **12,344** | -3 | -2 | -5 |
| | Number of Visits | | | | % Change | | |
| Hospital | FY 2006 | FY 2005 | FY 2004 | 3-yr Average | 06/05 | 05/04 | 06/04 |
| St. Mary's | 6,712 | 5,898 | 3,731 | **5,447** | 14 | 58 | 80 |
| Waterbury | 26,100 | 28,601 | 29,566 | **28,089** | -9 | -3 | -12 |
| **Waterbury Area** | **32,812** | **34,499** | **33,297** | **33,536** | -5 | 4 | -1 |
| | Average Visits/Case | | | | | | |
| Hospital | FY 2006 | FY 2005 | FY 2004 | 3-yr Average | | | |
| St. Mary's | 7 | 6 | 5 | 6 | | | |
| Waterbury | 2 | 3 | 2 | 2 | | | |
| **Waterbury Area** | **3** | **3** | **3** | **3** | | | |

The three-year average costs per visit to psychiatric clinics were similar, $161 for St. Mary's and $162 for Waterbury (Table 30). Prior to FY 2006, the cost of an outpatient psychiatric clinic visit at St. Mary's Hospital was at least 1.5 times higher than one at Waterbury Hospital, but in FY 2006 there was substantial decline in the cost at St. Mary's. Cost per case is higher at St. Mary's Hospital because of relatively more frequent of visits per case (Table 29). Generally, some of the variations in cost are attributable to what is included in cost; components of cost tend to vary from hospital to hospital especially in cases where affiliates provide the service on behalf of the hospital.

**Table 30: Waterbury Area Hospitals Outpatient Psychiatric Cost Per Case or Visit, FYs 2004 - 2006**

| Hospital | Cost Per Case ($) FY 2006 | FY 2005 | FY 2004 | 3-Yr. Average |
|---|---|---|---|---|
| St. Mary's | 1,625 | 2,427 | 2,276 | **950** |
| Waterbury | 669 | 686 | 638 | **398** |
| **Hospital** | **Cost Per Visit ($) FY 2006** | **FY 2005** | **FY 2004** | **3-Yr. Average** |
| St. Mary's | 248 | 382 | 498 | **161** |
| Waterbury | 281 | 274 | 256 | **162** |

[1] There may be a variation in the components of cost between hospitals.

Each hospital's affiliate provides outpatient psychiatric services at a loss per case; the average combined losses over the three-year period was $328 with most of the losses occurring at St. Mary's Hospital, because the hospital had higher average number of visits and per unit cost (Table 31). Losses per visit for the hospitals converge in FY 2006 at $115 for St. Mary's and $113 for Waterbury.

**Table 31: Waterbury Area Hospital Outpatient Psychiatric Gain or Loss Per Case and Visit, FYs 2004 - 2006**

| Hospital[1] | Gain or Loss Per Case ($) FY 2006 | FY 2005 | FY 2004 | 3-Yr. Average | % Change 06/05 | 05/04 | 06/04 |
|---|---|---|---|---|---|---|---|
| St. Mary's | (755) | (915) | (1,586) | **(1,053)** | 7 | -12 | -7 |
| Waterbury | (268) | (251) | (287) | **(269)** | 3 | -19 | -16 |
| **Waterbury Area** | **(310)** | **(301)** | **(370)** | **(328)** | -3 | 19 | -13 |
| **Hospital** | **Gain or Loss Per Visit ($) FY 2006** | **FY 2005** | **FY 2004** | **3-Yr. Average** | | | |
| St. Mary's | (115) | (144) | (347) | **(179)** | 12 | -13 | -2 |
| Waterbury | (113) | (100) | (115) | **(109)** | 5 | -23 | -20 |
| **Waterbury Area** | **(113)** | **(108)** | **(141)** | **(121)** | -5 | 23 | -17 |

[1] Combined per case gain/loss is sum of total net revenue for the two hospitals minus the sum of their total costs divided by sum of cases or visits from both hospitals.

### iii. Other outpatient services utilization

Other outpatient services utilization based on data received from the two hospitals consist of services such as one-day surgery, radiology, laboratory, gastroenterology and other services. Ownership structures vary between hospitals and private practice physicians so the data may not be consistent or necessarily comparable.

In the three-year period combined other OP services declined by 6% (Table 32).

**Table 32: Waterbury Area Hospitals Other Outpatient Utilization, FYs 2004 – 2006**

| | Visits | | | | % Change | | |
|---|---|---|---|---|---|---|---|
| Hospital | FY 2006 | FY 2005 | FY 2004 | 3 yr Average | 06/05 | 05/04 | 06/04 |
| St. Mary's | 135,516 | 131,538 | 141,478 | 136,177 | 3 | -7 | -4 |
| Waterbury | 110,122 | 111,971 | 119,728 | 113,940 | -2 | -6 | -8 |
| **Waterbury Area** | **245,638** | **243,509** | **261,206** | **250,118** | 1 | -7 | -6 |
| Utilization Per 1,000 | 1,176 | 1,166 | 1,251 | 1,198 | | | |

Other OP services cost per visit at Waterbury was 1.5 times St. Mary's, although this may vary from service to service (Table 33).

**Table 33: Waterbury Area Hospital Other Outpatient Cost Per Visit, FYs 2004 - 2006**

| | Cost Per Visit ($) | | | |
|---|---|---|---|---|
| Hospital | FY 2006 | FY 2005 | FY 2004 | 3 yr Average |
| St. Mary's | 224 | 230 | 214 | **223** |
| Waterbury | 363 | 354 | 320 | **345** |
| **Waterbury Area** | **286** | **287** | **263** | **278** |

[1] There may be a variation in the components of cost between hospitals.

Despite the declining volumes, both hospitals made some gains per case providing other outpatient services. The two hospitals made experienced gains per visit for three consecutive years with most of the gains occurring at St. Mary's Hospital, (Table 34)

**Table 34: Waterbury Area Hospitals Other Outpatient Gain or Loss Per Visit, FYs 2004 - 2006**

| | Gain or Loss Per Visit ($) | | | |
|---|---|---|---|---|
| Hospital | FY 2006 | FY 2005 | FY 2004 | 3 yr Average |
| St. Mary's | 25 | 13 | 32 | **23** |
| Waterbury[2] | 16 | 15 | 15 | **15** |
| **Waterbury Area Hospitals** | **21** | **14** | **24** | **20** |

[1] The combined per case gain/loss is sum of total revenue for the two hospitals minus the sum of their total costs divided by sum of discharges from both hospitals.

## D. Payer reimbursement and mix

Hospital profitability relies significantly on a balance between patients covered by commercial/private insurance, government sponsored programs, such as Medicare, Medicaid or state or local programs in Connecticut such as State-Administered General Assistance (SAGA), and self-pay or uninsured patients. The driving force behind the gain or loss per case is the source of reimbursement.

Federal and state governments predetermine payment rates for Medicare and Medicaid patients, while hospitals negotiate reimbursement rates with private and commercial payers. In general, Medicaid rates do not fully cover cost while private or commercial programs traditionally reimburse at or above costs, depending on how the negotiated rates favor the hospitals.

In the Waterbury area, Medicare and private payers reimburse slightly above cost but reimbursement rates have been declining from year to year (Table 35). Currently, the two payers reimburse the two hospitals just enough to offset each other's underpayments. In FY 2005, Medicaid reimbursed less than one-half of St. Mary's Hospital's cost and less than 80% of Waterbury Hospital's.

**Table 35: Waterbury Area Hospitals Primary Payer Payment to Cost, FYs 2003 - 2005**

| | St. Mary's Hospital | | | Waterbury Hospital | | | Connecticut | | |
|---|---|---|---|---|---|---|---|---|---|
| | FY03 | FY04 | FY05 | FY03 | FY04 | FY05 | FY03 | FY04 | FY05 |
| Ratio of cost to charges | 0.44 | 0.44 | 0.47 | 0.42 | 0.36 | 0.34 | 0.49 | 0.46 | 0.44 |
| Medicare payment to cost | 1.03 | 1.12 | 1.03 | 0.89 | 0.95 | 0.96 | 0.97 | 0.97 | 0.97 |
| Medicaid payment to cost | 0.85 | 0.80 | 0.47 | 0.68 | 0.82 | 0.79 | 0.73 | 0.73 | 0.72 |
| Private payment to cost | 0.95 | 1.08 | 0.96 | 1.02 | 1.07 | 1.06 | 1.14 | 1.18 | 1.20 |

Source: *Office of Health Care Access Hospital Financial Stability Reports for multiple years*

## i. Hospital payer mix

Commercial payers are the dominant primary payer in the Waterbury Area accounting for 41% of total patient volume all services combined. Medicare accounts for 30%, Medicaid for almost one-quarter and self-pay or the uninsured for 4% (Table 36). In fact, commercial payers are the leading primary payer (46%) in the sole profitable areas of service for the hospitals; other outpatient services, which include one-day surgery, radiology, laboratory, gastroenterology and all other services except ED and outpatient psychiatry. The payer mix varies between services and hospitals. EDs in the area have an unfavorable payer-mix with over one-half of their patient volume being either Medicaid-covered or self-pay or uninsured and an annually declining share of commercially-covered patients. Although both hospitals provide care to a large portion of uninsured patients, 9% for St. Mary's Hospital and 11% for Waterbury Hospital, St. Mary's Hospital treats a disproportionate share (49%) of Medicaid patients in the ED. The payer mix presented in Table 36 is directly and highly correlated to the demographic profile outlined in Section 3.0.

**Table 36: Waterbury Area Hospitals Payer Mix by Department, FYs 2004 - 2006**

| Services | Primary Payer | St. Mary's (%) | | | Waterbury (%) | | | Waterbury Area Hospitals (%) | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | FY04 | FY05 | FY06 | FY04 | FY05 | FY06 | FY04 | FY05 | FY06 |
| Inpatient Discharges | Medicare | 42 | 43 | 43 | 44 | 43 | 43 | 43 | 43 | 43 |
| | Medicaid | 25 | 23 | 23 | 21 | 20 | 20 | 23 | 22 | 21 |
| | Commercial | 31 | 32 | 32 | 33 | 34 | 34 | 32 | 33 | 33 |
| | Worker's Compensation | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| | Self-pay/uninsured | 1 | 1 | 1 | 1 | 2 | 1 | 1 | 1 | 1 |
| | **Total** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** |
| Emergency Department Treated and Discharged Visits | Medicare | 14 | 15 | 15 | 17 | 18 | 18 | 15 | 16 | 16 |
| | Medicaid | 49 | 46 | 43 | 34 | 33 | 32 | 42 | 40 | 38 |
| | Commercial | 26 | 27 | 29 | 36 | 37 | 37 | 30 | 32 | 33 |
| | Worker's Compensation | 2 | 2 | 3 | 3 | 3 | 3 | 2 | 3 | 3 |
| | Self-pay/uninsured | 9 | 9 | 10 | 11 | 10 | 10 | 10 | 10 | 10 |
| | **Total** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** |
| Outpatient Behavioral Health Visits | Medicare | 9 | 13 | 9 | 46 | 47 | 45 | 43 | 44 | 42 |
| | Medicaid | 55 | 58 | 54 | 37 | 35 | 38 | 38 | 37 | 39 |
| | Commercial | 36 | 28 | 36 | 15 | 16 | 16 | 17 | 17 | 17 |
| | Worker's Compensation | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Self-pay/uninsured | 1 | 1 | 0 | 2 | 2 | 2 | 2 | 2% | 2 |
| | **Total** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** |
| All Other Outpatient Visits | Medicare | 32 | 33 | 32 | 30 | 31 | 32 | 31 | 32 | 32 |
| | Medicaid | 17 | 17 | 16 | 18 | 18 | 18 | 18 | 18 | 17 |
| | Commercial | 47 | 47 | 46 | 45 | 45 | 45 | 46 | 46 | 45 |
| | Worker's Compensation | 1 | 1 | 3 | 1 | 1 | 1 | 1 | 1 | 2 |
| | Self-pay/uninsured | 2 | 2 | 3 | 5 | 5 | 4 | 4 | 3 | 4 |
| | **Total** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** |
| **Hospital Total** | **Medicare** | **28** | **28** | **28** | **32** | **33** | **33** | **30** | **31** | **31** |
| | **Medicaid** | **26** | **26** | **24** | **20** | **19** | **19** | **23** | **23** | **22** |
| | **Commercial** | **41** | **41** | **41** | **42** | **42** | **42** | **41** | **42** | **41** |
| | **Worker's Compensation** | **2** | **1** | **3** | **1** | **1** | **1** | **1** | **1** | **2** |
| | **Self-pay/uninsured** | **4** | **4** | **4** | **5** | **4** | **4** | **4** | **4** | **4** |
| | **Total** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** |

### ii. Medical clinics payer mix

Based on a three-year average, four of every five visits to St. Mary's Hospital medical clinics were Medicaid covered or self-pay or uninsured, 14% of the visits were commercially-covered and 7% were covered by Medicare (Table 37). An overwhelming majority of visits to the Children's Health and Dental clinics were Medicaid covered, while family health has seen a sharp rise in self-pay or uninsured visits for family health care.

**Table 37: St. Mary's Hospital's Outpatient Medical Clinics Payer Mix, FYs 2004 - 2006**

| | | St. Mary's Hospital | | | |
|---|---|---|---|---|---|
| Clinic Services | Primary Payer | FY 2006 | FY 2005 | FY 2004 | 3-Yr Average |
| Family Health | Medicare | 17% | 14% | 13% | 14% |
| | Medicaid | 58% | 69% | 73% | 69% |
| | Commercial | 11% | 12% | 10% | 11% |
| | Self-pay | 14% | 5% | 4% | 6% |
| | **Total** | **100%** | **100%** | **100%** | **100%** |
| Children's Health | Medicare | 0% | 0% | 0% | 0% |
| | Medicaid | 86% | 83% | 83% | 83% |
| | Commercial | 11% | 15% | 15% | 14% |
| | Self-pay | 3% | 2% | 2% | 2% |
| | **Total** | **100%** | **100%** | **100%** | **100%** |
| Dental | Medicare | 0% | 0% | 0% | 0% |
| | Medicaid | 96% | 66% | 66% | 73% |
| | Commercial | 3% | 28% | 28% | 22% |
| | Self-pay | 1% | 6% | 6% | 5% |
| | **Total** | **100%** | **100%** | **100%** | **100%** |
| **Clinic Total** | **Medicare** | **6%** | **7%** | **7%** | **7%** |
| | **Medicaid** | **78%** | **73%** | **76%** | **75%** |
| | **Commercial** | **10%** | **15%** | **14%** | **14%** |
| | **Self-pay** | **6%** | **4%** | **4%** | **4%** |
| | **Total** | **100%** | **100%** | **100%** | **100%** |

The Waterbury Hospital medical clinics payer mix is similar to St. Mary's Hospital's, primarily covered by Medicaid or self-pay or uninsured (Table 38).

**Table 38 : Waterbury Hospital Outpatient Medical Clinics Payer Mix, FYs 2004 – 2006**

| Clinic | Primary Payer | Waterbury Hospital FY 2006 | FY 2005 | FY 2004 | 3 Yr Average |
|---|---|---|---|---|---|
| Chase Outpatient Center | Commercial | 13% | 9% | 10% | 11% |
| | Medicaid | 54% | 52% | 54% | 54% |
| | Medicare | 24% | 26% | 25% | 25% |
| | Self-pay/Uninsured | 10% | 12% | 10% | 11% |
| | Worker's Compensation | 0% | 0% | 0% | 0% |
| | **Total** | **100%** | **100%** | **100%** | **100%** |
| HIV Clinic | Commercial | 20% | 22% | 31% | 23% |
| | Medicaid | 50% | 44% | 45% | 47% |
| | Medicare | 15% | 14% | 19% | 16% |
| | Self-pay/Uninsured | 15% | 19% | 5% | 15% |
| | Worker's Compensation | 0% | 0% | 0% | 0% |
| | **Total** | **100%** | **100%** | **100%** | **100%** |
| **Clinic Total** | **Commercial** | **13%** | **10%** | **11%** | **12%** |
| | **Medicaid** | **54%** | **52%** | **54%** | **53%** |
| | **Medicare** | **23%** | **25%** | **24%** | **24%** |
| | **Self-pay/Uninsured** | **10%** | **13%** | **10%** | **11%** |
| | **Worker's** | **0%** | **0%** | **0%** | **0%** |
| | **Total** | **100%** | **100%** | **100%** | **100%** |

## 5.0 Financial status of the hospitals at the end of FY 2006

Although by the end of FY 2006 St. Mary's Hospital decreased its operating losses, it continued to operate at a deficit, (3.7%) in FY 2006 compared to (10.02%) in FY 2005, (Table 1). Operating loss, for Waterbury Hospital more than tripled from the year before. For both hospitals, expenses continue to exceed revenues and since patient care is the primary source of operating revenue, the cost and the payer mix are critical to the bottom line.

Revenue from government payers (Medicare and Medicaid) to the two hospitals have dropped to 59% in FY 2006 while costs for patients covered by these payers continue to account for about 64% the costs of providing care (Table 39). Government underpayments to the hospitals are augmented by little or no revenues from self-pay patients who account for 2% of the cost of care. Revenues from patients covered by commercial and workers compensation payers although more than cover the costs of caring for those patients (about 41% versus 35% respectively) is still insufficient to make up for the deficit from government payers.

**Table 39: Financial profile of St. Mary's Hospital and Waterbury Hospital, FYs 2004 – 2006**

| | St. Mary's Hospital | | | Waterbury Hospital | | |
|---|---|---|---|---|---|---|
| Financial Statistics | 2006 | 2005 | 2004 | 2006 | 2005 | 2004 |
| **Net Assets** | | | | | | |
| Hospital | ($136,000) | $23,760,000 | $26,430,000 | $124,628,134 | $126,535,925 | $119,504,105 |
| Health System | $1,424,000 | $8,469,000 | $16,197,000 | $163,330,870 | $166,079,218 | $158,400,874 |
| **Hospital Net Revenue Payer Mix*** | | | | | | |
| Medicare | 45% | 46% | 46% | 45% | 46% | 45% |
| Medicaid | 14% | 14% | 14% | 12% | 17% | 14% |
| Commercial | 37% | 36% | 37% | 38% | 34% | 37% |
| Workers Compensation | 4% | 3% | 3% | 4% | 1% | 3% |
| Self Pay | 0% | 0% | 0% | 0% | 2% | 0% |
| | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** |
| **Hospital Cost Payer Mix*** | | | | | | |
| Medicare | 44% | 44% | 44% | 46% | 46% | 46% |
| Medicaid | 20% | 19% | 19% | 17% | 18% | 18% |
| Commercial | 31% | 33% | 33% | 34% | 33% | 33% |
| Workers Compensation | 2% | 2% | 2% | 1% | 1% | 1% |
| Self Pay | 2% | 2% | 2% | 2% | 2% | 2% |
| | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** |
| **Financial Indicators** | | | | | | |
| Current ratio | 0.8 | 1.96 | 1.78 | 2.03 | 2.15 | 1.93 |
| Days of expenses in accounts payable | 72 | 71 | 69 | 42 | 47 | 56 |
| Days cash on hand | 1 | 3 | 5 | 20 | 34 | 42 |
| Days of revenue in accounts receivable | 38 | 48 | 60 | 49 | 42 | 37 |
| Equity financing ratio | (13%) | 3% | 7% | 35% | 37% | 36% |

Source: *Annual Report on the Financial Status of Connecticut's Short Term Acute Care Hospitals for Fiscal Year 2005, the hospitals' Audited Financial Statements 6 & *data submitted by the hospitals in response to the investigation.*

For consecutive years both hospitals experienced negative operating margins, a sign of financial distress. This is more apparent with St. Mary's Hospital whose rather low current liabilities to current asset ratio, 0.8 in FY 2006, put the hospital at a higher risk for technical insolvency[13] . The hospital's cash flow position worsened with the amount of cash on hand to meet its short-term obligations during the year dropping from three days in FY 2005 to one day in FY 2006. The median number of days of cash on hand for the state and the nation in FY 2005 were 37.6 and 25.8 days respectively and an increasing trend is more favorable. To improve cash flow, the hospital shortened the average time it took to collect revenues from billed patients by ten days down to 38 days but that was not enough to improve the average time it took to pay creditors, which increased by one day up to 72 days.

Over the last three years, Waterbury Hospital has experienced deterioration in its cash flows; the hospital's days of cash on hand have reduced from 42 days to 20 days, which is below state and national medians. This may relate to the fact that it took the hospital seven days more to collect revenues from billed patients on average, and it paid its creditors five days earlier than the year prior. However, Waterbury Hospital is at very low risk of technical insolvency indicated by its current assets to current liabilities ratio in FY 2006 of 2.03 which is above the median for the state and nation.

**Appendix A**

## C.G.S. §19a-633

**Investigative powers.** The commissioner or any agent authorized by him to conduct any inquiry, investigation or hearing under the provisions of this chapter, shall have power to administer oaths and take testimony under oath relative to the matter of inquiry or investigation. At any hearing ordered by the office, the commissioner or such agent having authority by law to issue such process may subpoena witnesses and require the production of records, papers and documents pertinent to such inquiry. If any person disobeys such process or, having appeared in obedience thereto, refuses to answer any pertinent question put to him by the commissioner or his authorized agent or to produce any records and papers pursuant thereto, the commissioner or his agent may apply to the superior court for the judicial district of Hartford or for the judicial district wherein the person resides or wherein the business has been conducted, or to any judge of said court if the same is not in session, setting forth such disobedience to process or refusal to answer, and said court or such judge shall cite such person to appear before said court or such judge to answer such question or to produce such records and papers.

**Appendix 1: Saint Mary's Hospital Licensed and Staffed Beds by Service Line, FYs 2004 - 2006**

| Service Line | Licensed Beds | Staffed Beds | | | | % of Licensed Beds Staffed in FY 2006 |
|---|---|---|---|---|---|---|
| | | FY 2006 | FY 2005 | FY 2004 | 3-Yr Average | |
| Medical/Surgical | 228 | 105 | 102 | 102 | 103 | 46% |
| OB/GYN | 32 | 31 | 31 | 31 | 31 | 97% |
| Psychiatry | 20 | 12 | 12 | 12 | 12 | 60% |
| Critical Care | 55 | 43 | 35 | 35 | 38 | 78% |
| Pediatrics | 12 | 10 | 10 | 10 | 10 | 83% |
| **Total** | **347** | **201** | **190** | **190** | **194** | **58%** |
| **Total Bassinets** | **32** | **32** | **32** | **32** | **32** | **100%** |

**Appendix 2: Waterbury Hospital Licensed and Staffed Beds by Service Line, FYs 2004 - 2006**

| Service Line | Licensed Beds | Staffed Beds | | | | % of Licensed Beds Staffed in FY 2006 |
|---|---|---|---|---|---|---|
| | | FY 2006 | FY 2005 | FY 2004 | 3-Yr Average | |
| Medical/Surgical | 251 | 155 | 155 | 147 | 152 | 62% |
| OB/GYN | 32 | 31 | 32 | 32 | 32 | 97% |
| Psychiatry | 30 | 30 | 30 | 30 | 30 | 100% |
| Critical Care | 20 | 20 | 20 | 20 | 20 | 100% |
| Pediatrics | 24 | 10 | 10 | 10 | 10 | 42% |
| **Total** | **357** | **246** | **247** | **239** | **244** | **69%** |
| **Total Bassinets** | **36** | **36** | **36** | **36** | **36** | **100%** |

**Appendix 3: Saint Mary's Hospital Acute Care Discharges by Service Line, FYs 2004 - 2006**

| | Discharges | | | | % Change | | |
|---|---|---|---|---|---|---|---|
| Service Line | FY 2006 | FY 2005 | FY 2004 | 3 Yr Average | 06/05 | 05/04 | 06/04 |
| Medical | 6,000 | 5,702 | 5,467 | **5,723** | 5 | 4 | 9 |
| Surgical | 3,320 | 3,403 | 3,308 | **3,344** | -2 | 3 | 0 |
| Behavioral Health | 602 | 590 | 574 | **589** | 2 | 3 | 5 |
| Maternity/Pediatrics | 3,044 | 2,570 | 2,739 | **2,784** | 18 | -6 | 10 |
| **Total** | **12,966** | **12,265** | **12,088** | **12,440** | 6 | 1 | 7 |

**Appendix 4: Waterbury Hospital Acute Care Discharges by Service Line, FYs 2004 - 2006**

| | Discharges | | | | % Change | | |
|---|---|---|---|---|---|---|---|
| Service Line | FY 2006 | FY 2005 | FY 2004 | 3 Yr Average | 06/05 | 05/04 | 06/04 |
| Medical | 6,546 | 6,861 | 6,588 | **6,665** | -5 | 4 | -1 |
| Surgical | 4,228 | 4,124 | 4,044 | **4,132** | 3 | 2 | 4 |
| Behavioral Health | 936 | 1,131 | 1,076 | **1,048** | -17 | 5 | -15 |
| Maternity/Pediatrics | 2,886 | 3,372 | 3,379 | **3,212** | -14 | 0 | -17 |
| **Total** | **14,596** | **15,488** | **15,087** | **15,057** | **-6** | **3** | **-3** |

**Appendix 5: Saint Mary's Hospital Acute Care Days by Service Line, FYs 2004 - 2006**

| | Days | | | | % Change | | |
|---|---|---|---|---|---|---|---|
| Service Line | FY 2006 | FY 2005 | FY 2004 | 3-yr Average | 06/05 | 05/04 | 06/04 |
| Medical | 29,890 | 27,678 | 26,297 | **27,955** | 8 | 5 | 12 |
| Surgical | 18,272 | 16,931 | 17,307 | **17,503** | 8 | -2 | 5 |
| Behavioral Health | 3,864 | 3,709 | 3,588 | **3,720** | 4 | 3 | 7 |
| Maternity/Pediatrics | 7,966 | 6,781 | 7,008 | **7,252** | 17 | -3 | 12 |
| **Total** | **59,992** | **55,099** | **54,200** | **56,430** | **9** | **2** | **10** |

**Appendix 6: Waterbury Hospital Acute Care Days by Service Line, FYs 2004 - 2006**

| | Days | | | | % Change | | |
|---|---|---|---|---|---|---|---|
| Service Line | FY 2006 | FY 2005 | FY 2004 | 3-yr Average | 06/05 | 05/04 | 06/04 |
| Medical | 33,582 | 34,054 | 32,532 | **33,389** | -1 | 5 | 3 |
| Surgical | 21,654 | 19,414 | 20,525 | **20,531** | 12 | -5 | 5 |
| Behavioral Health | 7,342 | 8,184 | 7,776 | **7,767** | -10 | 5 | -6 |
| Maternity/Pediatrics | 7,836 | 9,188 | 8,972 | **8,665** | -15 | 2 | -14 |
| **Total** | **70,414** | **70,840** | **69,805** | **70,353** | **-1** | **1** | **1** |

**Appendix 7: Case Mix Index for St. Mary's and Waterbury Hospitals, FY 2003 - 2005**

| | FY 2006[1] | FY 2005 | FY 2004 | FY 2003 |
|---|---|---|---|---|
| St. Mary's | - | 1.3577 | 1.3576 | 1.3733 |
| Waterbury | - | 1.3534 | 1.3848 | 1.4015 |

Source: *OHCA Hospital Budget System*
[1] Not yet available to OHCA.
Case mix index - measures the relative cost of treating patients at a hospital, the average cost is 1.0.

**Appendix 8: Saint Mary's Hospital Acute Care Gain or Loss per Discharge or Case by Service Line, FYs 2004 – 2006**

| | Gain or Loss Per Discharge/Case ($) | | | | % Change | | |
|---|---|---|---|---|---|---|---|
| Service Line | FY 2006 | FY 2005 | FY 2004 | 3 yr Average | 06/05 | 05/04 | 06/04 |
| Medical | 69 | 431 | 617 | **364** | -84 | -30 | -790 |
| Surgical | (2,809) | (1,493) | (1,550) | **(1,947)** | 88 | -4 | 45 |
| Behavioral Health | (2,543) | (2,162) | (1,594) | **(2,107)** | 18 | 36 | 37 |
| Maternity/Pediatrics | (561) | (1,275) | (1,298) | **(1,022)** | -56 | -2 | -131 |
| **Total** | **(937)** | **(585)** | **(515)** | **(684)** | 60 | 14 | 45 |

**Appendix 9: Waterbury Hospital Acute Care Gain or Loss per Discharge or Case by Service Line, FYs 2004 – 2006**

| | Gain or Loss Per Discharge/Case ($) | | | | % Change | | |
|---|---|---|---|---|---|---|---|
| Service Line | FY 2006 | FY 2005 | FY 2004 | 3 yr Average | 06/05 | 05/04 | 06/04 |
| Medical | (308) | (245) | 76 | **(160)** | 25 | -422 | 125 |
| Surgical | (1,135) | (797) | (278) | **(743)** | 42 | 187 | 75 |
| Behavioral Health | (3,021) | (1,618) | (1,407) | **(1,964)** | 87 | 15 | 53 |
| Maternity/Pediatrics | (1,040) | (376) | (627) | **(663)** | 177 | -40 | 40 |
| **Total** | **(866)** | **(521)** | **(282)** | **(553)** | 66 | 85 | 67 |

**Appendix 10: St. Mary's Hospital Top Ten Principal Reasons for Emergency Department Treated and Discharged Visits, FYS 2004 – 2006q1q2**

| ICD-9-CM Diagnosis Code | Code Description | FY 2006 | FY 2005 | FY 2004 |
|---|---|---|---|---|
| 465.9 | Acute upper respiratory infections, unspecified site, not otherwise specified (NOS) | 1,069 | 1,406 | 1,364 |
| 382.9 | Otitis Media, NOS | 832 | 1,590 | 1,458 |
| 34 | Strep sore throat | 637 | | |
| V58.3 | Attending-surgical dressing/suture | 617 | 1,050 | 862 |
| 79.99 | Viral infection, NOS | 595 | 1,010 | 1,096 |
| 462 | Acute pharyngitis | 529 | 809 | 760 |
| 599 | Urinary tract infection, NOS | 426 | 842 | 840 |
| 789 | Abdominal Pain, Unspecified site | 419 | | |
| 493.92 | Asthma NOS with acute exacerbation | 409 | 868 | 794 |
| 786.59 | Chest Pain Nec | 406 | 846 | 772 |
| 847 | Sprain Of Neck | | | 818 |
| 786.5 | Chest Pain NOS | | 867 | 797 |
| 784 | Headache | | 876 | |
| | **Top Ten Total** | **5,939** | **10,164** | **9,561** |
| | **% of ED Treated & Discharged** | **10%** | **18%** | **18%** |

**Appendix 11: Waterbury Hospital Top Ten Primary Reasons for Emergency Department Treated and Discharged Visits, FYs 2004 - 2006**

| ICD-9-CM Diagnosis Code | Diagnosis Description | FY 2006 | FY 2005 | FY 2004 |
|---|---|---|---|---|
| 789 | Abdominal pain unspecified site | 714 | 1,512 | 1,377 |
| 382.9 | Otitis media NOS | 519 | 1,008 | 1,072 |
| 780.6 | Fever | 502 | 950 | 844 |
| 786.5 | Chest Pain NOS | 493 | 932 | 834 |
| 465.9 | Acute URI NOS | 390 | 629 | 663 |
| 462 | Acute pharyngitis | 346 | | |
| 786.59 | Chest pain NEC | 338 | 775 | 737 |
| 883 | Open wound of finger | 296 | 730 | 674 |
| 845 | Sprain of ankle NOS | 276 | 654 | |
| 784 | Headache | 275 | 638 | |
| 847.2 | Sprain lumbar region | | | 640 |
| 847 | Sprain of neck | | 677 | 836 |
| 490 | Bronchitis NOS | | | 657 |
| | **Top Ten Total** | **4,149** | **8,505** | **8,334** |
| | **% of ED Treated & Discharged** | **19%** | **19%** | **19%** |

**Appendix 12: Waterbury Hospitals Top Ten Primary Reasons for Emergency Department Treated and Admitted to Acute Care, FYs 2004 - 2006**

| ICD-9-CM Diagnosis Code | Diagnosis Description | FY 2006 | FY 2005 | FY 2004 |
|---|---|---|---|---|
| 486 | Pneumonia | 658 | 528 | 514 |
| 428 | Congestive heart failure | 517 | 455 | 377 |
| 786.59 | Other chest pain | 304 | 307 | 246 |
| 427.31 | Atrial fibrillation | 297 | 251 | 193 |
| 414.01 | Coronary atherosclerosis | 304 | 178 | 168 |
| 410.71 | Subendocardial infarction | 247 | 254 | 278 |
| 38.9 | Unspecified septicemia | 258 | | |
| 518.81 | Acute respiratory failure | 256 | 193 | 150 |
| 599.0 | Urinary tract infection, site not specified | 262 | 224 | 204 |
| 780.2 | Syncope and collapse | 263 | | |
| 276.5 | Volume depletion | | 250 | 242 |
| 491.21 | Obstructive chronic bronchitis with acute exacerbation | | | 224 |
| 584.9 | Acute renal failure, unspecified | | 173 | |
| **Total** | | **3,366** | **2,813** | **2,596** |

Source: *OHCA Acute Care Discharge Database*

[1] *Snapshot: Connecticut's Health Insurance. Results of the Office of Health Care Access 2004 Household Survey. January 2005.*
[2] *Who are the Uninsured? Characteristics of Uninsured Workers in Connecticut.* Office of Health Care Access. January 2003.
[3] *Rising Acute Care Hospitals Inpatient Charges – FYs 1991 – 1999.* Office of Health Care Access. June 2001
[4] *Studying Health Care Utilization in Connecticut: Report to the General Assembly.* Office of Health Care Access. June 2006.
[5] Minorities include Blacks, American Indians or Eskimos or Aleuts, Hawaiian or Pacific Islanders, Asians, other non-whites and Hispanics or Latinos of any race.
[6] *Studying Health Care Utilization in Connecticut: Report to the General Assembly.* Office of Health Care Access. June 2006.
[7] *Snapshot: Connecticut's Health Insurance. Results of the Office of Health Care Access 2004 Household Survey. January 2005.*
[8] *Databook - Preventable Hospitalizations in Connecticut: Assessing Access to Community Health Services, FYs 2000 - 2004.* Office of Health Care Access. September 2005.
[9] *Health Care for Connecticut's Underserved Populations.* Connecticut Department of Public Health. November 2005.
[10] Department of Mental Health and Addiction Services (DHMAS) mental health service area which comprises of the towns of Barkhamsted, Beacon Falls, Bethel, Bethlehem, Bridgewater, Brookfield, Canaan, Cheshire, Colebrook, Cornwall, Danbury, Goshen, Hartland, Harwinton, Kent, Litchfield, Middlebury, Morris, Naugatuck, New Fairfield, New Hartford, New Milford, Newtown, Norfolk, North Canaan, Oxford, Prospect, Redding, Ridgefield, Roxbury, Salisbury, Sharon, Sherman, Southbury, Thomaston, Torrington, Warren, Washington, Waterbury, Watertown, Winchester, Wolcott, and Woodbury.
[11] *Report of the Committee to Examine Hospital Inpatient Behavioral Health Bed Capacity for Children* .Submitted to the General Assembly. January 2006.
[12] *Studying Health Care Utilization in Connecticut: Report to the General Assembly.* Office of Health Care Access. June 2006.
[13] *Almanac of Hospital Financial and Operating Indicators, A comprehensive benchmark of the nation's hospitals.* Ingenix 2007.

Attachment B

**State of Connecticut**

# THE CHARTIS GROUP, LLC. REPORT

**Docket Number 06-30760-VST**

**Cristine A. Vogel**
**Commissioner**
**Office of Health Care Access**

St. Mary's Hospital (SMH) and Waterbury Hospital (WH) jointly contracted with The Chartis Group, LLC. to conduct a market overview, a financial review and community needs assessment and present options in the planning efforts to integrate the hospitals.

The consultants projected the financial impact of different levels of possible integration:

Level 1: Administrative and Operational Support Integration only
Level 2: Limited Clinical Integration and Level 1
Level 3: Full Administrative and Clinical Integration

The consultant's model included integration expenses that would be necessary depending on the level of integration required. In summary, these expenses related to cost associated with:

A. Integration Costs: consulting and legal fees, public relations costs, reduction in workforce severance, etc.

B. IT Platform Alignment: Cerner rollout to SMH, fiber optic cable linkage, PACs, telecommunication system integration, etc.

C. Facility Renovation: Emergency Department, inpatient unit expansion, outpatient facilities, etc.

With the assumptions above, the consultants then estimated costs for each level of integration over 5 years:

| | **Level One** ("Millions") | **Level Two** ("Millions") | **Level Three** ("Millions" |
|---|---|---|---|
| A. Affiliation Costs | $ 12.0 | $ 17.0 | $ 25.0 |
| B. Technical Costs | $ 12.2 | $ 12.2 | $ 12.2 |
| C. Facilities Costs | $ 1.0 | $ 3.9 | $ 62.2 |
| | **$ 25.2** | **$ 33.1** | **$ 99.4** |

All levels of integration show a positive financial gain 5 years out. There would be a significant spend down or depletion of Waterbury Hospital cash reserves to facilitate the affiliation. Therefore, WH would be at risk of violating some of its bond covenants and possibly alter its credit profile and its future access to capital.

Summary of Consultant's report:

- SMH is cash flow negative, has a drained balance sheet and is outside its Bond Covenants
- WH has a stronger Balance Sheet but faces income and cash flow challenges that will make it increasingly difficult to fund future capital requirements
- According to the report, it may take more than 10 years to get to the point where the combined entity could afford to build a new combined hospital
- A closer affiliation between WH and SMH can yield significant cost savings opportunity and long term financial benefit to the region's health care delivery system
- While full clinical integration (Level 3) might be too costly in the near term, Level 1 and Level 2 can provide ample net cash flow to stabilize operations and position the delivery system to move toward full clinical integration in the future
- SMH and WH have internal issues that would need to be addressed, such as: Catholic and Secular organizations, WH has a unionized workforce, SMH liabilities, and a general cultural divide between the two organizations.

Attachment C

StayWell
HEALTH CENTER

December 11, 2006

Cristine A. Vogel, Commissioner
State of Connecticut, Office of Health Care Access
410 Capitol Avenue, MS #13HCA
P.O. Box 340308
Hartford, CT 06134-0308

Dear Commissioner Vogel:

Thank you for inviting StayWell Health Center to respond to the recent Draft Study that was completed on the two hospitals in Waterbury. We agree that there are some concerns with the structure of healthcare that impact our community. StayWell is committed to being a part of the solution so that our patients and our community can continue to have quality care that is accessible.

In the past, StayWell has partnered with both hospitals in many successful projects. Most recently we have been working on an integrated network of services for uninsured adults that includes enrollment in Pharmacy Assistance Programs, Linkage with Primary Care, Medicaid Eligibility Screening, Application Assistance and the pursuit of an Electronic Health Record.

However, we want to alert you to the many barriers to providing services that StayWell contends with because they will not make it easy to resolve the community-based issues of access that the Study discusses.

- We have difficulty getting access to Specialists who are not interested in seeing our patients. The low reimbursement rates for Title 18 and Title 19 for non-community health center providers has a trickle down effect on our patients. Not only is this barrier influenced by low reimbursement rates, but when patients have delayed care they become more complicated to manage and pose a greater malpractice risk. At StayWell, we repeatedly encounter patients who have suffered poorer outcomes either due to the lack of specialty access or due to a delay in seeking/receiving primary care because they were uninsured.

- StayWell has a base of $1 million in federal support through HRSA. Other community health centers on average are funded at a significantly higher amount. Federal support has not kept pace with the rapid growth in its client base that StayWell has experienced. In fiscal year 2000, StayWell provided 14,856 health care visits. Six years later, in fiscal year 2006, we provided 55,687 visits, a growth of 275%. StayWell employs 110 health professionals to care for these patients.

80 Phoenix Avenue ✝ Waterbury, CT 06702 ✝ Tel: (203) 756-8021 ✝ Fax: (203) 596-9038

- StayWell does receive funding from the State of Connecticut to assist with providing services to the uninsured. StayWell receives approximately $118,000 from the Department of Public Health on an annual basis to cover costs associated with the uninsured in the Adult Medicine and Dental Departments. This has been reduced over the years with a loss of over $100,000 to cover the costs of Pediatric uninsured services a few years ago. With our uninsured rate rising to 20% of all patient visits, this loss has been a struggle. Again, it is our understanding that our DPH funding for services to the uninsured is much lower than our colleagues throughout the State of Connecticut.

- There are commonalities in the struggles that our healthcare organizations face on a daily basis, primarily staffing. With the shortage in qualified nurses, we are frequently competing for staff. We have seen this to be the case for physicians also. Hiring culturally competent staff is always a struggle and then unfortunately added to the existing community shortages. Ultimately, staffing shortages impact access to care when special outreach services or walk-in hours need to be suspended due to inadequate staff to assign.

Thank you in advance for your consideration of the above-mentioned concerns that must be taken into account when designing a solution. Again, we look forward to continued conversation that will result in a solution for our patients and community.

Respectfully submitted,

Donald J. Thompson, MPS
President/CEO

cc: Robert Ritz
John Tobin
John Blair
Susan Cole England
Karen Roberts

**State of Connecticut**

# HOSPITAL CLOSURES AND MERGERS

# IN CONNECTICUT

**Docket Number 06-30760-VST**

**Cristine A. Vogel**
**Commissioner**
**Office of Health Care Access**

In 1990 Connecticut had 36 acute care general hospitals – today there are 30. The state has experienced the similar national trend with the decreasing number of acute care hospitals. The primary drivers of these closures and mergers are related to reimbursement, competition and shifting population demographics.

After reviewing the state's closures and mergers, it was apparent that each circumstance was different depending upon the financial strengths and weaknesses of the hospitals involved. In all of the mergers (in the cities of Bridgeport, Hartford and Meriden) one hospital was financially capable of absorbing the debt of the less viable hospital; and in no circumstances was the State of Connecticut financially responsible for the merger or closure activity.

Connecticut has experienced 6 mergers; one closure of a small rural community hospital; one acquisition and conversion of a small non-profit to the state's only for-profit hospital. The construction of a new children's hospital and a 94-bed community hospital were both results of mergers. Table 1 provides an overview of the closure and merger activity.

Table 1. Hospital Closures and Mergers in Connecticut

| Year | Activity | Surviving Entity | Number of Licensed Acute-Care Hospitals |
|---|---|---|---|
| **1990** | | | 36 |
| **1991** | Meriden-Wallingford Hospital merges with WWII Memorial Hospital to form Veterans Memorial Medical Center | Veterans Memorial Medical Center | 35 |
| **1993** | Park City Hospital merges with Bridgeport Hospital | Bridgeport Hospital | 34 |
| **1995** | Mount Sinai Hospital merges with Saint Francis Hospital and Medical Center | Saint Francis Hospital and Medical Center | 33 |
| **1996** | Connecticut Children's Medical Center opens (consolidating services previously provided at three hospitals - Hartford, John Dempsey and Newington Children's Hospital) and succeeding Newington Children's Hospital | Connecticut Children's Medical Center | 33 |
| **1997** | Bankruptcy of Winsted Hospital | Winsted Health Center | 32 |
| **1998** | MidState Medical Center opens as successor to Veterans Memorial Medical Center | MidState Medical Center as successor to VMMC | 32 |
| **1998** | Saint Joseph's Hospital merges with Stamford Hospital | Stamford Hospital | 31 |
| **2002** | Not-for-profit Sharon Hospital acquired by for-profit Essent Healthcare (CT's first for-profit acute care hospital) | Sharon Hospital | 31 |
| **2006** | New Britain Hospital merges with Bradley Memorial Hospital | The Hospital for Central Connecticut | 30 |

The one merger that closely resembles the circumstances with St. Mary's Hospital and the Waterbury Hospital would be the merger of Park City Hospital and Bridgeport Hospital. Below is a brief summary of facts:

Merger of Park City Hospital and Bridgeport Hospital

On March 30, 1993, OHCA issued a decision which authorized the merger of Park City Hospital into Bridgeport Hospital, with Bridgeport Hospital being the surviving entity.

The projects total capital expenditure was $14,327,000 plus $1,561,000 in capitalized financing, for a total capital expenditure of $15,888,000. The $14,388,000 Park City Hospital expenditure component was financed through CHEFA revenue bonds and the remaining $1,000,000 was equity-financed from internally generated funds.

Park City Hospital's Reasons for Merging:

- financial condition was negatively impacted by low and declining utilization of inpatient services
- inability to compete on services
- unable to renegotiate outstanding loan obligations or obtain new sources of capital
- reported long term debt payable of $810,777 and total assets of $23,547,109

Outcome of merger:

- Park City Hospital converted to an inpatient/outpatient rehabilitation center that provided inpatient psychiatric services (eventually relocated to Bridgeport Hospital)
- Park City Hospital's emergency services were replaced with primary care/walk-in center
- all acute care services provided at Park City Hospital (with the exception of ambulatory surgery) would be provided at Bridgeport Hospital site
- the merger resulted in the termination of 194 acute care beds

Attachment E

# STATE OF CONNECTICUT

# Report of the Region 5 Pediatric Inpatient Psychiatric Services Implementation Group

**March 2007**

**Prepared for:**

**Cristine A. Vogel, Commissioner**
**Office of Health Care Access**

## I. Background

In January 2006, the *Report of the Committee to Examine Hospital Inpatient Behavioral Health Bed Capacity for Children* was issued. The report was prepared in response to Public Act 05-280, "An Act Concerning the Expenditures of the Department of Social Services." The report examined the challenges faced by the 31 acute care hospitals in Connecticut in providing inpatient behavioral health services to pediatric[1] patients, particularly in Mental Health Region 5 (Region 5). Currently, statewide only four of the hospitals have inpatient psychiatric units for children (ages 0 to 12) and six for adolescents (ages 13 to 17). Although not all hospitals have inpatient pediatric behavioral health services, hospitals attempt to accommodate these pediatric patients either in other units within the hospital or transfer them to other facilities for inpatient care.

The committee was to focus on the existing situation in Region 5 which has six acute care hospitals, Charlotte Hungerford, New Milford, Sharon, Danbury, St. Mary's and Waterbury, but only five beds for adolescent behavioral health patients at Waterbury Hospital and none at all for children in any of the hospitals (see Table 1). Also, there are no freestanding psychiatric hospitals in the region. According to the committee's report, in 2004, at least 200 the pediatric patients from the region had to access needed acute inpatient psychiatric care outside the region.

**Table 1: CT acute care pediatric behavioral health beds, FY 2004**

| | # of Operational Beds | | | | | |
|---|---|---|---|---|---|---|
| Acute Care Hospitals | Age 0 - 12 | Age 13 - 17 | Swing beds[1] | Age 0 - 17 | Location | Region |
| Hospital of Saint Raphael | 10 | 5 | 5 | 20 | New Haven | 2 |
| Yale New Haven Psychiatric Hospital | 15 | 14 | 0 | 29 | New Haven | 2 |
| St. Francis Medical Center[2] | 12 | 8 | 0 | 20 | Hartford | 4 |
| Hartford/Institute of Living/CT Children's | 9 | 13 | 0 | 22 | Hartford | 4 |
| Manchester Hospital[3] | 0 | 10 | 0 | 10 | Manchester | 4 |
| Waterbury Hospital | 0 | 5 | 0 | 5 | Waterbury | 5 |
| **Sub-Total** | **46** | **55** | **5** | **106** | | |
| **Psychiatric Hospitals** | | | | | | |
| **Public** | | | | | | |
| Riverview Children & Youth[4] | - | - | 85 | 85 | Middletown | 2 |
| **Sub-Total** | **0** | **0** | **85** | **85** | | |
| **Free-standing** | | | | | | |
| Hall-Brooke Behavioral Health Services | - | - | 20 - 34 | 20 – 34 | Westport | 1 |
| Silver Hill Hospital | 0 | 10 | 0 | 10 | New Canaan | 1 |
| Natchaug Hospital | 6 | 12 | 3 | 21 | Mansfield | 3 |
| Stonington Institute | 0 | 4 | 0 | 4 | N. Stonington | 3 |
| **Sub-Total** | **6** | **26** | **23 - 37** | **55 – 69** | | |
| **Statewide** | **52** | **81** | **13 - 127** | **246 - 260** | | |

Source: *Report of the Committee to Examine Hospital Inpatient Behavioral Health Bed Capacity for Children, Table 2, page 10.*
[1] Hospitals swing beds between the two age groups on as needed basis.
[2] Physical capacity is 23 beds.
[3] Survey was not administered to hospital.
[4] CT Department of Children and Families (DCF) provided the information; the facility has 12 additional sub-acute care beds.

[1] Under 18 years old.

In accordance with Public Act 05-280, the committee's report contains recommendations concerning the expansion of licensed hospital psychiatric inpatient bed capacity for children in Region 5. These recommendations are:

1. *Increase the number of acute care general hospital and/or psychiatric hospital beds and Psychiatric Residential Treatment Facility (PRTF) beds for children and adolescents in Region 5 based on the process outlined in Recommendation # 2.*

2. *The commissioner or designee of the Office of Health Care Access (OHCA) will convene an implementation group including the six general hospitals in Region 5, other behavioral health service providers to Region 5 residents under the age of 18, and representatives of state agencies for input on the appropriate number and location of beds. Execution of the group's proposal(s) will be subject to Certificate of Need (CON) authorization.*

To fulfill these recommendations, the Office of Health Care Access established an Implementation Group consisting of representatives of the six general hospitals in the region and of the Department of Children and Families (DCF), the Department of Social Services, Wellspring Foundation, the Child Guidance Clinic of Waterbury and the Northwest Center for Family Services and Mental Health (see Attachment 1).

The Implementation Group, which met three times during the summer and autumn, reviewed the most current pediatric inpatient behavioral health utilization data available to develop recommendations for the region. This report presents the recommendations about the appropriate number and locations of acute care, PRTF and emergency crisis stabilization beds needed in the region to facilitate patient access and transfer to appropriate levels of care and reflects the opinion of the majority of the group.

## II. Implementation Group Recommendations and Rationale

***Recommendation 1: Any Certificate of Need application for adding to behavioral health pediatric beds in Region 5 must include a plan for coordinating proposed additions with existing community-based services.***

The overriding concern of the group is that an evaluation to establish the appropriate number of acute care beds should be system-based and not done in a vacuum. The behavioral health system includes emergency, acute and step down levels of care, all of which needed to be evaluated concurrently and any changes to be implemented should be coordinated with existing community-based services.

***Recommendation 2: An additional 20 to 30 acute care general hospital and/or psychiatric hospital beds are required in Region 5. In order to provide developmentally appropriate care for children and adolescents, the additional beds should be allocated to two discrete units, one for children (up to 12 years old) and one for adolescents (13 – 18 years old).***

According to the Committee's January 2006 report, there are 2.1 acute care pediatric behavioral health beds available per 10,000 residents under age 18 in Connecticut, but only 0.3 per 10,000 for the same age cohort in Region 5 (see Table 2). This demonstrates that Region 5 has substantially lower number of beds available for its pediatric population than the state in general. As a result, hospitals in the region admit children needing inpatient behavioral health services to general pediatric and adolescent units and adolescents to adult psychiatric and medical/surgical units; and the remaining are transferred or referred to hospitals located elsewhere in Connecticut or out-of-state. Currently, about one-half of the pediatric patients transferred out-of-state for behavioral health services are from Region 5. Area hospitals transferred one-third of pediatric patients from the region to other acute care providers in Connecticut for acute behavioral health treatment.

**Table 2: Pediatric acute care behavioral health bed availability**

| Geographical Location | Regions | Acute Care Beds* | Share | Bed per 10,000 of child population |
|---|---|---|---|---|
| Southwest | 1 | 44 | 25% | 2.6 |
| South Central | 2 | 49 | 28% | 2.6 |
| Eastern | 3 | 25 | 14% | 2.6 |
| North Central | 4 | 52 | 30% | 2.2 |
| Northwest | 5 | 5 | 1% | 0.3 |
| **Statewide** | | **175** | **100%** | **2.1** |

Source: *Report of the Committee to Examine Hospital Inpatient Behavioral Health Bed Capacity for Children, Table 3, page 11.*

* Includes beds in acute care psychiatric units and freestanding psychiatric hospitals.

Patients receiving behavioral health treatment benefit most when their families are involved. Hence, additional acute care beds should be located in the region to improve families' ability to participate in care. In the absence of a state adopted standard bed need methodology, the group applied the statewide standard of 2.1 beds per 10,000 to the pediatric population of Region 5, of 149,927 based on Census 2000, to determine the maximum number of beds the area needs. Based on this methodology, there should be up to 31 beds in total in the region, or about 26 new beds given that five already exist in Waterbury. According to the experts in the group, a 10 to 15-bed unit is the most efficient and clinically appropriate size for an acute care behavioral health unit. The treatment of children and adolescents in the same milieu is developmentally inappropriate and may be counter-therapeutic. Consequently, the group recommends establishing two discrete units in the region, with a combined capacity of 20 to 30 new acute beds.

***Recommendation 3: Locate any additional acute care pediatric psychiatric units in one of the three major population centers in Region 5; Danbury, Torrington and Waterbury.***

Region 5 is a geographically large and diverse area that consists of 43 cities and towns. Table 3 is an analysis of acute care hospital Region 5 pediatric behavioral health discharges by town of origin. The data indicate that the majority of discharges and their associated patient days are from three metropolitan areas, Waterbury (27% and 33%), Torrington (8% and 12%) and Danbury (11% and 7%). In order to enhance access to acute programs, the group recommends the location of any additional programs in one of the three metropolitan areas.

**Table 3: Region 5 Average Annual Acute Care Pediatric Behavioral Health[1] Discharges and Days by Town of Origin: SFYs 2004 - 2006q1-q3**

| | Children Ages 0 - 12 | Adolescents Ages 13 - 17 | Ages 0 - 17 |
|---|---|---|---|
| Town of Origin | Discharges = 367 | Discharges = 204 | Discharges = 320 |
| Waterbury | 35% | 24% | 27% |
| Danbury | 16% | 9% | 11% |
| Naugatuck | 6% | 7% | 7% |
| Torrington | 11% | 7% | 8% |
| Cheshire | 5% | 6% | 6% |
| All other towns in region[2] | 27% | 48% | 42% |
| Total | 100% | 100% | 100% |
| Town of Origin | Patient Days = 1,774 | Patient Days = 2,053 | Patient Days = 3,830 |
| Waterbury | 47% | 21% | 33% |
| Torrington | 15% | 9% | 12% |
| Cheshire | 6% | 10% | 8% |
| Naugatuck | 4% | 10% | 7% |
| Danbury | 9% | 5% | 7% |
| All other towns in region[2] | 20% | 46% | 34% |
| Total | 100% | 100% | 100% |

Source: *CT Office of Health Care Access Acute Care Discharge Database*

[1]Acute care hospitals' behavioral health discharges assigned Diagnosis Related Group (DRG) 424 to 437 or 521 to 523.

[2]For this purpose, discharges and patient days for the other 37 towns in the region were not significant individually.

***Recommendation 4: Establish fifteen to twenty five Psychiatric Residential Treatment Facility (PRTF) beds in Region 5. These beds should be located in proximity to existing beds or as part of the establishment of a new program or facility, which includes acute beds.***

Psychiatric residential treatment facilities (PRTFs) provide inpatient psychiatric care to Medicaid-covered patients under 21 years old. PRFTs facilitate acute care hospitals' patient "throughput" to ease system gridlock and "boarding" in the EDs.

In SFY 2004, over one-half (or 167) of acute care inpatient transfers to another type of institution were Medicaid beneficiaries who might have been better served by a step down level of care at facilities such as a PRTF or community-based alternatives;[2] this is an average of 14 patients per month. According to data from the Connecticut Behavioral Health Partnership (CT BHP) at four points in time for each month between September and November of 2006, on average 9.1 patients from the region were placed in mostly non-area PRTFs (Table 4). The highest number of patients placed within a month during the period was 11.5.

**Table 4: Region 5 PRTF average admissions from September to November 2006**

| Region 5 Hospitals | Average # in All PRTFs | Average # in Wellspring | Average # in Non-Area PRTFs |
|---|---|---|---|
| Danbury | 0.7 | 0.1 | 0.7 |
| Charlotte Hungerford | 4.0 | 1.5 | 3.0 |
| Waterbury | 4.5 | 2.0 | 3.4 |
| St Mary's | | | |
| **Total** | **9.1** | **3.6** | **7.1** |

Source: Department of Social Services Region 5 hospital and PRTF admits under the CT BHP between September and November 2006 taken at four points in time per month.

Within a month, an average of 1.5 patients awaited placement in a PRTF. The highest number of patients who awaited placement in the three-month period was 2.0.

In all, there was an average of 10.6 PRTF placements needed in the region during the three months. The highest number of placement needed within a month was 12.75. This means, between 50 and 60 percent of the region's acute care pediatric patients admitted during the period, required placement in a PRTF after acute care. The need for a PRTF level of care has increased with Wellspring's decision to discontinue its PRTF service in November 2006.

[2] *Report of the Committee to Examine Hospital Inpatient Behavioral Health Bed Capacity for Children*. Submitted to the Connecticut General Assembly. January 2006. Ibid.

## Emergency Crisis Stabilization Beds

In evaluating the needs of the region, the group discussed the feasibility of establishing emergency crisis stabilization beds (ESC) as part of the continuum of care. ECS beds are used for managing demand spikes, extended patient observation and minimizing "boarding" or patients waiting in the ED for more than 23 hours before admission to an inpatient bed or discharged to the community. Based on the committee's report, in FY 2004, hospitals in Region 5 evaluated 660 children and adolescents with a behavioral health diagnosis in the ED before transferring them to inpatient acute care. As many as one-quarter of those patients, waited in the ED for over 23 hours before the inpatient admission (see Table 3); [3] that is, an average of 15 boarders per month.

**Table 3: Number of pediatric behavioral health patients evaluated in Region 5 Emergency Departments and length of stay in hours prior to inpatient admission, FY 2004**

| | Ages 0-12 | | Ages 13-17 | | Age 0-17 | |
|---|---|---|---|---|---|---|
| | ≤23 hours | >23 hours | ≤23 hours | >23 hours | ≤23 hours | >23 hours |
| Charlotte Hungerford | 56 | 6 | 149 | 32 | 205 | 38 |
| Danbury | 27 | 0 | 122 | 6 | 149 | 6 |
| New Milford | 2 | 0 | 8 | 0 | 10 | 0 |
| Sharon | 0 | 0 | 2 | 0 | 2 | 0 |
| St. Mary's | 0 | 56 | 0 | 74 | 0 | 130 |
| Waterbury[1] | 35 | 4 | 87 | 3 | 112 | 7 |
| **Total** | **120** | **66** | **358** | **115** | **478** | **181** |

Source: *Report of the Committee to Examine Hospital Inpatient Behavioral Health Bed Capacity for Children.* Submitted to the Connecticut General Assembly. January 2006. Table 6, page 15.
[1] One adolescent outlier spent 170 hours in ED.

Assuming an average stay of 48 hours in the ED for those boarders, then the average daily census is one. According to information provided by DSS, a hospital based ED affiliated crisis unit is only economically viable if it serves more than 800 to 1,000 pediatric patients per year with an average overnight census of three or more patients. Therefore, currently there is not sufficient need to sustain a hospital based crisis stabilization unit in the region. The additional acute care and PRTF beds will be enough to handle potential demand spikes and extended stays, thus eliminate boarding.

[3] Ibid.

## Attachment 1

## Region 5 Pediatric Inpatient Psychiatric Services Implementation Workgroup

The membership of the Region 5 Pediatric Inpatient Psychiatric Services Implementation Workgroup included the following persons:

| | |
|---|---|
| 1. Susan Cole, Director of Certification, Financial Analysis and Forecasting & Chair | Office of Health Care Access |
| 2. Mark Schaefer, Ph.D., Director, Medical Policy and Behavioral Health, Medical Care Administration | Department of Social Services |
| 3. Karen Andersson | Department of Children and Families |
| 4. Peter Johnson, Ph.D. | Department of Children and Families |
| 5. Dr. Charles Herrick, Medical Director, Inpatient Psychiatric Services | Danbury Hospital |
| 6. Dr. Steven Singer, Chief of Psychiatry | Charlotte Hungerford Hospital |
| 7. Thomas Narducci, LCSW | Charlotte Hungerford Hospital |
| 8. Maureen Salerno, Director of Social Work | New Milford Hospital |
| 9. Jena Brebbia, LCSW | Sharon Hospital |
| 10. Dr. Peter Jacoby, Chairman of Emergency Services Department | St. Mary's Hospital |
| 11. Doreen Elnitsky, Administrative Director, Behavioral Health | Waterbury Hospital |
| 12. Tom Czarkosky, Manager, Child & Adolescent Behavioral Health Services | Waterbury Hospital |
| 13. Gary Steck, Executive Director | Child Guidance Clinic of Waterbury |
| 14. Herb Hall | Wellspring Foundation, Inc. |
| 15. Donna Campbell | Northwest Center for Family Services and Mental Health |

Staff to the Implementation Group

| | |
|---|---|
| 1. Olga Armah, Associate Research Analyst, Research and Evaluation | Office of Health Care Access |
| 2. Steven Lazarus, Associate Health Care Analyst, Certification, Financial Analysis and Forecasting | Office of Health Care Access |

# EXHIBIT 5: KAUFMAN HALL, PRICEWATERHOUSE COOPERS REPORTS

# Financial Plan

WATERBURY HOSPITAL

Waterbury, Connecticut / December 17, 2010

DRAFT FOR DISCUSSION
PURPOSES ONLY

KaufmanHall

Financial Strategies for Healthcare
5202 Old Orchard Road
Suite N700
Skokie, IL 60077
847.441.8780 phone
847.965.3511 fax
kaufmanhall.com

Copyright 2010 Kaufman, Hall & Associates, Inc. All rights reserved.

# Revisions to Baseline Model

Copyright 2010 Kaufman, Hall & Associates, Inc. All rights reserved.

# Revisions to Baseline Model

- For the revised baseline model, PWC's estimate of a reduction in net revenue of $12.5 million in FY 2011 compared to budget has been incorporated.
- Cost reductions related to a drop in surgical cases for FY 2011 of $4.2 million (75% of the net revenue drop of $5.6 million) have also been included.
- In FY 2012, an additional $1 million has been included for additional Federal stimulus monies for Information Technology beyond the $462K included in the FY 2011 budget.

Copyright 2010 Kaufman, Hall & Associates, Inc. All rights reserved.

# Revised Baseline Model

Copyright 2010 Kaufman, Hall & Associates, Inc. All rights reserved.

# The Waterbury Hospital Revised Baseline Projections

| ($ in millions) | S&P[A] A- | S&P[A] BBB+ | S&P[A] BBB | Actual 2010 | Year ending September 30, Budget 2011 | Projected 2012 | 2013 | 2014 | 2015 |
|---|---|---|---|---|---|---|---|---|---|
| Net Patient Service Revenue | $248.2 | $250.1 | $177.0 | $254.8 | $258.1 | $264.9 | $273.5 | $282.2 | $291.4 |
| Operating Income | ---- | ---- | ---- | ($9.2) | ($7.6) | ($9.0) | ($8.9) | ($9.1) | ($9.2) |
| Operating EBIDA | ---- | ---- | ---- | $2.2 | $1.9 | $2.5 | $3.6 | $4.6 | $5.9 |
| Excess Income | ---- | ---- | ---- | ($3.9) | ($1.6) | ($3.1) | ($3.2) | ($3.6) | ($3.8) |
| Cash Flow (Net Inc + Depr) | ---- | ---- | ---- | $5.7 | $7.3 | $7.3 | $8.2 | $9.1 | $10.2 |
| Unrestricted Cash | ---- | ---- | ---- | $34.7 | $28.2 | $22.5 | $16.1 | $9.2 | $1.6 |
| Total Debt | ---- | ---- | ---- | $20.2 | $26.2 | $25.7 | $25.2 | $24.7 | $24.2 |
| Capital Expenditures | ---- | ---- | ---- | $7.1 | $22.0 | $12.4 | $13.7 | $15.2 | $16.8 |
| Profitability | | | | | | | | | |
| Operating Margin | 2.1% | 1.6% | 2.3% | -3.5% | -2.9% | -3.3% | -3.2% | -3.2% | -3.1% |
| Operating EBIDA Margin | 9.9% | 8.1% | 9.3% | 0.9% | 0.7% | 0.9% | 1.3% | 1.6% | 2.0% |
| Excess Margin | 3.0% | 1.6% | 2.3% | -1.5% | -0.6% | -1.1% | -1.1% | -1.2% | -1.3% |
| Debt Position | | | | | | | | | |
| Debt Service Coverage | 3.2 | 2.4 | 3.0 | 2.6 | 4.1 | 5.3 | 5.9 | 6.4 | 7.1 |
| Debt to Capitalization | 36.6% | 40.1% | 43.1% | 30.9% | 37.5% | 38.9% | 40.4% | 42.3% | 44.8% |
| Debt to Cash Flow | ---- | ---- | ---- | 2.7 | 3.3 | 3.1 | 2.7 | 2.4 | 2.2 |
| Liquidity | | | | | | | | | |
| Cash to Debt | 117.4% | 99.3% | 88.2% | 171.4% | 107.6% | 87.3% | 63.9% | 37.1% | 6.8% |
| Days Cash on Hand (days) | 176.3 | 125.7 | 125.1 | 48.5 | 39.3 | 30.4 | 21.2 | 11.7 | 2.0 |
| Days in A/R, net | 47.4 | 45.5 | 45.1 | 45.6 | 45.6 | 45.6 | 45.6 | 45.6 | 45.6 |
| Other | | | | | | | | | |
| Average Age of Plant | 10.1 | 10.0 | 10.3 | 22.3 | 25.0 | 22.6 | 21.4 | 20.4 | 19.4 |
| Compensation Ratio | 50.9% | 54.2% | 49.0% | 58.6% | 60.3% | 59.8% | 59.2% | 58.6% | 58.0% |
| Capital Spending Ratio [3] | 156.9% | 108.6% | 112.6% | 74.2% | 247.2% | 120.0% | 120.0% | 120.0% | 120.0% |

Notes [A] Based on S&P's U.S. Not-For-Profit Health Care Stand-Alone 2009 Medians (published in 2010)

Copyright 2010 Kaufman, Hall & Associates, Inc. All rights reserved.

KaufmanHall



WH000303

# Greater Waterbury Health Network, Inc. and Subsidiaries Baseline Projections

| ($ in millions) | S&P[A] A- | S&P[A] BBB+ | S&P[A] BBB | Actual 2010 | Year ending September 30, Budget 2011 | Projected 2012 | 2013 | 2014 | 2015 |
|---|---|---|---|---|---|---|---|---|---|
| Net Patient Service Revenue | $248.2 | $250.1 | $177.0 | $259.8 | $263.2 | $270.1 | $278.8 | $287.6 | $297.0 |
| Operating Income | ---- | ---- | ---- | -$9.8 | -$8.2 | -$9.6 | -$9.6 | -$9.8 | -$9.9 |
| Operating EBIDA | ---- | ---- | ---- | $1.9 | $1.7 | $2.2 | $3.3 | $4.3 | $5.5 |
| Excess Income | ---- | ---- | ---- | -$3.9 | -$1.0 | -$2.5 | -$2.6 | -$3.0 | -$3.2 |
| Cash Flow (Net Inc + Depr) | ---- | ---- | ---- | $6.0 | $8.1 | $8.1 | $9.1 | $9.9 | $11.0 |
| Unrestricted Cash | ---- | ---- | ---- | $58.3 | $52.5 | $47.6 | $42.0 | $35.9 | $29.1 |
| Total Debt | ---- | ---- | ---- | $21.8 | $27.7 | $27.2 | $26.7 | $26.1 | $25.5 |
| Capital Expenditures | ---- | ---- | ---- | $5.6 | $22.0 | $12.4 | $13.7 | $15.2 | $16.8 |
| Profitability | | | | | | | | | |
| Operating Margin | 2.1% | 1.6% | 2.3% | -3.6% | -3.0% | -3.4% | -3.3% | -3.3% | -3.2% |
| Operating EBIDA Margin | 9.9% | 8.1% | 9.3% | 0.7% | 0.6% | 0.8% | 1.1% | 1.4% | 1.8% |
| Excess Margin | 3.0% | 1.6% | 2.3% | -1.4% | -0.4% | -0.9% | -0.9% | -1.0% | -1.0% |
| Debt Position | | | | | | | | | |
| Debt Service Coverage | 3.2 | 2.4 | 3.0 | 2.5 | 4.2 | 5.4 | 5.9 | 6.4 | 7.0 |
| Debt to Capitalization | 36.6% | 40.1% | 43.1% | 23.8% | 29.8% | 30.2% | 30.7% | 31.3% | 32.1% |
| Debt to Cash Flow | ---- | ---- | ---- | 2.8 | 3.1 | 2.9 | 2.6 | 2.4 | 2.1 |
| Liquidity | | | | | | | | | |
| Cash to Debt | 117.4% | 99.3% | 88.2% | 285.8% | 193.2% | 178.5% | 161.0% | 140.5% | 116.8% |
| Days Cash on Hand (days) | 176.3 | 125.7 | 125.1 | 78.8 | 70.8 | 62.2 | 53.5 | 44.4 | 35.1 |
| Days in A/R, net | 47.4 | 45.5 | 45.1 | 45.8 | 45.8 | 45.8 | 45.8 | 45.8 | 45.8 |
| Other | | | | | | | | | |
| Average Age of Plant | 10.1 | 10.0 | 10.3 | 22.0 | 24.6 | 22.3 | 21.2 | 20.2 | 19.3 |
| Compensation Ratio | 50.9% | 54.2% | 49.0% | 58.8% | 60.5% | 60.0% | 59.4% | 58.8% | 58.2% |
| Capital Spending Ratio [3] | 156.9% | 108.6% | 112.6% | 56.6% | 241.3% | 117.5% | 117.8% | 118.0% | 118.2% |

Notes [A] Based on S&P's U.S. Not-For-Profit Health Care Stand-Alone 2009 Medians (published in 2010)

Copyright 2010 Kaufman, Hall & Associates, Inc. All rights reserved.

# Productivity Improvements

Copyright 2010 Kaufman, Hall & Associates, Inc. All rights reserved.

# Productivity Improvements

FTE's were reduced gradually to achieve an FTE per AOB level of 4.80 by 2015 as follows:

| | FTE's | FTE Change | FTE's per AOB | Compensation Ratio |
|---|---|---|---|---|
| 2008 | 1,618.7 | | 5.25 | 59.9% |
| 2009 | 1,589.1 | | 5.42 | 55.6% |
| 2010 | 1,513.0 | | 5.91 | 58.6% |
| 2011 Budget | 1,507.3 | | 5.88 | 60.3% |
| 2011 Revised | 1,487.2 | (20.1) | 5.80 | 59.5% |
| 2012 | 1,429.5 | (57.7) | 5.55 | 56.7% |
| 2013 | 1,373.4 | (56.1) | 5.30 | 53.8% |
| 2014 | 1,313.4 | (60.0) | 5.05 | 50.9% |
| 2015 | 1,256.0 | (57.4) | 4.80 | 48.1% |

Copyright 2010 Kaufman, Hall & Associates, Inc. All rights reserved.

# The Waterbury Hospital Baseline Projections

| ($ in millions) | S&P[A] A- | S&P[A] BBB+ | S&P[A] BBB | Actual 2010 | Year ending September 30, Budget 2011 | Projected 2012 | 2013 | 2014 | 2015 |
|---|---|---|---|---|---|---|---|---|---|
| Net Patient Service Revenue | $248.2 | $250.1 | $177.0 | $254.8 | $258.1 | $264.9 | $273.5 | $282.2 | $291.4 |
| Operating Income | ---- | ---- | ---- | ($9.2) | ($5.5) | ($0.4) | $6.2 | $13.3 | $20.5 |
| Operating EBIDA | ---- | ---- | ---- | $2.2 | $4.0 | $11.1 | $18.8 | $27.0 | $35.5 |
| Excess Income | ---- | ---- | ---- | ($3.9) | $0.5 | $5.8 | $12.8 | $20.6 | $29.0 |
| Cash Flow (Net Inc + Depr) | ---- | ---- | ---- | $5.7 | $9.5 | $16.2 | $24.3 | $33.3 | $43.0 |
| Unrestricted Cash | ---- | ---- | ---- | $34.7 | $30.1 | $32.7 | $41.7 | $58.3 | $82.9 |
| Total Debt | ---- | ---- | ---- | $20.2 | $26.2 | $25.7 | $25.2 | $24.7 | $24.2 |
| Capital Expenditures | ---- | ---- | ---- | $7.1 | $22.0 | $12.4 | $13.7 | $15.2 | $16.8 |
| Profitability | | | | | | | | | |
| Operating Margin | 2.1% | 1.6% | 2.3% | -3.5% | -2.1% | -0.1% | 2.2% | 4.6% | 6.9% |
| Operating EBIDA Margin | 9.9% | 8.1% | 9.3% | 0.9% | 1.5% | 4.1% | 6.7% | 9.4% | 11.9% |
| Excess Margin | 3.0% | 1.6% | 2.3% | -1.5% | 0.2% | 2.1% | 4.5% | 7.0% | 9.4% |
| Debt Position | | | | | | | | | |
| Debt Service Coverage | 3.2 | 2.4 | 3.0 | 2.6 | 5.2 | 10.9 | 16.0 | 21.7 | 27.8 |
| Debt to Capitalization | 36.6% | 40.1% | 43.1% | 30.9% | 36.4% | 33.3% | 28.2% | 22.6% | 17.5% |
| Debt to Cash Flow | ---- | ---- | ---- | 2.7 | 2.6 | 1.5 | 1.0 | 0.7 | 0.5 |
| Liquidity | | | | | | | | | |
| Cash to Debt | 117.4% | 99.3% | 88.2% | 171.4% | 115.0% | 127.0% | 165.4% | 235.7% | 342.3% |
| Days Cash on Hand (days) | 176.3 | 125.7 | 125.1 | 48.5 | 42.3 | 45.7 | 58.1 | 81.0 | 114.8 |
| Days in A/R, net | 47.4 | 45.5 | 45.1 | 45.6 | 45.6 | 45.6 | 45.6 | 45.6 | 45.6 |
| Other | | | | | | | | | |
| Average Age of Plant | 10.1 | 10.0 | 10.3 | 22.3 | 25.0 | 22.6 | 21.4 | 20.4 | 19.4 |
| Compensation Ratio | 50.9% | 54.2% | 49.0% | 58.6% | 59.5% | 56.7% | 53.8% | 50.9% | 48.1% |
| Capital Spending Ratio [3] | 156.9% | 108.6% | 112.6% | 74.2% | 247.2% | 120.0% | 120.0% | 120.0% | 120.0% |

Notes [A] Based on S&P's U.S. Not-For-Profit Health Care Stand-Alone 2009 Medians (published in 2010)

Copyright 2010 Kaufman, Hall & Associates, Inc. All rights reserved.

# Greater Waterbury Health Network, Inc. and Subsidiaries Baseline Projections

| ($ in millions) | S&P[A] A- | S&P[A] BBB+ | S&P[A] BBB | Actual 2010 | Year ending September 30, Budget 2011 | Projected 2012 | Projected 2013 | Projected 2014 | Projected 2015 |
|---|---|---|---|---|---|---|---|---|---|
| Net Patient Service Revenue | $248.2 | $250.1 | $177.0 | $259.8 | $263.2 | $270.1 | $278.8 | $287.6 | $297.0 |
| Operating Income | ---- | ---- | ---- | -$9.8 | -$6.1 | -$1.0 | $5.6 | $12.6 | $19.7 |
| Operating EBIDA | ---- | ---- | ---- | $1.9 | $3.8 | $10.8 | $18.4 | $26.7 | $35.1 |
| Excess Income | ---- | ---- | ---- | -$3.9 | $1.1 | $6.4 | $13.4 | $21.2 | $29.6 |
| Cash Flow (Net Inc + Depr) | ---- | ---- | ---- | $6.0 | $10.3 | $17.0 | $25.1 | $34.1 | $43.8 |
| Unrestricted Cash | ---- | ---- | ---- | $58.3 | $54.5 | $57.8 | $67.6 | $85.0 | $110.3 |
| Total Debt | ---- | ---- | ---- | $21.8 | $27.7 | $27.2 | $26.7 | $26.1 | $25.5 |
| Capital Expenditures | ---- | ---- | ---- | $5.6 | $22.0 | $12.4 | $13.7 | $15.2 | $16.8 |
| Profitability | | | | | | | | | |
| Operating Margin | 2.1% | 1.6% | 2.3% | -3.6% | -2.2% | -0.4% | 1.9% | 4.2% | 6.4% |
| Operating EBIDA Margin | 9.9% | 8.1% | 9.3% | 0.7% | 1.4% | 3.9% | 6.4% | 8.9% | 11.4% |
| Excess Margin | 3.0% | 1.6% | 2.3% | -1.4% | 0.4% | 2.2% | 4.5% | 6.9% | 9.3% |
| Debt Position | | | | | | | | | |
| Debt Service Coverage | 3.2 | 2.4 | 3.0 | 2.5 | 5.2 | 10.5 | 15.2 | 20.3 | 25.9 |
| Debt to Capitalization | 36.6% | 40.1% | 43.1% | 23.8% | 29.1% | 26.8% | 23.3% | 19.2% | 15.4% |
| Debt to Cash Flow | ---- | ---- | ---- | 2.8 | 2.5 | 1.5 | 1.0 | 0.7 | 0.6 |
| Liquidity | | | | | | | | | |
| Cash to Debt | 117.4% | 99.3% | 88.2% | 285.8% | 200.4% | 216.8% | 259.0% | 332.8% | 442.3% |
| Days Cash on Hand (days) | 176.3 | 125.7 | 125.1 | 78.8 | 74.0 | 78.0 | 90.9 | 113.8 | 147.2 |
| Days in A/R, net | 47.4 | 45.5 | 45.1 | 45.8 | 45.8 | 45.8 | 45.8 | 45.8 | 45.8 |
| Other | | | | | | | | | |
| Average Age of Plant | 10.1 | 10.0 | 10.3 | 22.0 | 24.6 | 22.3 | 21.2 | 20.2 | 19.3 |
| Compensation Ratio | 50.9% | 54.2% | 49.0% | 58.8% | 59.7% | 56.9% | 54.1% | 51.3% | 48.6% |
| Capital Spending Ratio [3] | 156.9% | 108.6% | 112.6% | 56.6% | 241.3% | 117.5% | 117.8% | 118.0% | 118.2% |

Notes [A] Based on S&P's U.S. Not-For-Profit Health Care Stand-Alone 2009 Medians (published in 2010)

Copyright 2010 Kaufman, Hall & Associates, Inc. All rights reserved.

# Appendix

Copyright 2010 Kaufman, Hall & Associates, Inc. All rights reserved.

# Historical Credit Profile

Copyright 2010 Kaufman, Hall & Associates, Inc. All rights reserved.

# Statement of Operations

- For purposes of comparability to the rating agency benchmarks, certain revenues classified as Other Operating Revenue in the audited financial statements have been reclassified to Non-Operating Revenue.
- Specifically, Investment Related Income, Unrestricted Gifts and Bequests, and Net Assets Released from Restrictions have been moved to Non-Operating Revenue.
- Unrealized gains or losses are excluded from the Statement of Operations.

Copyright 2010 Kaufman, Hall & Associates, Inc. All rights reserved.

# The Waterbury Hospital Historical Credit Profile

| ($ in millions) | S&P[A] A- | S&P[A] BBB+ | S&P[A] BBB | Year ending September 30, Actual 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|
| Net Patient Service Revenue | $248.2 | $250.1 | $177.0 | $235.3 | $253.5 | $254.8 |
| Operating Income | ---- | ---- | ---- | ($14.0) | ($6.4) | ($9.2) |
| Operating EBIDA | ---- | ---- | ---- | ($2.3) | $4.7 | $2.2 |
| Excess Income | ---- | ---- | ---- | ($8.4) | $0.5 | ($3.9) |
| Cash Flow (Net Inc + Depr) | ---- | ---- | ---- | $1.8 | $10.1 | $5.7 |
| Unrestricted Cash | ---- | ---- | ---- | $31.5 | $31.3 | $34.7 |
| Total Debt | ---- | ---- | ---- | $22.2 | $20.4 | $20.2 |
| Capital Expenditures | ---- | ---- | ---- | $4.3 | $2.0 | $7.1 |
| Profitability | | | | | | |
| Operating Margin | 2.1% | 1.6% | 2.3% | -5.8% | -2.5% | -3.5% |
| Operating EBIDA Margin | 9.9% | 8.1% | 9.3% | -0.9% | 1.8% | 0.9% |
| Excess Margin | 3.0% | 1.6% | 2.3% | -3.4% | 0.2% | -1.5% |
| Debt Position | | | | | | |
| Debt Service Coverage | 3.2 | 2.4 | 3.0 | 0.9 | 3.3 | 2.6 |
| Debt to Capitalization | 36.6% | 40.1% | 43.1% | 29.8% | 29.3% | 30.9% |
| Debt to Cash Flow | ---- | ---- | ---- | 6.6 | 1.8 | 2.7 |
| Liquidity | | | | | | |
| Cash to Debt | 117.4% | 99.3% | 88.2% | 141.6% | 153.1% | 171.4% |
| Days Cash on Hand (days) | 176.3 | 125.7 | 125.1 | 47.0 | 45.0 | 48.5 |
| Days in A/R, net | 47.4 | 45.5 | 45.1 | 55.4 | 46.6 | 45.6 |
| Other | | | | | | |
| Average Age of Plant | 10.1 | 10.0 | 10.3 | 19.3 | 21.3 | 22.3 |
| Compensation Ratio | 50.9% | 54.2% | 49.0% | 59.9% | 55.6% | 58.6% |
| Capital Spending Ratio [3] | 156.9% | 108.6% | 112.6% | 42.6% | 20.7% | 74.2% |

Notes [A] Based on S&P's U.S. Not-For-Profit Health Care Stand-Alone 2009 Medians (published in 2010)

Copyright 2010 Kaufman, Hall & Associates, Inc. All rights reserved.

# Greater Waterbury Health Network, Inc. and Subsidiaries Historical Credit Profile

| ($ in millions) | S&P[A] A- | S&P[A] BBB+ | S&P[A] BBB | Year ending September 30, Actual 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|
| Net Patient Service Revenue | $248.2 | $250.1 | $177.0 | $240.0 | $258.1 | $259.8 |
| Operating Income | ---- | ---- | ---- | -$19.8 | -$10.8 | -$9.8 |
| Operating EBIDA | ---- | ---- | ---- | -$7.6 | $0.8 | $1.9 |
| Excess Income | ---- | ---- | ---- | -$14.7 | -$3.8 | -$3.9 |
| Cash Flow (Net Inc + Depr) | ---- | ---- | ---- | -$4.2 | $6.1 | $6.0 |
| Unrestricted Cash | ---- | ---- | ---- | $53.4 | $53.1 | $58.3 |
| Total Debt | ---- | ---- | ---- | $27.8 | $22.5 | $21.8 |
| Capital Expenditures | ---- | ---- | ---- | $4.3 | $2.6 | $5.6 |
| Profitability | | | | | | |
| Operating Margin | 2.1% | 1.6% | 2.3% | -7.8% | -4.0% | -3.6% |
| Operating EBIDA Margin | 9.9% | 8.1% | 9.3% | -3.0% | 0.3% | 0.7% |
| Excess Margin | 3.0% | 1.6% | 2.3% | -5.7% | -1.4% | -1.4% |
| Debt Position | | | | | | |
| Debt Service Coverage | 3.2 | 2.4 | 3.0 | (0.3) | 1.0 | 2.5 |
| Debt to Capitalization | 36.6% | 40.1% | 43.1% | 22.4% | 23.4% | 23.8% |
| Debt to Cash Flow | ---- | ---- | ---- | (11.1) | 2.9 | 2.8 |
| Liquidity | | | | | | |
| Cash to Debt | 117.4% | 99.3% | 88.2% | 243.1% | 250.5% | 285.8% |
| Days Cash on Hand (days) | 176.3 | 125.7 | 125.1 | 73.9 | 71.3 | 78.8 |
| Days in A/R, net | 47.4 | 45.5 | 45.1 | 56.1 | 46.7 | 45.8 |
| Other | | | | | | |
| Average Age of Plant | 10.1 | 10.0 | 10.3 | 18.9 | 21.0 | 22.0 |
| Compensation Ratio | 50.9% | 54.2% | 49.0% | 60.7% | 56.2% | 58.8% |
| Capital Spending Ratio [3] | 156.9% | 108.6% | 112.6% | 41.2% | 25.9% | 56.6% |

Notes [A] Based on S&P's U.S. Not-For-Profit Health Care Stand-Alone 2009 Medians (published in 2010)

Copyright 2010 Kaufman, Hall & Associates, Inc. All rights reserved.

# Financial Plan Assumptions

Copyright 2010 Kaufman, Hall & Associates, Inc. All rights reserved.

# Capital Requirements ($ in thousands)

| | 2011 | 2012 | 2013 | 2014 | 2015 | 5-Year Total |
|---|---|---|---|---|---|---|
| **Capital Uses** | | | | | | |
| P7 and OR renovations | $4,000 | | | | | $4,000 |
| Hospital capital | $4,150 | $12,418 | $13,727 | $15,170 | $16,768 | $62,233 |
| AMG capital | $245 | | | | | $245 |
| Cerner & IT capital | $5,113 | | | | | $5,113 |
| Cath lab replacement | $1,600 | | | | | $1,600 |
| | $15,108 | $12,418 | $13,727 | $15,170 | $16,768 | $73,191 |
| **Strategic Investments** | | | | | | |
| CAW Practice | $4,900 | | | | | |
| Phoenix Practice | $2,023 | | | | | |
| Zlotoff Practice | TBD | | | | | |
| Wetmore Practice | TBD | | | | | |
| | $6,923 | | | | | |
| **Total All Capital** | $22,031 | $12,418 | $13,727 | $15,170 | $16,768 | $73,191 |
| **Capital Spending Ratio** [(A)] | 247.2% | 120.0% | 120.0% | 120.0% | 120.0% | 139.8% |

Note [(A)] S&P's "A-" and "BBB+" category medians for capital spending ratios are 157% and 107%, respectively.

Copyright 2010 Kaufman, Hall & Associates, Inc. All rights reserved.

# Baseline Volume

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2010-2015 Total Growth |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **New Haven County Population** | 854,283 | 853,158 | 852,034 | 847,867 | 848,438 | 848,672 | 849,660 | 850,649 | 851,640 | 852,631 | 853,624 | 0.6% |
| **Market Use Rates (per 1,000 pop)** | 119 | 121 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | 120 | |
| **Total Market Volume** | 101,249 | 102,967 | 101,907 | 101,409 | 101,477 | 101,505 | 101,623 | 101,741 | 101,860 | 101,978 | 102,097 | 0.6% |
| **Waterbury Mkt Share** | 10.3% | 9.9% | 10.1% | 10.8% | 10.2% | 9.6% | 9.6% | 9.6% | 9.6% | 9.6% | 9.6% | |
| **Waterbury Inpatient Volume** | | | | | | | | | | | | |
| New Haven Volume | 10,445 | 10,211 | 10,309 | 10,974 | 10,363 | 9,715 | 9,755 | 9,767 | 9,778 | 9,790 | 9,801 | |
| Inmigration | 3,531 | 3,550 | 3,534 | 3,763 | 3,553 | 3,331 | 3,345 | 3,348 | 3,352 | 3,356 | 3,360 | |
| **Total Admissions** | **13,976** | **13,761** | **13,844** | **14,737** | **13,916** | **13,046** | **13,100** | **13,115** | **13,131** | **13,146** | **13,161** | 0.9% |
| Annual growth | | -1.5% | 0.6% | 6.5% | -5.6% | -6.3% | 0.4% | 0.1% | 0.1% | 0.1% | 0.1% | |

This results in an Average Daily Census of between 163 and 164 per year.

Outpatient visits were projected to increase 1% greater than inpatient volume, or 1.1% annually.

Copyright 2010 Kaufman, Hall & Associates, Inc. All rights reserved.

# Revenue Assumptions

- The following net revenue increases per year have been assumed
  - Overall Charge Increase – 6.0%
  - Medicare Inpatient – (1.1%) in 2012, .55% in 2013, .3% in 2014, .4% in 2015
  - Medicare Outpatient – 1.8% in 2012, 1.85% in 2013, 1.6% in 2014, and 1.7% in 2015
  - Medicaid – Flat
  - Blue Cross – 4% annually (7% used in budget for FY 2011)
  - Commercial – . 4% annually (7% used in budget for FY 2011)
  - Managed Care - 4% annually (7% used in budget for FY 2011)
  - Self Pay – flat
  - VNA Services – 2% annually

- An investment earnings rate of 5.0% was assumed on all available cash.

Copyright 2010 Kaufman, Hall & Associates, Inc. All rights reserved.

# Expense Assumptions

- Salaries were projected to increase 2.0% annually (1.5% in budget). FTE's were assumed to be 30% variable and 70% fixed with volume.
- Employee benefits were projected to remain at approximately 30% of salaries and wages over the projection period.
- Drugs were projected to increase 5% per year.
- Utilities were projected to increase 4% per year.
- Medical supplies were projected to increase 3.5% per year.
- Professional fees, purchased services, and other general expenses were projected to increase 3% per year.
- Insurance and other supplies were projected to increase 2% per year.
- Bad debt was projected to remain at about 1.9% of gross revenue over the projection period.

Copyright 2010 Kaufman, Hall & Associates, Inc. All rights reserved.

# Baseline Productivity

| | FTE's | FTE's per AOB | Compensation Ratio |
|---|---|---|---|
| 2008 | 1,618.7 | 5.25 | 59.9% |
| 2009 | 1,589.1 | 5.42 | 55.6% |
| 2010 | 1,513.0 | 5.91 | 58.6% |
| 2011 | 1,507.3 | 5.88 | 57.6% |
| 2012 | 1,509.5 | 5.86 | 57.3% |
| 2013 | 1,511.7 | 5.84 | 56.8% |
| 2014 | 1,513.9 | 5.82 | 56.2% |
| 2015 | 1,516.2 | 5.80 | 55.7% |

Copyright 2010 Kaufman, Hall & Associates, Inc. All rights reserved.

DRAFT

# Waterbury Hospital
# Financial Analysis
# December 2, 2010

Private and Confidential

PRICEWATERHOUSECOOPERS

# Table of Contents


| | | Page |
|---|---|---|
| 1 | Executive Summary | 1 |
| 2 | FY 2010 YTD Results vs. Budget | 13 |
| 3 | FY 2011 Budget | 23 |
| 4 | Hospital Run Rate | 35 |
| 5 | Decision Support and Marginal Profitability | 41 |
| 6 | Initiatives Dashboard | 49 |
| 7 | Leading Indicators | 55 |
| 8 | Future Considerations | 67 |

# Section 1
# Executive Summary

# Executive Summary

## PwC was engaged to evaluate the following:

- FY 2010 YTD Results vs. Budget
- FY 2011 Budget
- Hospital Run Rate
- Hospital Business Line Profitability / Marginal Profitability
- Initiatives Dashboards
- Leading Indicators Report


This information, prepared pursuant to our Engagement Letter dated November 5, 2010, is solely for the use and benefit of Waterbury Hospital and is not intended for reliance by any other person. For discussion purposes only.

# FY 2010 Actual to Budget

| | FY2010 Actual | FY2010 Budget | Variance to Budget | % Variance to Budget |
|---|---|---|---|---|
| **Net Revenue** | $ 214,025,504 | $ 228,549,429 | $ (14,523,925) | -6.4% |
| **Other Operating Revenue** | 9,734,335 | 7,915,625 | 1,818,710 | 23.0% |
| **Total Operating Revenue** | 223,759,839 | 236,465,054 | (12,705,215) | -5.4% |
| **Total Expenses** | 229,237,303 | 227,774,129 | 1,463,174 | 0.6% |
| **Income / (Loss) from Operations** | (5,477,464) | 8,690,925 | (14,168,389) | 163.0% |
| **Non-Operating Income** | 1,916,451 | 1,392,700 | 523,751 | 37.6% |
| **Net Income / (Loss)** | $ (3,561,013) | $ 10,083,625 | $ (13,644,638) | 135.3% |
| **Statistics:** | | | | |
| Admissions | 13,046 | 13,786 | (740) | -5.4% |
| Patient Days | 59,271 | 69,378 | (10,107) | -14.6% |
| ALOS | 4.54 | 5.03 | (0.49) | -9.7% |
| OR Procedures | 3,272 | 3,550 | (278) | -7.8% |
| One-Day Surgery Procedures | 4,504 | 5,272 | (768) | -14.6% |
| Observation Cases | 1,072 | 785 | 287 | 36.6% |
| Outpatient Cases | 168,418 | 175,211 | (6,793) | -3.9% |
| Emergency Visits | 49,031 | 46,302 | 2,729 | 5.9% |
| Overtime / Doubletime Dollars | $ 2,220,682 | $ - | $ 2,220,682 | n/a |
| Temporary Help Dollars | $ 838,767 | $ 171,996 | $ 666,771 | 387.7% |
| **Payor Mix:** | | | | |
| Government | 65.49% | 64.83% | 0.66% | |
| Non-Government (Excluding Self Pay) | 32.51% | 31.92% | 0.59% | |
| Self Pay | 2.00% | 3.25% | -1.25% | |


This information, prepared pursuant to our Engagement Letter dated November 5, 2010, is solely for the use and benefit of Waterbury Hospital and is not intended for reliance by any other person. For discussion purposes only.

# Overview of FY 2010 Financial Results

- Hospital has experienced a market share decline. FY 2010 admissions were 740 (5.4%) less than FY 2010 budget admissions
  - Orthopedic surgeons moved business to other hospitals
  - Physicians expressed frustration with newly rolled out IT processes and systems (enough to go to other hospitals)
  - Primary care physicians approached by other hospitals and ProHealth
- Actual patient days for FY 2010 were 10,107 less than the FY 2010 budget. 6,700 patient days of the budget variance are related to the FY 2010 reduction in length of stay (5.0 to 4.5); 3,300 patient days are related to reduced admissions
- FTEs per adjusted occupied bed increased from 5.17 to 6.05 (Budget vs. Actual FY2010). Staffing was not adjusted to reflect decrease in length of stay resulting from patient throughput initiatives
- $376K over budget on Accretion Expense due to previously unidentified asbestos
- Medicaid outpatient audit unfavorable impact of $1.1 million (management estimate)
- Fair Pay Workers' Compensation adjustment of receivables to 45% collectability, with an unfavorable impact of $1.8 million
- Employee benefits were over budget by $3.6 million, with $1.4 million attributable to behavioral health remaining within Waterbury Hospital instead of moving to Alliance Medical Group, $700K due to 30 FTE surplus over budget, and $700K due to post-audit adjustment to workers compensation
- Bad debt expense under budget by $8.1 million
- No adjustments were found in FY 2010 expenses


This information, prepared pursuant to our Engagement Letter dated November 5, 2010, is solely for the use and benefit of Waterbury Hospital and is not intended for reliance by any other person. For discussion purposes only.

# FY 2010 Actual Compared to FY 2011 Budget

The following is the FY 2010 Actual and FY 2011 Budget as stated by Waterbury Hospital:

| | FY2010 Actual | FY2011 Budget |
|---|---|---|
| **Net Revenue** | $ 214,025,504 | $ 225,999,921 |
| **Other Operating Revenue** | 9,734,335 | 9,549,161 |
| **Total Operating Revenue** | 223,759,839 | 235,549,082 |
| **Total Expenses** | 229,237,303 | 231,112,610 |
| **Net Income (Loss) from Operations** | (5,477,464) | 4,436,472 |
| **Non-Operating Income** | 1,916,451 | 1,605,000 |
| **Net Gain (Loss)** | $ (3,561,013) | $ 6,041,472 |


This information, prepared pursuant to our Engagement Letter dated November 5, 2010, is solely for the use and benefit of Waterbury Hospital and is not intended for reliance by any other person. For discussion purposes only.

# FY 2011 Budget Overview

The following is a summary of Waterbury Hospital's FY 2011 Budget:

- Gain from operations of $4.4 million, net gain of $6.0 million
- Refinancing that increases cash by approximately $13.4 million ($8.0 million in additional borrowings, $3.4 million reduction to 55 days cash on hand requirement and $2.0 million debt service reserve fund no longer required)
- Additions to property, plant, and equipment of $15.1 million, which includes $5.1 million in Cerner and IT capital spend, $4.0 million for Pomeroy 7 and Operating Room renovations, $1.6 million for Cath Lab replacement, and $4.4 million for routine hospital capital
- Strategic investment in CAW of $2.4 million (acquisition) and $2.5 million of working capital and Electronic Medical Records costs
- Other strategic investments in Phoenix, and other practices
- Average age of plant of 25 years for the Hospital at the end of FY 2011
- Days cash on hand at 9/30/11 is 55 days
- FTEs per adjusted occupied bed increasing from FY 2009 actual level of 5.41 to 6.05 for budgeted FY 2011


This information, prepared pursuant to our Engagement Letter dated November 5, 2010, is solely for the use and benefit of Waterbury Hospital and is not intended for reliance by any other person. For discussion purposes only.

# FY 2011 Significant Findings

- Proposed adjustments that would reduce net revenue by $12.5 million (these adjustments have not been reviewed with management)
- Reduction in net revenue significantly impacts cash and the hospital's ability to pay for capital expenditures and will impact bond covenants
- Preliminary 5 year capital plan (not completed, where plan stood as of 11/30/10) has approximately $88.6 million of capital needs identified. Significant operating margins will be needed to meet future capital needs. Operating margins will need to be between 4% and 5% annually for the next 5 years to achieve the $88 million of capital needs
- Replacement time is not consistently budgeted across all departments and no position control system has been maintained, this will yield unexpected variances in temporary help and overtime
- To reach 50th percentile benchmark levels, FTEs per adjusted occupied bed would need to be reduced by approximately 236 with an associated reduction in salaries and benefits of approximately $20.4 million. Approximately 25-30 of these FTEs currently exist in inpatient nursing


This information, prepared pursuant to our Engagement Letter dated November 5, 2010, is solely for the use and benefit of Waterbury Hospital and is not intended for reliance by any other person. For discussion purposes only.

# Summary of Potential Adjustments to FY 2011 Budget

| Net Revenue | Proposed Adjustment to Budget | Potential Volume Exposure | Total |
|---|---|---|---|
| Medicare Case Mix Index | | | |
| Acute Renal Failure Coding Change | $ (1,403,000) | | $ (1,403,000) |
| FY 2010 Case Mix - (1.715 to 1.6956) | (723,000) | | (723,000) |
| Decline in Surgical Cases* | | $ (5,624,000) | (5,624,000) |
| Observation Cases (Medicare) | (595,000) | | (595,000) |
| Fair Pay - Overstatement of Charges | 295,000 | | 295,000 |
| Fair Pay - Adjustment to Current Payment Rates from Potential Contract Rates | (350,000) | | (350,000) |
| Outpatient Payment Factors | (1,520,000) | | (1,520,000) |
| Medicaid Outpatient Audit Exposure | (733,000) | | (733,000) |
| RAC Audit Exposure (FY 2011) | (1,040,000) | | (1,040,000) |
| Medicare Physician Payment Reduction (23% Jan - Sept)[1] | (125,000) | | (125,000) |
| Commercial Insurance Adjustment (No Support) | 255,000 | | 255,000 |
| Medicare Inpatient Prospective Payment System Final Rule | (273,000) | | (273,000) |
| Length of Stay and Payor Mix | (700,000) | | (700,000) |
| **TOTAL Net Revenue Adjustment** | **$ (6,912,000)** | **$ (5,624,000)** | **$ (12,536,000)** |

** Estimated to be a decline of 360 orthopedic discharges based upon the latest volume trends. This translates to a potential exposure of approximately $5,624,000 (360 cases x net revenue of $15,622 per orthopedic surgical case) assuming this trend continues.*

[1] Reduced reimbursement unlikely to occur.


This information, prepared pursuant to our Engagement Letter dated November 5, 2010, is solely for the use and benefit of Waterbury Hospital and is not intended for reliance by any other person. For discussion purposes only.

# FY 2010 Actual Compared to FY 2011 Budget

The following is a summary of the proposed adjustments to the fiscal year 2011 budget:

| | FY2010 Actual | FY2011 Budget | Proposed Adjustments | Adjusted FY2011 Budget |
|---|---|---|---|---|
| **Net Revenue** | $ 214,025,504 | $ 225,999,921 | $ (12,536,000) | $ 213,463,921 |
| **Other Operating Revenue** | 9,734,335 | 9,549,161 | - | 9,549,161 |
| **Total Operating Revenue** | 223,759,839 | 235,549,082 | (12,536,000) | 223,013,082 |
| **Total Expenses** | 229,237,303 | 231,112,610 | - | 231,112,610 |
| **Net Income (Loss) from Operations** | (5,477,464) | 4,436,472 | (12,536,000) | (8,099,528) |
| **Non-Operating Income** | 1,916,451 | 1,605,000 | - | 1,605,000 |
| **Net Gain (Loss)** | $ (3,561,013) | $ 6,041,472 | $ (12,536,000) | $ (6,494,528) |


This information, prepared pursuant to our Engagement Letter dated November 5, 2010, is solely for the use and benefit of Waterbury Hospital and is not intended for reliance by any other person. For discussion purposes only.

# FY 2011 - October Actual to Budget

## The following is a summary of the October 2010 actual to budget:

| | Oct 2010 Actual | Oct 2010 Budget | Variance to Budget | % Variance to Budget |
|---|---|---|---|---|
| **Net Revenue** | $ 17,799,080 | $ 18,087,868 | $ (288,788) | -1.6% |
| **Other Operating Revenue** | 682,013 | 795,767 | (113,754) | -14.3% |
| **Total Operating Revenue** | 18,481,093 | 18,883,635 | (402,542) | -2.1% |
| **Total Expenses** | 18,914,767 | 19,846,983 | (932,216) | -4.7% |
| **Income / (Loss) from Operations** | (433,674) | (963,348) | 529,674 | 55.0% |
| **Non-Operating Income** | 101,733 | 113,750 | (12,017) | -10.6% |
| **Net Income / (Loss)** | $ (331,941) | $ (849,598) | $ 517,657 | 60.9% |
| **Statistics:** | | | | |
| Admissions | 1,047 | 1,048 | (1) | -0.1% |
| Patient Days | 4,672 | 4,750 | (78) | -1.6% |
| ALOS | 4.46 | 4.53 | (0.07) | -1.5% |
| Medicare CMI | 1.66 | 1.71 | (0.05) | -2.9% |
| OR Procedures | 226 | 263 | (37) | -14.1% |
| One-Day Surgery Procedures | 354 | 367 | (13) | -3.5% |
| Outpatient Cases | 14,062 | 13,435 | 627 | 4.7% |
| Emergency Visits | 4,045 | 3,986 | 59 | 1.5% |
| **Payor Mix:** | | | | |
| Medicare | 36.0% | 40.3% | -4.3% | |
| Managed Medicare | 8.9% | 7.2% | 1.7% | |
| Medicaid | 11.0% | 10.0% | 1.0% | |
| Managed Medicaid | 7.8% | 7.3% | 0.6% | |
| Commercial | 9.7% | 11.0% | -1.3% | |
| Managed Care | 23.5% | 22.1% | 1.3% | |
| Self Pay | 3.1% | 2.0% | 1.0% | |


This information, prepared pursuant to our Engagement Letter dated November 5, 2010, is solely for the use and benefit of Waterbury Hospital and is not intended for reliance by any other person. For discussion purposes only.
WH000334

# Action Steps

The following are recommended priority action steps:

- Prepare and execute on action plans to mitigate market share declines
- Realign staffing and other costs to match latest length of stay and discharge volume trends
- Implement monthly financial reporting, budgeting and decision support systems; establishing accountability and alignment with a metrics driven organization
- Compile and implement a financial plan that addresses the following:
    - Days cash on hand
    - Average age of plant /other capital needs
    - Income from operations to achieve above
- Execute Cerner upgrades and module implementation
- Plan for health care reform (reductions in government payments will require hospitals to reduce operating expenses by 3-5% per year for the foreseeable future)
- Explore capital partner/affiliation/merger strategy


This information, prepared pursuant to our Engagement Letter dated November 5, 2010, is solely for the use and benefit of Waterbury Hospital and is not intended for reliance by any other person. For discussion purposes only.

# Section 2
# FY 2010 YTD Results vs. Budget

# FY 2010 Actual to Budget

| | FY2010 Actual | FY2010 Budget | Variance to Budget | % Variance to Budget |
|---|---|---|---|---|
| **Net Revenue** | $ 214,025,504 | $ 228,549,429 | $ (14,523,925) | -6.4% |
| **Other Operating Revenue** | 9,734,335 | 7,915,625 | 1,818,710 | 23.0% |
| **Total Operating Revenue** | 223,759,839 | 236,465,054 | (12,705,215) | -5.4% |
| **Total Expenses** | 229,237,303 | 227,774,129 | 1,463,174 | 0.6% |
| **Income / (Loss) from Operations** | (5,477,464) | 8,690,925 | (14,168,389) | 163.0% |
| **Non-Operating Income** | 1,916,451 | 1,392,700 | 523,751 | 37.6% |
| **Net Income / (Loss)** | $ (3,561,013) | $ 10,083,625 | $ (13,644,638) | 135.3% |
| **Statistics:** | | | | |
| Admissions | 13,046 | 13,786 | (740) | -5.4% |
| Patient Days | 59,271 | 69,378 | (10,107) | -14.6% |
| ALOS | 4.54 | 5.03 | (0.49) | -9.7% |
| OR Procedures | 3,272 | 3,550 | (278) | -7.8% |
| One-Day Surgery Procedures | 4,504 | 5,272 | (768) | -14.6% |
| Observation Cases | 1,072 | 785 | 287 | 36.6% |
| Outpatient Cases | 168,418 | 175,211 | (6,793) | -3.9% |
| Emergency Visits | 49,031 | 46,302 | 2,729 | 5.9% |
| Overtime / Doubletime Dollars | $ 2,220,682 | $ - | $ 2,220,682 | n/a |
| Temporary Help Dollars | $ 838,767 | $ 171,996 | $ 666,771 | 387.7% |
| **Payor Mix:** | | | | |
| Government | 65.49% | 64.83% | 0.66% | |
| Non-Government (Excluding Self Pay) | 32.51% | 31.92% | 0.59% | |
| Self Pay | 2.00% | 3.25% | -1.25% | |

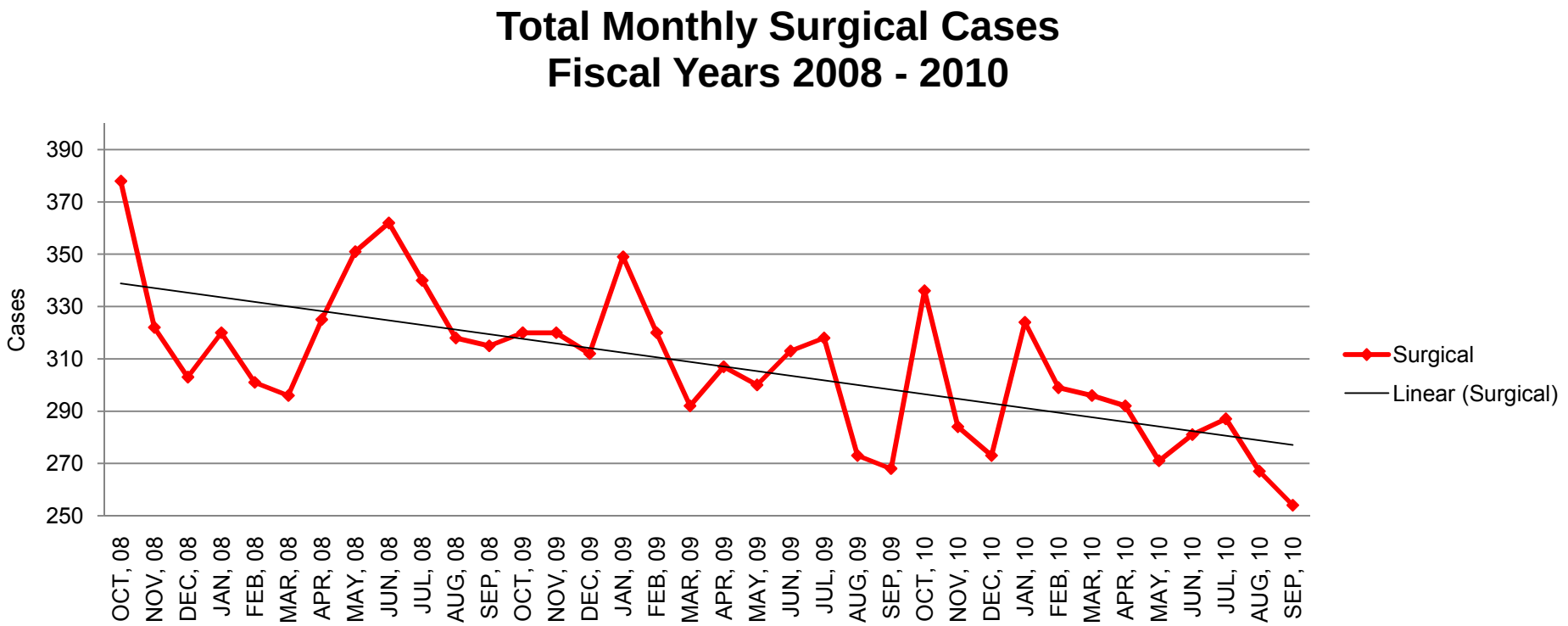

WH000337
This information, prepared pursuant to our Engagement Letter dated November 5, 2010, is solely for the use and benefit of Waterbury Hospital and is not intended for reliance by any other person. For discussion purposes only.

# Volume – Anecdotal Findings

- Inpatient discharge volume for the State of Connecticut is basically flat for FY 2010 when compared to FY 2009 (through June 30)
- Primary care physicians have been recruited/approached by other hospitals and ProHealth
- Orthopedic surgeons have moved surgical volume to other hospitals
- Some physicians have expressed frustrations with newly rolled out IT processes and systems
  - "Depart" process
  - Medication reconciliation
  - Performance improvement initiatives in perioperative services and throughout the hospital


This information, prepared pursuant to our Engagement Letter dated November 5, 2010, is solely for the use and benefit of Waterbury Hospital and is not intended for reliance by any other person. For discussion purposes only.

# Total Surgical Cases





This information, prepared pursuant to our Engagement Letter dated November 5, 2010, is solely for the use and benefit of Waterbury Hospital and is not intended for reliance by any other person. For discussion purposes only.

# Budgeted Expense Evaluation

The following actions were taken when reviewing the budgeted expenses:

- Determined the cause of the budget to actual 30 FTE variance for FY2010 and the impact of temporary help and overtime on payroll expense by cost center
- Evaluated budget to actual variances by cost center for FY2010 and corresponding actual FY2009 values and budgeted FY2011 values. All positive or negative variances over 10% were evaluated in detail to identify cause(s) of discrepancy
  - Interviewed Senior Budget Analyst to discuss discrepancies and understand cause of high dollar and/or variance expense items
- Interviewed Executive Director of Process Improvement to understand use of dashboards and progress on key cost reduction initiatives
- Evaluated yearly Cerner implementation operational and capital expenses
- Gained insight on FY2011 $2M projected medical/surgical supply expense reduction and GPO expense reductions realized in FY2010


This information, prepared pursuant to our Engagement Letter dated November 5, 2010, is solely for the use and benefit of Waterbury Hospital and is not intended for reliance by any other person. For discussion purposes only.

# Expense Indicator Evaluation

Patient throughput initiatives are successful. Further FTE reductions were not reflective of decreased demand.

| Indicator | FY2009 Actual | FY2010 Budget | FY2010 Actual | FY2011 Budget | Trend |
|---|---|---|---|---|---|
| Patient Days | 67,682 | 69,378 | 59,271 | 59,378 | ↓ |
| Admissions | 13,928 | 13,786 | 13,046 | 13,100 | ↓ |
| Overall Case Mix Index (CMI) | 1.35 | 1.35 | 1.39 | 1.39 | ↑ |
| Average Length of Stay (ALoS) | 4.86 | 5.03 | 4.54 | 4.53 | ↓ |
| FTEs | 1,589 | 1,482 | 1,513 | 1,507 | ↓ |
| Total Salary Spend | 105,995,288 | 101,436,095 | 98,725,135 | 100,143,265 | ! |
| FTEs per Adjusted Occupied Bed | 5.41* | 5.17 | 5.91 | 6.05 | ↑ |

* Median FTEs per adjusted occupied bed for the state of Connecticut was 4.60 (FY2009). Waterbury Hospital ranked 24th out of 30 Connecticut hospitals. Solucient Action OI adjusted occupied bed 50th percentile benchmark is 5.10


This information, prepared pursuant to our Engagement Letter dated November 5, 2010, is solely for the use and benefit of Waterbury Hospital and is not intended for reliance by any other person. For discussion purposes only.
WH000341

# Expense Review

46 cost centers ran over budget for FTEs during FY2010:

- A total of 40 FTEs were used above budget
- 11 FTEs (28%) are attributed to unbudgeted performance improvement initiatives
- 18 FTEs (45%) are in four Nursing Units experiencing reductions in patient days
  - One of these units also had in excess of $200K in Temporary Help
  - An analysis of September 2010 performance shows these trends continuing
- The remainder are in small increments across many cost centers


This information, prepared pursuant to our Engagement Letter dated November 5, 2010, is solely for the use and benefit of Waterbury Hospital and is not intended for reliance by any other person. For discussion purposes only.

# Budget to Actual Expense Variances

The following represents a sample of the causes for the budget to actual variances during FY 2010:

- *Clinical Resource and Quality Management:* $365K variance due to DPH findings
- *Employee Benefits:* $1.38M budgeted benefit reduction not realized by hospital due to behavioral health not transferring to Alliance Medical Group
- *Administrative Finance:* unbudgeted $962K a result of ED Medicaid billing for AMG
- *Ultrasound & Diagnostic Radiology:* $185K over budget for clinical engineering repairs
- *Special Procedures:* $189K over budget for Patient Chargeable Supplies despite volume decrease
- *Chase Clinic:* $211K unbudgeted line item result of expense sharing with AMG
- *Interest Expense:* $376K over budget on Accretion Expense due to previously unidentified asbestos


WH000343
This information, prepared pursuant to our Engagement Letter dated November 5, 2010, is solely for the use and benefit of Waterbury Hospital and is not intended for reliance by any other person. For discussion purposes only.

# Significant Year End Adjustments

Waterbury Hospital experienced a slight gain from operations through June 2010. However, the final three months of the year resulted in an approximate $5.7 million loss from operations, resulting in a year-end loss from operations of $5.5 million.

The following represents significant adjustments to the final three months of FY2010:

- $5.9 million decrease in the average net revenue when compared to the previous nine months:
  - Favorable FY 2010 Medicaid cost report settlement of $1.8 million
  - Net revenue decrease of approximately $6.1 million primarily a result of decline in volume
  - Fair Pay Workers' Compensation adjustment of receivables to 45% collectability, with an unfavorable impact of $1.8 million
  - Medicaid outpatient audit unfavorable impact of $1.1 million (management estimate)
  - Bad debt / free care / UCP decrease of $1.3 million


This information, prepared pursuant to our Engagement Letter dated November 5, 2010, is solely for the use and benefit of Waterbury Hospital and is not intended for reliance by any other person. For discussion purposes only.

# Significant Year End Adjustments (continued)

The following represents significant adjustments to the final three months of FY2010 (continued):

- $295 thousand increase in average expenses when compared to the previous nine months:
  - Workers' Compensation actuarial favorable adjustment of $700 thousand to expense
  - Operations improvement expense decrease of approximately $870 thousand
  - Medical and surgical supplies expense decrease of approximately $855 thousand
  - $380K over budget on Accretion Expense due to previously unidentified asbestos
  - Purchased services expense increase of approximately $1.4 million
  - Alliance Medical Group expense increase of approximately $870 thousand
  - Other expense increases of approximately $70 thousand
- $470 thousand increase in average other operating revenue when compared to the previous nine months


This information, prepared pursuant to our Engagement Letter dated November 5, 2010, is solely for the use and benefit of Waterbury Hospital and is not intended for reliance by any other person. For discussion purposes only.

# Section 3
# FY 2011 Budget

# Significant Budget Assumptions

- Refinancing – generates approximately $13.4 million in cash
- Volume assumptions:
  - Discharges increased from 13,046 (FY 2010 Actual) to 13,100 for FY 2011 budget
  - Average Length of Stay held constant at FY 2010 actual of 4.5 days
  - Outpatient cases decreased from 168,418 to 167,936, a decrease of 0.29%
- No change to Medicare case mix from FY 2010 Actual (through June)
- Medical/Surgical supply expense savings initiative related to utilization and state contracts ($2,095,000 in savings)
- Payer mix assumes no changes in FY 2011 from FY 2010 actual
- Cerner 10% contingency fee worth approximately $511K not reflected in FY2011 budgeted capital uses


This information, prepared pursuant to our Engagement Letter dated November 5, 2010, is solely for the use and benefit of Waterbury Hospital and is not intended for reliance by any other person. For discussion purposes only.

# Volume Roll Forward

| | Budget 2011 | Comments |
|---|---|---|
| **Projected 2010 I/P Cases** | **13,007** | **Based on 10/09-8/10 Actual (11,936) plus 9/10 Projected (1,071)** |
| **Adjustments:** | | |
| Angioplasty | 11 | Annualized YTD June 2010 |
| Gynecology-Surgical | 13 | Increased to FY09 levels |
| Major Joint | 5 | Annualized YTD June 2010 |
| Maternity | - | Annualized YTD Feb 2010 plus 14 Charter Oak cases |
| Medical | 136 | Annualized YTD Feb 2010 plus 50 cases (per Kelvin) & 200 Observation cases |
| Medical Cardiology | (30) | Annualized YTD Feb 2010 |
| Mental Disease / Substance Abuse | (7) | Annualized YTD Feb 2010 plus 9% |
| Neurosurgery | (12) | Annualized YTD Feb 2010 less 17 cases (per EMT) |
| Newborn | (3) | Annualized YTD Feb 2010 less 2% plus 14 Charter Oak cases |
| Ortho | (41) | Annualized YTD Feb 2010 |
| Ortho - Nonsurgical | (7) | Annualized YTD Feb 2010 |
| Surgical | 4 | 240 per quarter (per EMT), plus 10 new cases (per Kelvin) |
| Surgical Cardiology | 37 | Annualized YTD Feb 2010, plus 10 new open heart plus 21 new pacemakers |
| Urology | (13) | Annualized YTD Feb 2010, decreased as a result of DaVinci robot at St. Mary's |
| **Total Adjustments** | **93** | |
| **Total Cases - Budget 2011** | **13,100** | |


This information, prepared pursuant to our Engagement Letter dated November 5, 2010, is solely for the use and benefit of Waterbury Hospital and is not intended for reliance by any other person. For discussion purposes only.
WH000348

# Summary of Potential Adjustments

| Net Revenue | Proposed Adjustment to Budget | Potential Volume Exposure | Total |
|---|---|---|---|
| Medicare Case Mix Index | | | |
| Acute Renal Failure Coding Change | $ (1,403,000) | | $ (1,403,000) |
| FY 2010 Case Mix - (1.715 to 1.6956) | (723,000) | | (723,000) |
| Decline in Surgical Cases* | | $ (5,624,000) | (5,624,000) |
| Observation Cases (Medicare) | (595,000) | | (595,000) |
| Fair Pay - Overstatement of Charges | 295,000 | | 295,000 |
| Fair Pay - Adjustment to Current Payment Rates from Potential Contract Rates | (350,000) | | (350,000) |
| Outpatient Payment Factors | (1,520,000) | | (1,520,000) |
| Medicaid Outpatient Audit Exposure | (733,000) | | (733,000) |
| RAC Audit Exposure (FY 2011) | (1,040,000) | | (1,040,000) |
| Medicare Physician Payment Reduction (23% Jan - Sept)[1] | (125,000) | | (125,000) |
| Commercial Insurance Adjustment (No Support) | 255,000 | | 255,000 |
| Medicare Inpatient Prospective Payment System Final Rule | (273,000) | | (273,000) |
| Length of Stay and Payor Mix | (700,000) | | (700,000) |
| **TOTAL Net Revenue Adjustment** | **$ (6,912,000)** | **$ (5,624,000)** | **$ (12,536,000)** |

** Estimated to be a decline of 360 orthopedic discharges based upon the latest volume trends. This translates to a potential exposure of approximately $5,624,000 (360 cases x net revenue of $15,622 per orthopedic surgical case) assuming this trend continues.*

[1] Reduced reimbursement unlikely to occur.


This information, prepared pursuant to our Engagement Letter dated November 5, 2010, is solely for the use and benefit of Waterbury Hospital and is not intended for reliance by any other person. For discussion purposes only.

# Summary of Potential Adjustments (continued)

- **Acute Renal Failure Coding Change**
  - Regulatory change (statutory on 10/1/10) where acute renal failure is no longer a Major Complication and Comorbidity (MCC) and is now a Complication and Comorbidity (CC). Hospital had 343 Medicare cases where acute renal failure was the only MCC. We adjusted to the CC payment factor for 75% of the cases
- **FY 2010 Case Mix**
  - Reduction in case mix from budgeted 1.715 to actual FY 2010 of 1.6956
- **Decline in Surgical Cases**
  - Exposure due to orthopedic surgeons moving surgical volume to other hospitals and decline in surgical volume in second half of FY 2010 and decline in October 2010
- **Observation Cases (Medicare)**
  - Reduction in case mix from overall Medicare (budget FY 2011) 1.715 to .7908 (actual Medicare case mix for observation cases) for 85 Medicare observation cases that management has assumed will convert to inpatient
- **Fair Pay – Overstatement of Charges**
  - Budget assumed $2.5 million in Fair Pay charges. Actual FY 2010 charges were approximately $1.5 million. Therefore, Fair Pay impact was overstated in FY 2011 budget
- **Fair Pay – Adjustment to Current Payment Rates from Potential Contract Rates**
  - Reduction in Fair Pay payment factor from 47% to 25%. Budget assumes Fair Pay contract (that is assumed to pay 45% of charges) will be entered into for FY 2011. Through November 2010, no contract signed and no contract discussions occurring


This information, prepared pursuant to our Engagement Letter dated November 5, 2010, is solely for the use and benefit of Waterbury Hospital and is not intended for reliance by any other person. For discussion purposes only.

# Summary of Potential Adjustments (continued)

- **Outpatient Payment Factors**
  - Six percent charge increase not factored into Payment on Account Factor (PAF), thus overstating net revenue. Overstatement minimized by a 4% update factor used rather than the managed care and commercial update factor of 9% and 6%
- **Medicaid Outpatient Audit (FY 2011)**
  - Calculated as management's reserve estimate of $1.1 million for the 18 months ending 9/30/09. Applied to FY 2011. External auditors indicated there is enough general reserve at 9/30/10 to cover FY 2010 exposure
- **RAC Audit Exposure (FY 2011)**
  - Management indicated there was $40,000 and $240,000 of exposure for the first two record reviews by RAC. Record requests for review can be made every 45 days. Exposure calculated at average exposure to-date ($140,000) applied to eight potential reviews per year for FY 2011
- **Medicare Physician Payment Reduction (23%)**
  - Total budgeted Medicare physician payments of approximately $725,000 were reduced by 23% for nine months of FY 2011 (Congress passed one-month fix to the Medicare payment formula, not likely to occur)
- **Commercial Insurance Adjustment (No Support)**
  - Exposure due to lack of support for inpatient commercial insurance rate decrease


This information, prepared pursuant to our Engagement Letter dated November 5, 2010, is solely for the use and benefit of Waterbury Hospital and is not intended for reliance by any other person. For discussion purposes only.

# Summary of Potential Adjustments (continued)

- **Medicare Inpatient Prospective Payment System Final Rule**
  - Represents using the final Medicare Inpatient Prospective Payment rate for FY 2011 vs. the proposed rule for the budget
- **Length of Stay and Payor Mix**
  - Utilized the final, actual FY 2010 length of stay and payor mix for net revenue calculations


WH000352
This information, prepared pursuant to our Engagement Letter dated November 5, 2010, is solely for the use and benefit of Waterbury Hospital and is not intended for reliance by any other person. For discussion purposes only.

# Review of 2011 Monthly Budget Spread Observations

- Total budgeted admissions spread to each month based on non-holiday / non-weekend days per month, as adjusted for the following:
  - Management's estimate of seasonality
  - Additional 200 observation admissions, the impact of which will not begin to be realized until January 2011
  - Approximately 160 discharges were moved out of first quarter of budgeted FY 2011 to the last nine months of FY 2011 to account for seasonality and ramp up of additional observation admissions
- The following were the monthly expense allocation methodologies employed by Management for each expense category:
  - Gross charges / contractual allowances / bad debt / free care / UCP: based on allocated admissions (see above)
  - OOR / NOR: allocated evenly to each month
  - Salary: based on total days in each month
  - Benefits: based on pay dates in each month
  - Professional legal: allocated evenly to each month


This information, prepared pursuant to our Engagement Letter dated November 5, 2010, is solely for the use and benefit of Waterbury Hospital and is not intended for reliance by any other person. For discussion purposes only.

# Cerner Implementation Capital Expenses

- Projected Cerner and IT capital expenses for FY2010 – FY2016 total over $19M
- Cerner incremental operating expense for FY2011 budgeted at $2.3M
- Cerner project cost for FTEs is estimated at an ongoing impact of $525,232, which is not reflected in the Cerner budgeted operating expenses

| | FY10 | FY11 | FY12 | FY13 | FY14 | FY15 | FY16 | TOTAL |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | | |
| **Cerner Contract-Related Capital Costs** | | | | | | | | |
| License Software | | $ 330,286 | $ 90,194 | $ 90,194 | $ 90,194 | $ 90,194 | $ 90,194 | $ 781,258 |
| Implementation / Services | | 520,364 | 323,500 | 548,417 | 323,500 | 520,364 | 302,453 | 2,538,598 |
| Hardware Costs | $ 423,489 | 300,000 | 160,894 | | | | | 884,383 |
| **Total Cerner Only Capital Costs & Hardware** | **423,489** | **1,150,650** | **574,588** | **638,611** | **413,694** | **610,558** | **392,647** | **4,204,239** |
| **Non-Cerner Fees - Capital** | | | | | | | | |
| Consulting Fees | 1,000,000 | 2,000,000 | 1,000,000 | | | | | 4,000,000 |
| Internal Capital Budgeted Updgrades | 986,000 | 1,500,000 | 1,500,000 | 1,572,000 | 1,217,000 | 1,085,000 | 1,070,000 | 8,930,000 |
| Cerner Travel to WH | 31,350 | 198,725 | 90,000 | | | | | 320,075 |
| 3rd Party Travel to WH | 48,000 | 264,000 | 288,000 | | | | | 600,000 |
| **Total Costs (Capital)** | **2,488,839** | **5,113,375** | **3,452,588** | **2,210,611** | **1,630,694** | **1,695,558** | **1,462,647** | **18,054,314** |
| **Contingency - 10%** | **248,884** | **511,338** | **345,259** | | | | | **1,105,480** |
| **Out of Scope Total (Contingency Used)** | **25,000** | - | - | - | - | - | - | **25,000** |
| **Annual Totals** | **$ 2,762,723** | **$ 5,624,713** | **$ 3,797,847** | **$ 2,210,611** | **$ 1,630,694** | **$ 1,695,558** | **$ 1,462,647** | **$ 19,184,794** |

* Provided by Waterbury Hospital


This information, prepared pursuant to our Engagement Letter dated November 5, 2010, is solely for the use and benefit of Waterbury Hospital and is not intended for reliance by any other person. For discussion purposes only.
WH000354

# Budget Recommendations

- Implement an integrated budgeting system and process
  - Existing database is homegrown
  - Current process is heavily reliant on Excel spreadsheets
  - Standardize annual and monthly budget “packages”
- Adopt consistent budget methodology
  - Modeling should segregate inputs, calculations, and review sheets
  - Improve work paper documentation
  - Presentation of significant detailed assumptions should be improved
  - Gross and net revenue assumptions not well documented
- Coordination of budget process needs to be improved
- Adopt consistent budget review process
- Create and document policies and procedures
- Consider documenting exposure items and threats


This information, prepared pursuant to our Engagement Letter dated November 5, 2010, is solely for the use and benefit of Waterbury Hospital and is not intended for reliance by any other person. For discussion purposes only.

# Budget Recommendations (continued)

- Improve discipline around budget to actual process to ensure alignment of budget and actual line items expenses by cost center to improve transparency of budgeting discrepancies
- Set consistent expectations for accountability and monthly feedback on any budget to actual variances by cost center
- Improve controls around revenue and expense sharing with Alliance Medical Group
- Clinical engineering repair budget needs to take into consideration increasing age of plant and equipment
- Reinstate position control process
- Each department should budget replacement time with applicable overtime and temporary help allocations
- Realign staffing to reflect the 0.5 day drop in LOS achieved through patient throughput initiatives


This information, prepared pursuant to our Engagement Letter dated November 5, 2010, is solely for the use and benefit of Waterbury Hospital and is not intended for reliance by any other person. For discussion purposes only.

# Budget Recommendations (continued)

- Recommendations for monthly budget allocations:
  - To begin, the monthly spread of the FY 2011 budget is an improvement over the prior year, where everything was allocated evenly to each month, as adjusted for monthly initiatives
  - Going forward, best practice is to incorporate actual historical volume and expense trends into the monthly revenue and expense allocations (where appropriate)
  - Interest expense should be allocated to each month based on actual amortization schedules
  - Depreciation expense allocations should incorporate when assets are anticipated to come on-line during the year
  - Work paper documentation of the monthly budget spread process, including all assumptions, should be improved


WH000357
This information, prepared pursuant to our Engagement Letter dated November 5, 2010, is solely for the use and benefit of Waterbury Hospital and is not intended for reliance by any other person. For discussion purposes only.

# Section 4
# Hospital Run Rate

# Meeting with External Auditors

We met with Chris Jackson, Partner, Marcum, LLP, on November 23. The following is a summary of our discussion:

- The audit is progressing and the auditors are planning on field work to be completed week of November 29
- The Hospital is in the process of updating the financial statements for all known adjustments
- All known audit adjustments are recorded by the Hospital for FYs 2008 through 2010. The look-back procedures for accounts receivable have not resulted in any significant adjustments
- General reserves appear to be adequate to cover all know exposures through September 30, 2010 and include the following:
  - Recover Auditor Contractor (RAC)
  - Outpatient Medicaid
  - Fair Pay Workers Compensation accounts receivable valuation (assume collection at 45% of charges – see following slides)


This information, prepared pursuant to our Engagement Letter dated November 5, 2010, is solely for the use and benefit of Waterbury Hospital and is not intended for reliance by any other person. For discussion purposes only.

# Fair Pay Workers Compensation

- Management has represented that they will collect up to 45% of gross charges for Fair Pay Workers Compensation accounts receivable:
  - Total Fair Pay accounts receivable has a balance of $2,861,000 on accounts for the period FY 2006 through FY 2010
  - Total reserves for the Fair Pay accounts receivable is approximately $1,854,000, leaving a net value of $1,007,000 at September 30, 2010
  - Hospital has currently been paid $1,330,000 on these accounts which represents a collection percentage of 25.6%
  - Hospital has hired an outside agency and an outside attorney to assist with obtaining a contract going forward and a settlement of prior open accounts receivable balances


This information, prepared pursuant to our Engagement Letter dated November 5, 2010, is solely for the use and benefit of Waterbury Hospital and is not intended for reliance by any other person. For discussion purposes only.

# Fair Pay Workers Compensation (continued)

- The following summarizes the potential exposure to Waterbury Hospital if no further monies are received related to Fair Pay Workers Compensation claims for FY2006-FY2010:

| *A* | *B* | *C* | *D* | *E* | *F* |
|---|---|---|---|---|---|
| | | | | | **EXPOSURE** |
| **Fiscal Year** | **Gross Revenue** | **Management-Assumed Net Revenue at 45% of Charges *(B x 45%)*** | **Collections To-Date** | **Collection % To-Date *(D ÷ B)*** | **Management-Assumed Left to Collect at 45% *(C - D)*** |
| FY2006 | $ 166,747 | $ 75,036 | $ 40,940 | 24.55% | $ 34,096 |
| FY2007 | 952,771 | 428,747 | 250,844 | 26.33% | 177,903 |
| FY2008 | 1,301,048 | 585,472 | 355,565 | 27.33% | 229,907 |
| FY2009 | 1,324,549 | 596,047 | 333,898 | 25.21% | 262,149 |
| FY2010 | 1,447,547 | 651,396 | 348,890 | 24.10% | 302,506 |
| **Total** | **$ 5,192,662** | **$ 2,336,698** | **$ 1,330,137** | **25.62%** | **$ 1,006,561** |


This information, prepared pursuant to our Engagement Letter dated November 5, 2010, is solely for the use and benefit of Waterbury Hospital and is not intended for reliance by any other person. For discussion purposes only.

# Adjustments That Are Related to Prior Years

| | Prior Years | 2008 | 2009 | 2010 |
|---|---|---|---|---|
| (Loss) From Operations per Audited Financial Statements | | $ (12,360,105) | $ (4,986,257) | $ (7,756,250) |
| Fiscal Year 2010 Third Party Reserve Adjustments, Settlements, and Appeals | $ 837,221 | 86,865 | (281,020) | (643,066) |
| Fiscal Year 2010 Adjustments to Expenses | 0 | 0 | 0 | 0 |
| | 837,221 | 86,865 | (281,020) | (643,066) |
| Fiscal Year 2009 Third Party Reserve Adjustments, Settlements, and Appeals | 534,614 | 526,300 | (1,060,914) | 0 |
| Fiscal Year 2009 Adjustments to Expenses | 0 | 0 | 0 | 0 |
| | 534,614 | 526,300 | (1,060,914) | 0 |
| Fiscal Year 2008 Third Party Reserve Adjustments, Settlements, and Appeals | 1,932,004 | (1,932,004) | 0 | 0 |
| Fiscal Year 2008 Adjustments to Expenses | 0 | 0 | 0 | 0 |
| | 1,932,004 | (1,932,004) | 0 | 0 |
| **Total FY 2010, 2009, 2008 Adjustments** | **3,303,839** | **(1,318,839)** | **(1,341,934)** | **(643,066)** |
| **Adjusted (Loss) From Operations** | **$ 3,303,839** | **$ (13,678,944)** | **$ (6,328,191)** | **$ (8,399,316)** |
| | | | | |
| **Medicare Section 508 Wage Index Incremental Net Revenue** | | **$ 697,000** | **$ 1,477,000** | **$ 1,358,000** |


This information, prepared pursuant to our Engagement Letter dated November 5, 2010, is solely for the use and benefit of Waterbury Hospital and is not intended for reliance by any other person. For discussion purposes only.

# Prior Year Adjustments - Detail

| Adjustment Number | Adjustment Description | Actual | | | |
|---|---|---|---|---|---|
| | | Prior Years | 2008 | 2009 | 2010 |
| | (Loss) From Operations per Audited Financial Statements | | $ (12,360,105) | $ (4,986,257) | $ (7,756,250) |
| | **Fiscal Year 2010 Adjustments** | | | | |
| 1 | FY 2003 Medicare Bad Debt and DSH Reopening | $ 617,221 | | | (617,221) |
| 2 | FY 2004-2006 Medicare Bad Debt Reopening | 220,000 | | | (220,000) |
| 3 | FY 2008 Medicare Audit Adjustments | | 453,532 | | (453,532) |
| 4 | FY 2009 As Filed Medicare Cost Report | | | 452,313 | (452,313) |
| 5 | FY 2010 Medicaid Cost Report | | | | TBD |
| 6 | Fair Pay Adjustments to Accounts Receivable | | | | TBD |
| 7 | Medicaid Outpatient Audit Additions | | (366,667) | (733,333) | 1,100,000 |
| | Fiscal Year 2010 Adjustment Subtotal | 837,221 | 86,865 | (281,020) | (643,066) |
| | **Fiscal Year 2009 Adjustments** | | | | |
| 1 | FY 1997 Medicare DSH Appeal | 720,222 | | (720,222) | |
| 2 | FY 2000 Medicare DSH Appeal | 80,250 | | (80,250) | |
| 3 | FY 2001 Medicare DSH Appeal | 234,595 | | (234,595) | |
| 4 | FY 2002 Medicare DSH Appeal | 131,780 | | (131,780) | |
| 5 | FY 2002 Reopening Cross Over Bad Debts | 40,027 | | (40,027) | |
| 6 | FY 2007 Medicare Audit Adjustments Summary Exit Conference | (171,185) | | 171,185 | |
| 7 | FY 2007 MedicareTricare/Champus 2007 Initial Cost Report Settlement | 19,872 | | (19,872) | |
| 8 | FY 2008 Medicare Miscellaneous | | 5,441 | (5,441) | |
| 9 | FY 2007 Medicaid Cost Report | (538,558) | | 538,558 | |
| 10 | FY 2007 Medicaid Cost Report | 17,611 | | (17,611) | |
| 11 | FY 2008 Medicaid Outpatient Audit | | 520,859 | (520,859) | |
| | Fiscal Year 2009 Adjustment Subtotal | 534,614 | 526,300 | (1,060,914) | |
| | **Fiscal Year 2008 Adjustments** | | | | |
| 1 | FY 1992-1994 Appeal-Baystate | (84,440) | 84,440 | | |
| 2 | Reopening Settlement Net of DSH | 460,984 | (460,984) | | |
| 3 | FY 2005 Medicare As Filed Cost Report | (231,659) | 231,659 | | |
| 4 | FY 2005 Medicare Initial Settlement | 73,000 | (73,000) | | |
| 5 | FY 2005 Medicare Revised After FY 2004 audit and 2005 overlap | 149,117 | (149,117) | | |
| 6 | FY 2005 Medicare Final Settlement | 279,584 | (279,584) | | |
| 7 | FY 2006 Medicare Revised after FY 2004 Audit | 141,934 | (141,934) | | |
| 8 | FY 2007 Medicare Initial Settlement | 444,640 | (444,640) | | |
| 9 | FY 2005 Medicaid Outpatient Audit | 110,077 | (110,077) | | |
| 10 | FY 2005 Medicaid As-filed Cost Report | (324,183) | 324,183 | | |
| 11 | FY 2006 Medicaid As-filed Cost Report | 37,081 | (37,081) | | |
| 12 | FY 2006 Medicaid Outpatient Audit | 23,073 | (23,073) | | |
| 13 | FY 2007 Medicaid Misc. | 9,238 | (9,238) | | |
| 14 | FY 2007 Medicaid Cost Report Not Yet Filed | 538,558 | (538,558) | | |
| 15 | FY 2008 Reserve Adjustment | 305,000 | (305,000) | | |
| | Fiscal Year 2008 Adjustment Subtotal | 1,932,004 | (1,932,004) | | |
| | **Total FY 2010, 2009, 2008 Adjustments** | **3,303,839** | **(1,318,839)** | **(1,341,934)** | **(643,066)** |
| | **Adjusted (Loss) From Operations** | **$ 3,303,839** | **$ (13,678,944)** | **$ (6,328,191)** | **$ (8,399,316)** |

*Per Consolidating Statement of Operations
Waterbury Hospital Only


This information, prepared pursuant to our Engagement Letter dated November 5, 2010, is solely for the use and benefit of Waterbury Hospital and is not intended for reliance by any other person. For discussion purposes only.

# Section 5
# Decision Support and Marginal Profitability

# Decision Support Observations

- Trendstar Decision Support system has been in place since 1993
  - DOS-based
  - System performance issues
- All costs spread using ratio of cost to charges
- Difference between internal financial statement net revenue and net revenue per Trendstar is spread based on percent of total gross charges
  - No time and motion studies used
  - No RVUs used
- Decision support output is directional. More in-depth analysis needs to be performed before action is taken


This information, prepared pursuant to our Engagement Letter dated November 5, 2010, is solely for the use and benefit of Waterbury Hospital and is not intended for reliance by any other person. For discussion purposes only.

# Product Line Recommendations

- **General**
  - Indirect fixed costs in FY 2010 are 38%of total costs. Reducing this percentage to a benchmark of 35% would save approximately $6.9 million
  - Each product line should have a detailed business plan that considers volume trends, reimbursement, and steps to improve operational efficiencies
  - Document key inputs and assumptions to the models for consistency on a roll forward basis
- **Psychology**
  - Approximately 42% of psychology volume is driven by Medicaid
  - Certificate of Need approval is required by the Office of Health Care Access in order to discontinue psychology services
  - Business plan should include lobbying for increased Medicaid rates
  - All grant funded programs should fully cover the salary and expenses, with evaluation of this each year to determine continuation
- **Cardiology**
  - The CVU transitional care model is a more expensive model of care
  - National trends show a decrease in open heart surgeries
  - The CAW physician alignment strategy should improve volume


This information, prepared pursuant to our Engagement Letter dated November 5, 2010, is solely for the use and benefit of Waterbury Hospital and is not intended for reliance by any other person. For discussion purposes only.

# Product Line Recommendations

- **Observation**
  - Increase in observation days/admissions corresponds to better patient identification by case management
  - Management has recently contracted with Accretive Health to address documentation gaps with observation status patients and those who convert to inpatient
  - Observation units rarely stand on their own bottom financially – rather they provide open bed capacity for higher contribution inpatient cases
- **Offsite Outpatient Services**
  - Determine business plan for offsite services including volume requirements to continue business
  - Evaluate frequency of services and actual modalities available. Interview physician users of offsite locations to understand their practice and referral patterns


This information, prepared pursuant to our Engagement Letter dated November 5, 2010, is solely for the use and benefit of Waterbury Hospital and is not intended for reliance by any other person. For discussion purposes only.

# Fiscal Year 2010 Profitability by Product Line - Direct Margin*

**Fiscal Year 2010 Profitability by Product Line* (in thousands)**

| | Needs Improvement → Performing | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | EEG | GI | Psych | Observation | Sleep Lab | Outpatient Labs | Offsite Outpatient Services | Women & Infants | Radiology | ER | Cardiology | Orthopedics | All Other Surgery | IP - Medical | Total |
| Gross Charges | $ 1,828 | $ 5,142 | $ 53,751 | $ 20,360 | $ 9,196 | $ 22,717 | $ 28,260 | $ 33,102 | $ 28,876 | $ 83,215 | $ 116,904 | $ 91,614 | $ 164,121 | $ 158,240 | $ 817,326 |
| Contractual Allowances (Inferred) | (1,285) | (3,316) | (40,078) | (16,353) | (6,950) | (18,364) | (21,646) | (21,335) | (23,173) | (63,059) | (87,133) | (61,969) | (119,811) | (109,567) | (594,039) |
| Net Revenue | 543 | 1,826 | 13,673 | 4,007 | 2,246 | 4,353 | 6,614 | 11,767 | 5,703 | 20,156 | 29,771 | 29,645 | 44,310 | 48,673 | 223,287 |
| Direct Department Cost | (215) | (1,109) | (10,370) | (2,793) | (1,004) | (2,830) | (4,444) | (8,382) | (2,071) | (9,523) | (18,000) | (17,678) | (22,129) | (22,800) | (123,348) |
| Direct Department Beneifts | (11) | (201) | (2,697) | (474) | (155) | (361) | (482) | (1,476) | (269) | (1,888) | (2,340) | (1,368) | (3,218) | (4,504) | (19,444) |
| Direct Contribution Margin | $ 317 | $ 516 | $ 606 | $ 740 | $ 1,087 | $ 1,162 | $ 1,688 | $ 1,909 | $ 3,363 | $ 8,745 | $ 9,431 | $ 10,599 | $ 18,963 | $ 21,369 | $ 80,495 |
| Direct Contribution Margin % of Net Revenue | 58% | 28% | 4% | 18% | 48% | 27% | 26% | 16% | 59% | 43% | 32% | 36% | 43% | 44% | 36% |
| Typical Capital Intensity | Low | Medium | Low | Low | Low | Low | Low | Low | High | Medium | High | High | High | Low | |
| Waterbury Hospital-specific Capital Intensity | Low | High | Low | Medium | Low | Low | Low | Low | Medium | High | High | High | High | High | |

* Data provided by Waterbury Hospital


This information, prepared pursuant to our Engagement Letter dated November 5, 2010, is solely for the use and benefit of Waterbury Hospital and is not intended for reliance by any other person. For discussion purposes only.

# Fiscal Year 2010 Profitability by Product Line – Net Margin*

**Fiscal Year 2010 Profitability by Product Line (in thousands)**

| | Needs Improvement → Performing | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Psych | Women & Infants | Cardiology | Observation | Offsite Outpatient Services | Outpatient Labs | GI | Orthopedics | EEG | Sleep Lab | Radiology | All Other Surgery | ER | IP - Medical | Total |
| Gross Charges | $ 53,751 | $ 33,102 | $ 116,904 | $ 20,360 | $ 28,260 | $ 22,717 | $ 5,142 | $ 91,614 | $ 1,828 | $ 9,196 | $ 28,876 | $ 164,121 | $ 83,215 | $ 158,240 | $ 817,326 |
| Contractual Allowances (Inferred) | (40,078) | (21,335) | (87,133) | (16,353) | (21,646) | (18,364) | (3,316) | (61,969) | (1,285) | (6,950) | (23,173) | (119,811) | (63,059) | (109,567) | (594,039) |
| Net Revenue | 13,673 | 11,767 | 29,771 | 4,007 | 6,614 | 4,353 | 1,826 | 29,645 | 543 | 2,246 | 5,703 | 44,310 | 20,156 | 48,673 | 223,287 |
| Direct Department Cost | (10,370) | (8,382) | (18,000) | (2,793) | (4,444) | (2,830) | (1,109) | (17,678) | (215) | (1,004) | (2,071) | (22,129) | (9,523) | (22,800) | (123,348) |
| Direct Department Beneifts | (2,697) | (1,476) | (2,340) | (474) | (482) | (361) | (201) | (1,368) | (11) | (155) | (269) | (3,218) | (1,888) | (4,504) | (19,444) |
| Direct Contribution Margin | 606 | 1,909 | 9,431 | 740 | 1,688 | 1,162 | 516 | 10,599 | 317 | 1,087 | 3,363 | 18,963 | 8,745 | 21,369 | 80,495 |
| Indirect Fixed Cost | (6,724) | (5,918) | (12,126) | (2,055) | (2,606) | (1,905) | (974) | (10,567) | (138) | (645) | (1,626) | (17,167) | (6,753) | (17,624) | (86,828) |
| Net Margin | $ (6,118) | $ (4,009) | $ (2,695) | $ (1,315) | $ (918) | $ (743) | $ (458) | $ 32 | $ 179 | $ 442 | $ 1,737 | $ 1,796 | $ 1,992 | $ 3,745 | $ (6,333) |
| Net Margin % of Net Revenue | -45% | -34% | -9% | -33% | -14% | -17% | -25% | 0% | 33% | 20% | 30% | 4% | 10% | 8% | -72% |

* Data provided by Waterbury Hospital


This information, prepared pursuant to our Engagement Letter dated November 5, 2010, is solely for the use and benefit of Waterbury Hospital and is not intended for reliance by any other person. For discussion purposes only.

# FY 2010 Discharge Profitability by Payer (Per Discharge)

| FY 2010 Inpatient (Per Discharge) | Self Pay | Medicaid | Managed Medicaid | Managed Medicare | Medicare | Managed Care | Commercial | Workers Comp | TOTAL |
|---|---|---|---|---|---|---|---|---|---|
| Gross Charges | $ 32,426 | $ 35,668 | $ 16,748 | $ 50,214 | $ 47,408 | $ 37,022 | $ 37,290 | $ 56,594 | $ 39,670 |
| Contractual Allowances (Inferred) | (30,462) | (29,495) | (13,030) | (36,599) | (33,813) | (25,064) | (21,667) | (18,628) | (28,217) |
| Net Revenue | 1,964 | 6,173 | 3,718 | 13,616 | 13,595 | 11,957 | 15,624 | 37,966 | 11,453 |
| Direct Department Cost | (4,589) | (5,343) | (3,675) | (8,008) | (7,392) | (6,447) | (6,279) | (10,281) | (6,468) |
| Direct Department Benefits | (767) | (992) | (673) | (1,158) | (1,153) | (807) | (866) | (880) | (980) |
| Direct Contribution Margin | (3,392) | (163) | (630) | 4,449 | 5,049 | 4,703 | 8,479 | 26,806 | 4,005 |
| Indirect Fixed Cost | (3,319) | (3,889) | (2,549) | (5,594) | (5,254) | (4,256) | (4,276) | (6,379) | (4,509) |
| Net Margin | $ (6,711) | $ (4,052) | $ (3,179) | $ (1,145) | $ (205) | $ 448 | $ 4,203 | $ 20,428 | $ (504) |


This information, prepared pursuant to our Engagement Letter dated November 5, 2010, is solely for the use and benefit of Waterbury Hospital and is not intended for reliance by any other person. For discussion purposes only.

# FY 2010 Discharge Profitability by Payer (Total Discharges)

| FY 2010 Inpatient (Total) | Self Pay | Medicaid | Managed Medicaid | Managed Medicare | Medicare | Managed Care | Commercial | Workers Comp | TOTAL |
|---|---|---|---|---|---|---|---|---|---|
| Gross Charges | $ 5,544,821 | $ 55,391,961 | $ 24,904,401 | $ 43,184,222 | $ 247,517,363 | $ 94,331,254 | $ 41,765,178 | $ 4,980,273 | $ 517,619,473 |
| Contractual Allowances (Inferred) | (5,208,930) | (45,805,737) | (19,376,153) | (31,474,805) | (176,539,437) | (63,863,985) | (24,266,635) | (1,639,223) | (368,174,905) |
| Net Revenue | 335,891 | 9,586,224 | 5,528,248 | 11,709,417 | 70,977,926 | 30,467,269 | 17,498,543 | 3,341,050 | 149,444,568 |
| Direct Department Cost | (784,757) | (8,298,175) | (5,464,970) | (6,887,025) | (38,594,942) | (16,428,112) | (7,031,942) | (904,721) | (84,394,644) |
| Direct Department Benefits | (131,110) | (1,540,869) | (1,000,630) | (996,087) | (6,019,739) | (2,054,982) | (969,576) | (77,397) | (12,790,390) |
| Direct Contribution Margin | (579,976) | (252,820) | (937,352) | 3,826,305 | 26,363,245 | 11,984,175 | 9,497,025 | 2,358,932 | 52,259,534 |
| Indirect Fixed Cost | (567,593) | (6,039,976) | (3,789,925) | (4,810,651) | (27,431,102) | (10,843,401) | (4,789,552) | (561,312) | (58,833,512) |
| Net Margin | $ (1,147,569) | $ (6,292,796) | $ (4,727,277) | $ (984,346) | $ (1,067,857) | $ 1,140,774 | $ 4,707,473 | $ 1,797,620 | $ (6,573,978) |


This information, prepared pursuant to our Engagement Letter dated November 5, 2010, is solely for the use and benefit of Waterbury Hospital and is not intended for reliance by any other person. For discussion purposes only.

# Section 6
# Initiatives Dashboard

# Initiative Dashboards

Current initiative dashboards were reviewed and resulted in the following findings:

- All initiative dashboards are prepared by Executive Director of Process Improvement, Randy Essenberg, and populated on the internal website for board and management review
- A total of approximately 45 initiative dashboards are managed and available for reference (see following slide)
- It is reported that initiative dashboards are not consistently reviewed and prioritized by board members
- It is reported that management does not regularly respond to issues presented in the initiative dashboards
- Sample trending based on the target and actual metrics outlined in the dashboards for nursing and linen utilization initiatives are provided on the following slides


This information, prepared pursuant to our Engagement Letter dated November 5, 2010, is solely for the use and benefit of Waterbury Hospital and is not intended for reliance by any other person. For discussion purposes only.

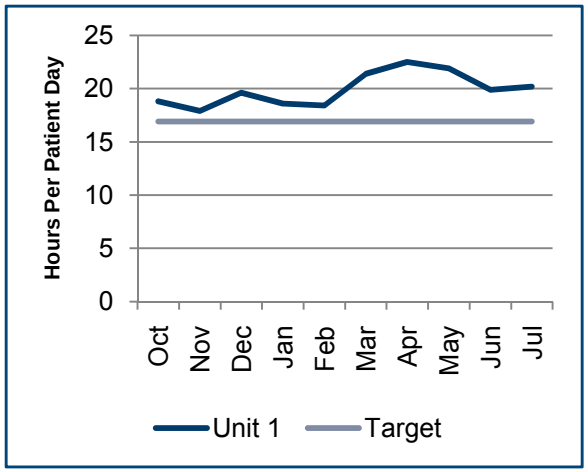
# Initiative Dashboards

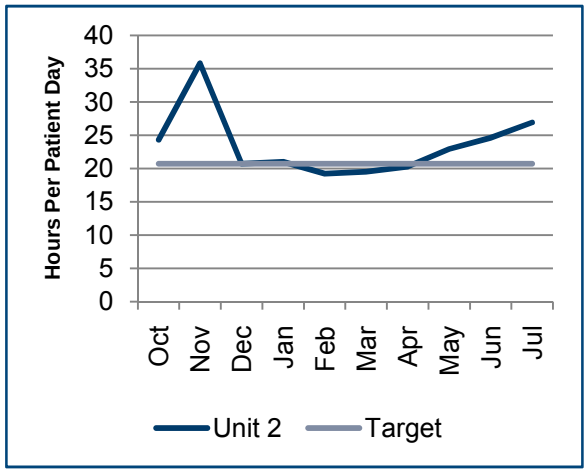
Below is a list of the available initiative dashboards:

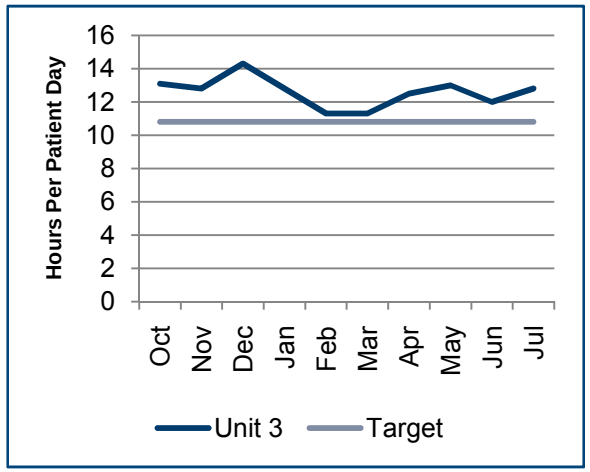
- Outpatient Testing
- Sleep Lab
- Cardiology
- EEG
- GI
- Outpatient Medical Therapies
- Floats
- Nursing Unit Summary
- Ortho Unit
- Surgical Unit
- Telemetry
- Medical Unit P5
- CVU
- Critical Care
- Post Anesthesia Care Unit
- Central Sterile Processing
- Operating Room
- Labor Prod./Var. Lbr Optimize
- Linen Utilization
- Materials Management
- Non-Salary Initiatives
- OP BEH
- Overtime Utilization
- Patient Throughput
- Pharmacy
- Plant
- Public Relations/Community Health Education
- Radiology/Imaging Services
- Revenue Cycle
- Safety/Security
- Top 20 DRGs LOS
- Acute Care Behavioral Health
- Bed Control
- Board Quality and Safety Committee
- Cerner Implementation
- Adol and Child
- Clinical Engineering
- Crisis
- Dietary
- Emergency Department Throughput
- FBC and SCN
- Finance
- Infection Prevention Program
- Information Technology
- Laboratory

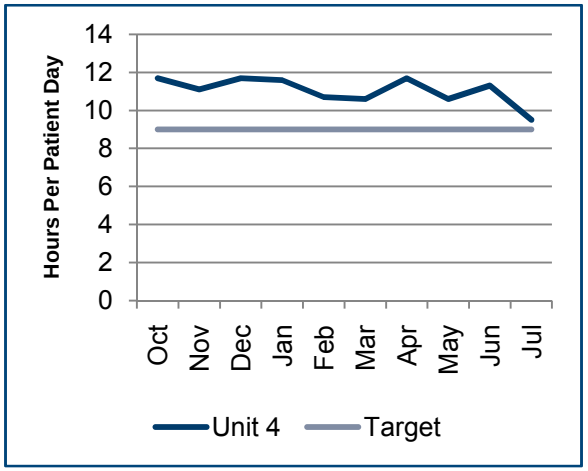

This information, prepared pursuant to our Engagement Letter dated November 5, 2010, is solely for the use and benefit of Waterbury Hospital and is not intended for reliance by any other person. For discussion purposes only.
WH000374

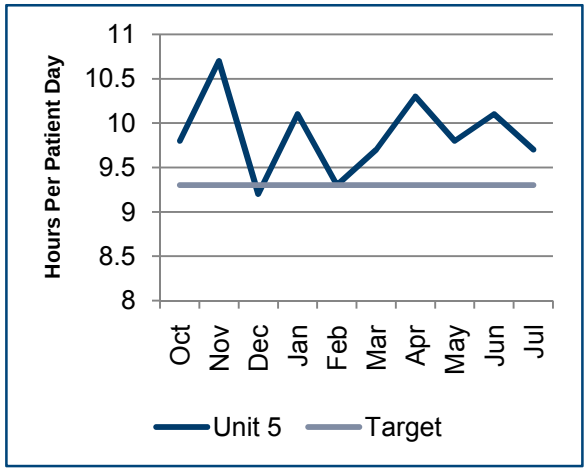
# Initiatives - Labor Productivity: Nursing

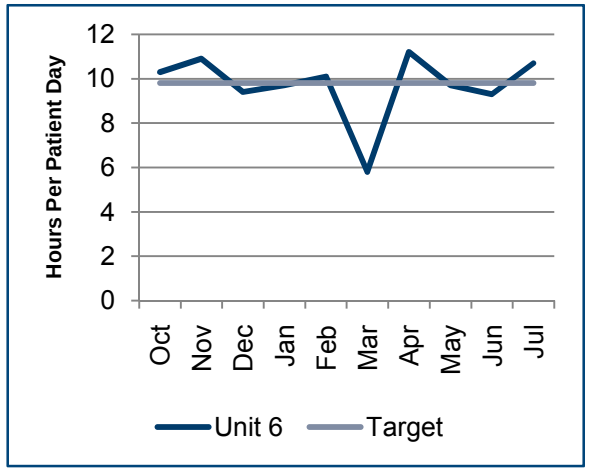


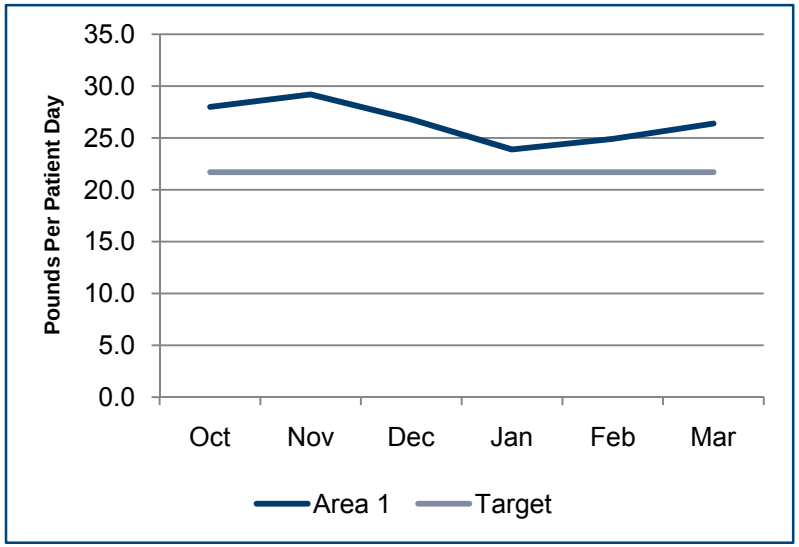



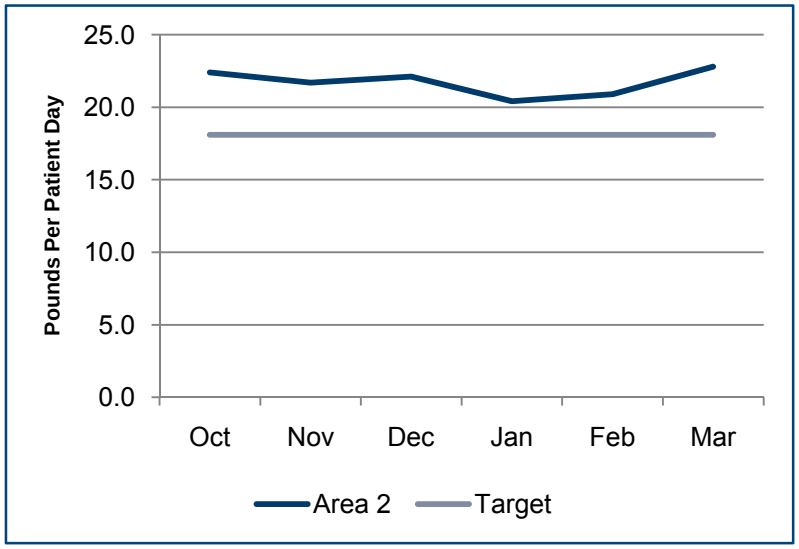



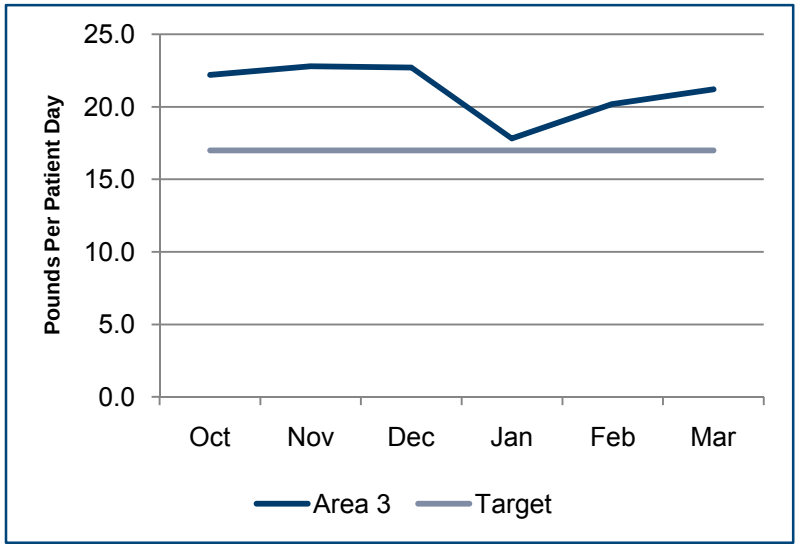


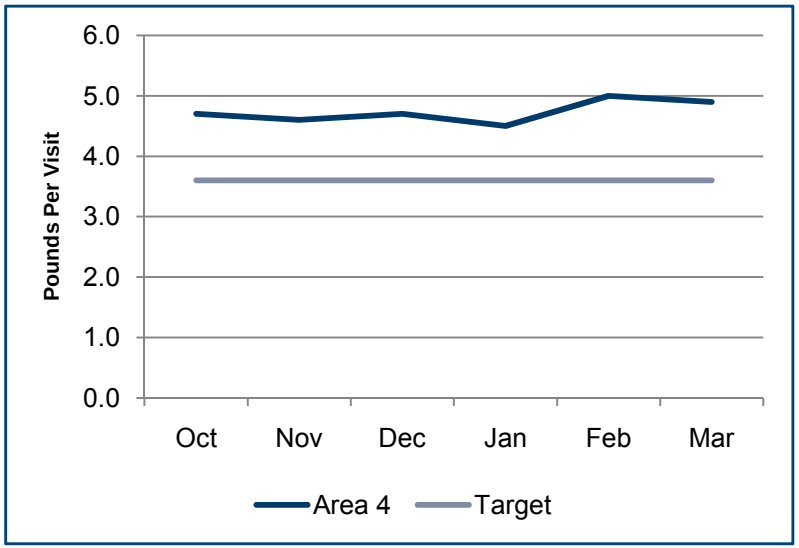
This information, prepared pursuant to our Engagement Letter dated November 5, 2010, is solely for the use and benefit of Waterbury Hospital and is not intended for reliance by any other person. For discussion purposes only.

# Initiatives – Linen Utilization





This information, prepared pursuant to our Engagement Letter dated November 5, 2010, is solely for the use and benefit of Waterbury Hospital and is not intended for reliance by any other person. For discussion purposes only.

# Section 7
# Leading Indicators

# Recommendations – Monthly Financial Statements Package

## Leading Indicators:

- Operating Statistics

| | Current Month | | | | Year-to-Date | | | |
|---|---|---|---|---|---|---|---|---|
| | Actual | Budget | Variance | Prior Year | Actual | Budget | Variance | Prior Year |
| ***Inpatient Statistics*** | | | | | | | | |
| Discharges | | | | | | | | |
| Patient Days | | | | | | | | |
| ALOS | | | | | | | | |
| Occupancy Percentage (Staffed Beds) | | | | | | | | |
| Case Mix Index: | | | | | | | | |
| Medicare | | | | | | | | |
| Total | | | | | | | | |
| ***Surgical Statistics*** | | | | | | | | |
| Inpatient Surgery | | | | | | | | |
| Outpatient Surgery | | | | | | | | |
| ***Outpatient / ER Statistics*** | | | | | | | | |
| Outpatient Cases | | | | | | | | |
| ED Visits: | | | | | | | | |
| Discharged | | | | | | | | |
| Admitted | | | | | | | | |
| Observation Cases | | | | | | | | |
| ***Cash Collected*** | | | | | | | | |
| Total Cash Collected | | | | | | | | |
| ***Payor Mix % (Based on Gross Revenue)*** | | | | | | | | |
| Medicare | | | | | | | | |
| Managed Medicare | | | | | | | | |
| Medicaid | | | | | | | | |
| Managed Medicaid | | | | | | | | |
| Commercial | | | | | | | | |
| Managed Care | | | | | | | | |
| Self Pay | | | | | | | | |
| **Total** | | | | | | | | |


WH000379
This information, prepared pursuant to our Engagement Letter dated November 5, 2010, is solely for the use and benefit of Waterbury Hospital and is not intended for reliance by any other person. For discussion purposes only.

# Recommendations – Monthly Financial Statements Package (continued)

## Leading Indicators (continued):

- Financial Ratios and Labor Statistics

| Key Financial Ratios | Year-to-Date | | | | Comparator Group | | | |
|---|---|---|---|---|---|---|---|---|
| | Actual | Budget | Variance | Prior Year | Peer Group | S&P BBB | Fitch BBB | Moody's Baa2 |
| ***Operating Performance*** | | | | | | | | |
| Operating Margin | | | | | | | | |
| Excess Margin | | | | | | | | |
| Bad Debt as a % of Gross Revenue | | | | | | | | |
| ***Liquidity*** | | | | | | | | |
| Days Cash on Hand | | | | | | | | |
| Days in Net Accounts Receivable | | | | | | | | |
| Days in Accounts Payable | | | | | | | | |
| ***Leverage*** | | | | | | | | |
| Long-Term Debt to Equity | | | | | | | | |
| Long-Term Debt to Capitalization | | | | | | | | |
| Annual Cash Flow to Total Liabilities | | | | | | | | |
| Unrestricted Cash to Debt | | | | | | | | |
| Maximum Debt Service Coverage | | | | | | | | |
| Average Age of Plant | | | | | | | | |

| Labor and Productivity Statistics | Current Month | | | | Year-to-Date | | | |
|---|---|---|---|---|---|---|---|---|
| | Actual | Budget | Variance | Prior Year | Actual | Budget | Variance | Prior Year |
| FTEs: | | | | | | | | |
| Routine | | | | | | | | |
| Ancillary | | | | | | | | |
| Support | | | | | | | | |
| Total FTEs | | | | | | | | |
| FTEs per Adjusted Occupied Bed | | | | | | | | |
| FTEs per Equivalent Discharge | | | | | | | | |


This information, prepared pursuant to our Engagement Letter dated November 5, 2010, is solely for the use and benefit of Waterbury Hospital and is not intended for reliance by any other person. For discussion purposes only.

# Recommendations – Monthly Financial Statements Package (continued)

## Leading Indicators (continued):

- Statement of Operations and Balance Sheet

| Statement of Operations | Current Month | | | | Year-to-Date | | | |
|---|---|---|---|---|---|---|---|---|
| | Actual | Budget | Variance | Prior Year | Actual | Budget | Variance | Prior Year |
| ***Revenue*** | | | | | | | | |
| Gross Revenue | | | | | | | | |
| Contractual Allowances | | | | | | | | |
| Other Allowances | | | | | | | | |
| **Net Revenue** | | | | | | | | |
| Other Operating Income | | | | | | | | |
| **Total Revenue** | | | | | | | | |
| ***Expenses*** | | | | | | | | |
| Salaries and Benefits | | | | | | | | |
| Non-Salary Expenses | | | | | | | | |
| Depreciation | | | | | | | | |
| Interest | | | | | | | | |
| Alliance Medical Group | | | | | | | | |
| Operations Improvement | | | | | | | | |
| **Total Expenses** | | | | | | | | |
| **Income/(Loss) from Operations** | | | | | | | | |
| ***Non-Operating Income*** | | | | | | | | |
| Non-Operating Income | | | | | | | | |
| Change in Unrealized Gains and Losses | | | | | | | | |
| **Net Income/(Loss)** | | | | | | | | |


This information, prepared pursuant to our Engagement Letter dated November 5, 2010, is solely for the use and benefit of Waterbury Hospital and is not intended for reliance by any other person. For discussion purposes only.
WH000381

# Recommendations – Monthly Financial Statements Package (continued)

## Leading Indicators (continued):

- Statement of Operations and Balance Sheet (continued)

| Balance Sheet | Current Month | | | |
|---|---|---|---|---|
| | Actual | Budget | Variance | Prior Year |
| ***Assets*** | | | | |
| Cash & Cash Equivalents | | | | |
| Net Accounts Receivable | | | | |
| Due from Affiliates | | | | |
| Assets Whose Use is Limited | | | | |
| Other Investments | | | | |
| Net Property, Plant & Equipment | | | | |
| Other Assets | | | | |
| **Total Assets** | | | | |
| ***Liabilities & Net Assets*** | | | | |
| Accounts Payable | | | | |
| Accrued Expenses | | | | |
| Accrued Pension | | | | |
| Long-Term Debt | | | | |
| Due to Third-Party Payors | | | | |
| Other Liabilities | | | | |
| Net Assets | | | | |
| **Total Liabilities & Net Assets** | | | | |


WH000382
This information, prepared pursuant to our Engagement Letter dated November 5, 2010, is solely for the use and benefit of Waterbury Hospital and is not intended for reliance by any other person. For discussion purposes only.

# Recommendations – Monthly Financial Statements Package (continued)

## Narrative to Monthly Financial Statements

- Management's observations and evaluation of the monthly and year-to-date results should be included in the monthly financial statement package every month. This narrative should be included as the first section of the monthly financial statement package
- This should include observations around comparisons of current month and year-to-date results to budget and to prior year

## Leading Indicators

- Enhance current page one of the monthly financial statement package, entitled 'Executive Summary'
- Add month-to-date results
- Add month-to-date comparisons to budget and prior year
- Add year-to-date comparisons to prior year
- Reformat (see the previous few pages for suggested layout)


WH000383
This information, prepared pursuant to our Engagement Letter dated November 5, 2010, is solely for the use and benefit of Waterbury Hospital and is not intended for reliance by any other person. For discussion purposes only.

# Recommendations – Monthly Financial Statements Package (continued)

**Comparative Income Statement**

- Add month-to-date results
- Add month-to-date comparisons to budget and prior year
- Reformat ($s / underlines / etc.)

**Income Statement**

- Add operating margin and excess margin %s by month
- Reformat ($s / underlines / etc.)

**Comparative Balance Sheet**

- Reformat ($s / underlines / etc.)

**Statement of Cash Flows**

- Add monthly detail for the current fiscal year (currently includes current month only)
- Reformat ($s / underlines / etc.)


This information, prepared pursuant to our Engagement Letter dated November 5, 2010, is solely for the use and benefit of Waterbury Hospital and is not intended for reliance by any other person. For discussion purposes only.

# Recommendations – Monthly Financial Statements Package (continued)

## Payroll Hours All Departments

- Reevaluate the purpose and usefulness of this schedule
- See suggested labor statistics in leading indicators presentation

## Gross A/R Aging

- Reformat schedule
- The following two pages represent a suggested format for the accounts receivable analysis:

**Accounts Receivable Analysis**

| | Sep '10 A/R | % of Gross A/R | Oct '10 A/R | % of Gross A/R | Nov '10 A/R | % of Gross A/R |
|---|---|---|---|---|---|---|
| **Gross A/R** | **$ -** | **0.0%** | **$ -** | **0.0%** | **$ -** | **0.0%** |
| **Less:** | | | | | | |
| Contractual Allowances | | 0.0% | | 0.0% | | 0.0% |
| Reserve for Bad Debt | | 0.0% | | 0.0% | | 0.0% |
| Reserve for Free Care | | 0.0% | | 0.0% | | 0.0% |
| **Subtotal Reserves** | | **0.0%** | | **0.0%** | | **0.0%** |
| **Net A/R per Financials** | **$ -** | **0.0%** | **$ -** | **0.0%** | **$ -** | **0.0%** |


WH000385
This information, prepared pursuant to our Engagement Letter dated November 5, 2010, is solely for the use and benefit of Waterbury Hospital and is not intended for reliance by any other person. For discussion purposes only.

# Recommendations – Monthly Financial Statements Package (continued)

## Gross A/R Aging (continued):

| Accounts Receivable Aging Analysis | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 9/30/2010 | | | | | | | | |
| **Financial Class** | **In-House** | **0-30** | **31-60** | **61-90** | **91-150** | **151-365** | **1+ Year** | **Total** |
| Blue Cross | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Blue Cross HMO | | | | | | | | - |
| Blue Cross PPO | | | | | | | | - |
| Commercial HMO | | | | | | | | - |
| Commercial Insurance | | | | | | | | - |
| Commercial PPO | | | | | | | | - |
| Managed Medicaid | | | | | | | | - |
| Managed Medicare | | | | | | | | - |
| Medicaid | | | | | | | | - |
| Medicare | | | | | | | | - |
| SAGA | | | | | | | | - |
| Self Pay | | | | | | | | - |
| Workers Compensation | | | | | | | | - |
| **Total 9/30/2010** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** |
| **% of Total** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | **0.0%** |
| **Total 9/30/2009** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** |
| **% of Total** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | **0.0%** |
| **Total Change** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** |
| **% Change** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | **0.0%** | **0.0%** |


This information, prepared pursuant to our Engagement Letter dated November 5, 2010, is solely for the use and benefit of Waterbury Hospital and is not intended for reliance by any other person. For discussion purposes only.
WH000386

# Recommendations – Monthly Financial Statements Package (continued)

## Key Inpatient Indicators / Key Outpatient Indicators

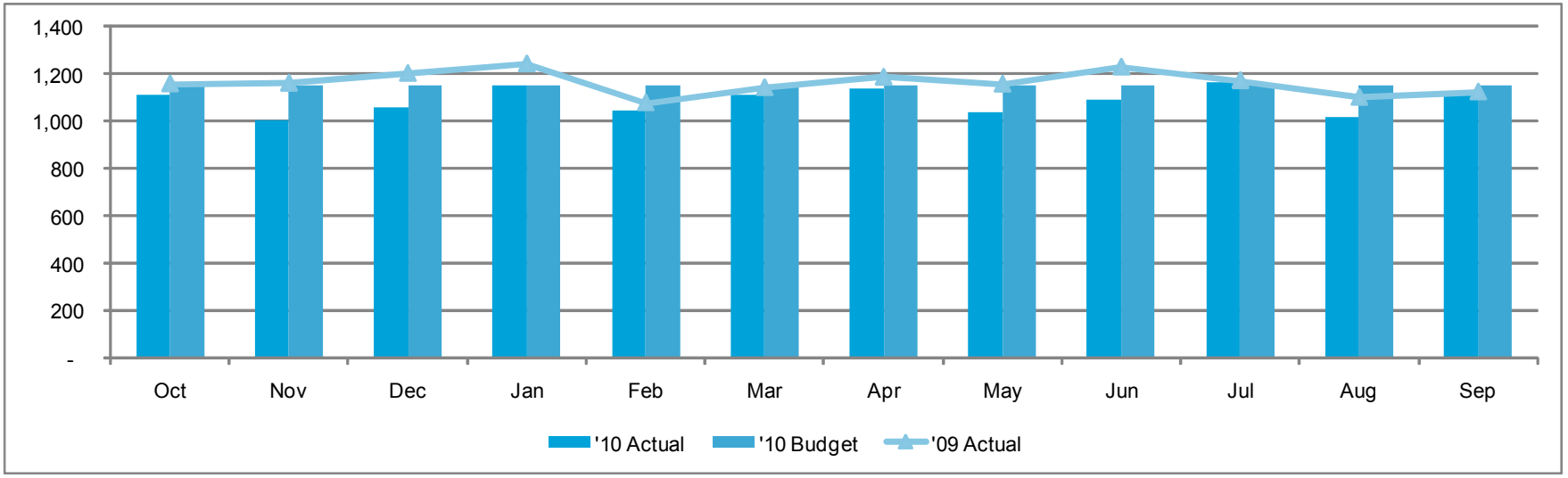
- The following is the suggested change to the current format (develop for Patient Days, ALOS, Outpatient Cases, ED Cases and OR Volume as well):

### Admissions

| YTD | '10 Actual | '10 Budget | '09 Actual |
|---|---|---|---|
| Total | 13,046 | 13,787 | 13,928 |

| YTD | '10 Budget | '09 Actual |
|---|---|---|
| Variance | (741) | (882) |

| YTD | '10 Budget | '09 Actual |
|---|---|---|
| Percent of | -5.7% | -6.8% |




| Trend | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| '10 Actual | 1,113 | 1,002 | 1,060 | 1,153 | 1,044 | 1,113 | 1,138 | 1,038 | 1,093 | 1,163 | 1,019 | 1,110 | 13,046 |
| '10 Budget | 1,148 | 1,149 | 1,149 | 1,149 | 1,149 | 1,149 | 1,149 | 1,149 | 1,149 | 1,149 | 1,149 | 1,149 | 13,787 |
| '09 Actual | 1,156 | 1,159 | 1,200 | 1,240 | 1,076 | 1,140 | 1,184 | 1,155 | 1,227 | 1,170 | 1,099 | 1,122 | 13,928 |


This information, prepared pursuant to our Engagement Letter dated November 5, 2010, is solely for the use and benefit of Waterbury Hospital and is not intended for reliance by any other person. For discussion purposes only.

# Recommendations – Monthly Financial Statements Package (continued)

**Net Revenue and Expenses per Equivalent Admission Graph**

- Reevaluate the purpose and usefulness of this graph
- If the graph is necessary, reformat the layout

**Expense Categories as % of Total (Excluding OI and AMG) Graph**

- Reevaluate the purpose and usefulness of this graph
- If the graph is necessary, reformat the layout


This information, prepared pursuant to our Engagement Letter dated November 5, 2010, is solely for the use and benefit of Waterbury Hospital and is not intended for reliance by any other person. For discussion purposes only.

# Section 8
# Future Considerations

# Three Steps of Health Reform

**Bending the cost curve (2015-2020)**

- Penalty for not adopting electronic medical records
- Independent Payment Advisory Board (IPAB)
- High-cost plan excise tax
- Medicare Part D "Doughnut Hole" closes
- Reduced payment for hospital-acquired conditions

**Major expansion of coverage (2014)**

- Mandates for individuals
- Employer penalties for those that do not provide coverage
- Health insurance exchanges
- Small employer and individual subsidies
- Health insurer industry fee
- Guaranteed issue, rating bands, and risk adjustment
- Medicaid expansion
- Disproportionate share payment reductions to hospitals

**Regulation and coverage (2010-2013)**

- Elimination of pre-existing coverage exclusions for children and lifetime coverage limits and rescissions; dependent coverage through age 26
- MLR minimums for non-grandfathered plans
- Medicare Part D gap narrows, Medicare Advantage rates frozen, bonuses available, beneficiary rebates, free preventive care
- Temporary high risk pools
- Fee on brand -name pharmaceutical manufacturers
- Community Living and Support Services Act (CLASS Act)



WH000391

This information, prepared pursuant to our Engagement Letter dated November 5, 2010, is solely for the use and benefit of Waterbury Hospital and is not intended for reliance by any other person. For discussion purposes only.

# Three Steps of Health Reform

## 2010

- Physician-owned hospital Medicare provider agreements must be in place
- New exemption requirements for tax-exempt hospitals
- Reduction in annual market basket update to Medicare providers
- Enhanced Medicare and Medicaid provider screenings

## 2011

- Grants for medical malpractice reduction demonstration projects
- 10% Medicare bonus for primary care and general surgeons in a health professional shortage area (ends 2015)
- Prohibit federal Medicaid payments for HAC
- Federal funding of Medicaid medical home
- New funding for community health centers, school-based clinics, and trauma center program

## 2012

- Accountable care organizations (ACOs)
- Medicare payments reductions for preventable readmissions
- Medicare value-based purchasing for hospitals
- Medicaid bundled payment demonstrations

## 2013

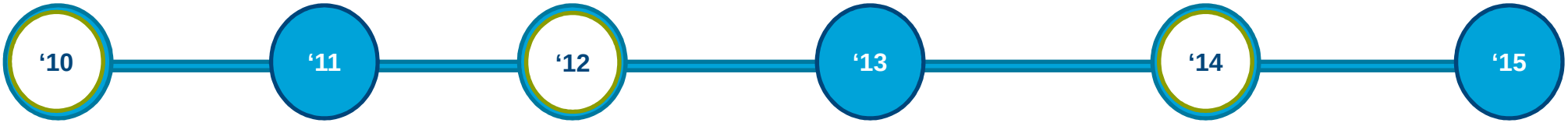
- Medicare bundled payment demonstration
- Increase Medicaid primary care payments
- Financial relationship disclosure requirements
- Value-based payment for physician fee
- Community needs assessment to be completed and implemented

## 2014

- Expand Medicaid
- Disproportionate Share Hospital (DSH) reductions

## 2015

- Reduce Medicare payments for hospital-acquired conditions by 1%
- Penalties for providers that have not achieved meaningful use of EHRs (HITECH Act)





This information, prepared pursuant to our Engagement Letter dated November 5, 2010, is solely for the use and benefit of Waterbury Hospital and is not intended for reliance by any other person. For discussion purposes only.

# "4 Key Themes" of Healthcare Reform

**HOW do you measure up?**

- Quality and efficiency will increasingly impact how providers are paid.
- Focus is on all the additional ways providers will be evaluated, compared and reported.
- Clients should know how they will be measured and what they can do to improve the results.

**HOW do you thrive on governmental reimbursement?**

- More revenue under health reform, but increasingly restrictive government sector payments bring continued challenges to providers.
- An ever increasing percentage of patients paid under governmental rates, over next 10 year >10% increase could be expected.
- Cost containment and efficient delivery of services will be needed for success.


This information, prepared pursuant to our Engagement Letter dated November 5, 2010, is solely for the use and benefit of Waterbury Hospital and is not intended for reliance by any other person. For discussion purposes only.
WH000393

# "4 Key Themes" of Healthcare Reform

**HOW do you think outside of this box?**

- A provider's ability to manage across the entire continuum of care will increasingly impact its viability.
- PwC's clients (primarily Hospitals and Health Systems) need to consider impact of the legislation on the broader health delivery system.
- Clients should focus on defining and delivering cost effective and high quality care.

**HOW do you ensure you are doing the right thing?**

- Health reform increases our regulatory environment but also puts heightened focus on community needs and tax-exempt status.
- Expansion in regulatory environment of healthcare and more public disclosure means risks associated with compliance is increasing.
- Compliance should be treated as a fundamental part of doing business not as an independent discrete function.


This information, prepared pursuant to our Engagement Letter dated November 5, 2010, is solely for the use and benefit of Waterbury Hospital and is not intended for reliance by any other person. For discussion purposes only.

# Future Considerations

The following are regulatory and health care reform related items that must be considered over the next few years:

- No increases in Government payments
- Payment reductions for quality:
  - Readmissions
  - Hospital acquired conditions (HACs)
  - Value Based Purchasing
- Meaningful use
- ICD-10
- HIPAA 5010
- Community Needs Assessment
- Red Flags
- RACs
- Accountable Care Organizations/Bundled Payments/Capitation


This information, prepared pursuant to our Engagement Letter dated November 5, 2010, is solely for the use and benefit of Waterbury Hospital and is not intended for reliance by any other person. For discussion purposes only.

# Impact of Quality Incentives and Paying for Health Reform

What institutions should expect in terms of revenue trends under health reform:

- Medicare – a cumulative 3 to 13% decrease in inpatient payments from 2011 to 2015 and similar trends in outpatient activity; and a cumulative 15 to 26% differential relative to market basket
- Medicaid – currently uninsured will shift into Medicaid creating a boost in Medicaid volume. However, given budget constraints at the state level, can any increases be expected for at least a couple of years?
- Exchanges – currently uninsured will shift into programs through the exchanges, but can it be expected that payment levels will be much greater than Medicare?
- Commercial – no better than inflationary increases. In addition, depending on the nature of employer groups, some level of existing volume under commercial insurance will shift to exchange programs
- Self-pay – the level of uninsured may decrease, however, secondary self pay will continue to escalate


This information, prepared pursuant to our Engagement Letter dated November 5, 2010, is solely for the use and benefit of Waterbury Hospital and is not intended for reliance by any other person. For discussion purposes only.

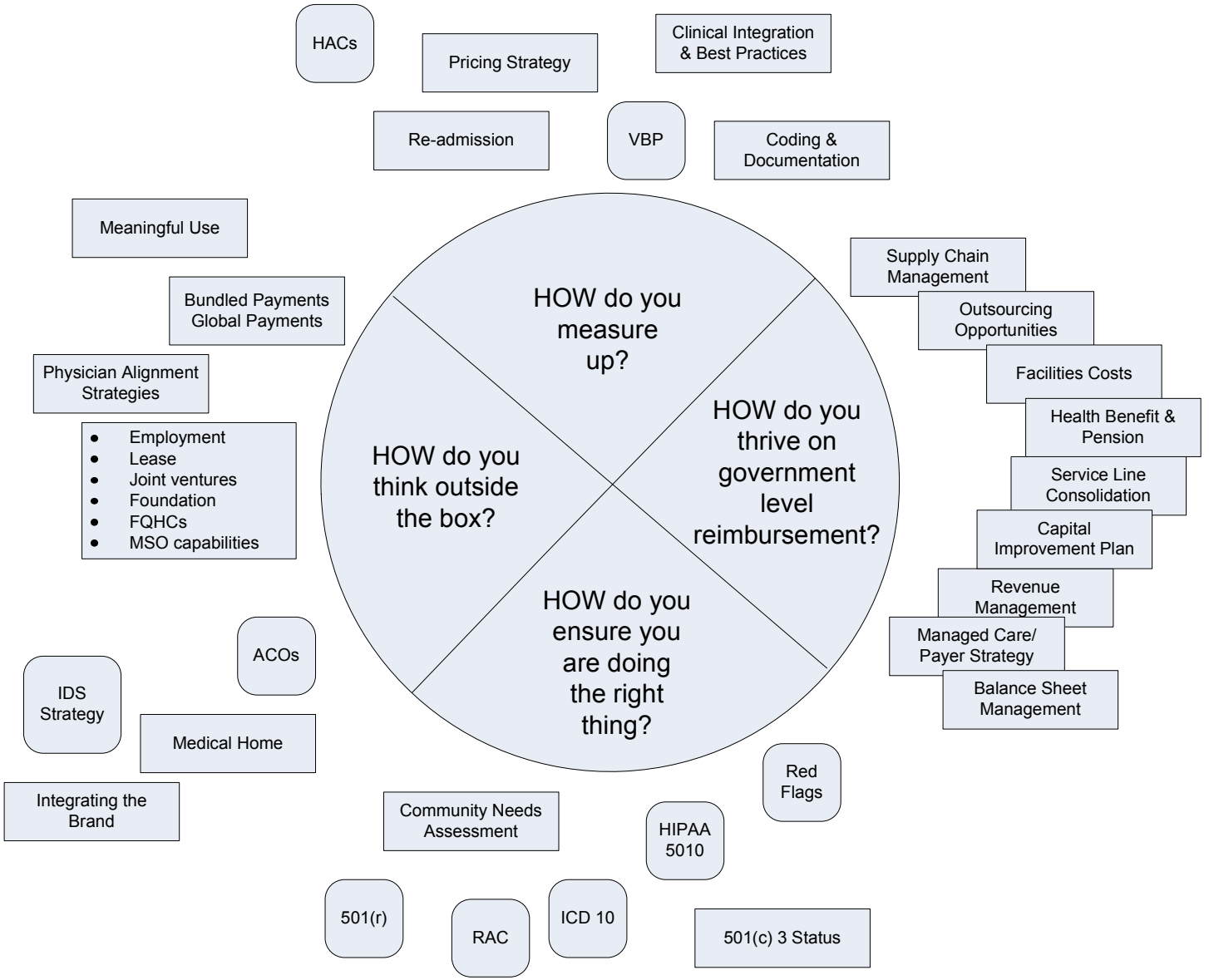
# Projected Medicare IPPS Update

| Medicare Market Basket Update - Without Reductions for Readmissions, Hospital Acquired Conditions, and Value Based Purchasing | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Federal Fiscal Year | Projected Market Basket Increase | Market Basket Reduction per PPACA[1] | Productivity Adjustment[2] | Behavioral Offset[3] (Case Mix) | Readmissions[4] | Hospital Acquired Conditions[5] | Value Based Purchasing[6] | Total Projected Reimbursement Impact |
| 2011 | 2.60% | -0.25% | | -2.90% | | | | -0.55% |
| 2012 | 2.10% | -0.10% | -1.30% | -2.90% | | | | -2.20% |
| 2013 | 2.40% | -0.10% | -1.30% | -1.90% | 0% | | 0% | -0.90% |
| 2014 | 2.70% | -0.30% | -1.30% | -1.90% | 0% | | 0% | -0.80% |
| 2015 | 2.90% | -0.20% | -1.30% | | 0% | 0% | 0% | 1.40% |
| **Total** | **12.70%** | **-0.95%** | **-5.20%** | **-9.60%** | **0%** | **0%** | **0%** | **-3.05%** |
| Projected Market Basket Increase | | | | | | | | **12.70%** |
| Difference Between Market Basket (Inflation) and Update | | | | | | | | **-15.75%** |

| Medicare Market Basket Update - With Reductions for Readmissions, Hospital Acquired Conditions, and Value Based Purchasing | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Federal Fiscal Year | Projected Market Basket Increase | Market Basket Reduction per PPACA[1] | Productivity Adjustment[2] | Behavioral Offset[3] (Case Mix) | Readmissions[4] | Hospital Acquired Conditions[5] | Value Based Purchasing[6] | Total Projected Reimbursement Impact |
| 2011 | 2.60% | -0.25% | | -2.90% | | | | -0.55% |
| 2012 | 2.10% | -0.10% | -1.30% | -2.90% | | | | -2.20% |
| 2013 | 2.40% | -0.10% | -1.30% | -1.90% | -1.00% | | -1.00% | -2.90% |
| 2014 | 2.70% | -0.30% | -1.30% | -1.90% | -2.00% | | -1.25% | -4.05% |
| 2015 | 2.90% | -0.20% | -1.30% | | -3.00% | -1.00% | -1.50% | -4.10% |
| **Total** | **12.70%** | **-0.95%** | **-5.20%** | **-9.60%** | **-6.00%** | **-1.00%** | **-3.75%** | **-13.80%** |
| Projected Market Basket Increase | | | | | | | | **12.70%** |
| Difference Between Market Basket (Inflation) and Update | | | | | | | | **-26.50%** |


This information, prepared pursuant to our Engagement Letter dated November 5, 2010, is solely for the use and benefit of Waterbury Hospital and is not intended for reliance by any other person. For discussion purposes only.
WH000397

# The health system of tomorrow will not be the same as today's





This information, prepared pursuant to our Engagement Letter dated November 5, 2010, is solely for the use and benefit of Waterbury Hospital and is not intended for reliance by any other person. For discussion purposes only.
WH000398

# Disclaimer

*Our Services were performed and this Report was developed in accordance with our engagement letter dated November 5, 2010 and are subject to the terms and conditions included therein.*

*Our Services were performed in accordance with Standards for Consulting Services established by the American Institute of Certified Public Accountants ("AICPA"). Accordingly, we are providing no opinion, attestation or other form of assurance with respect to our work and we did not verify or audit any information provided to us. Our work was limited to the specific procedures and analysis described herein and was based only on the information made available through November 2010. Accordingly, changes in circumstances after this date could affect the findings outlined in this Report.*

*This information has been prepared solely for the use and benefit of, and pursuant to a client relationship exclusively with Waterbury Hospital. PwC disclaims any contractual or other responsibility to others based on its use and, accordingly, this information may not be relied upon by anyone other than Waterbury H.*

*This document is provided as part of a more comprehensive oral report and is not considered complete without the accompanying oral report.*


WH000399
This information, prepared pursuant to our Engagement Letter dated November 5, 2010, is solely for the use and benefit of Waterbury Hospital and is not intended for reliance by any other person. For discussion purposes only.

# EXHIBIT 6: CONFIDENTIAL INFORMATION MEMORANDUM

# Confidential Information Memorandum

**April 2011**

*Memorandum:*_____

CAIN BROTHERS

*This Confidential Information Memorandum ("CIM") has been prepared on behalf of Greater Waterbury Health Network, Inc. and its wholly owned subsidiaries and affiliated entities (collectively, the "Company") based on information from the Company and published sources, and is being furnished through Cain Brothers, as the Company's exclusive authorized representative, for informational purposes solely for use by qualified prospects in considering their interest in entering into a partnership, purchase, merger or other form of business combination with the Company (a "Transaction"). The information contained herein is subject to change without notice. Neither the Company nor Cain Brothers assumes any responsibility to update any information contained in this CIM or to inform the recipient of information which may affect this CIM. This CIM has been prepared to assist interested parties in making their own evaluation of the Company and does not purport to be all-inclusive or to contain all information that a prospective party to a Transaction may desire or that may be required in order to properly evaluate the business, prospects or value of the Company. In all cases, interested parties should conduct their own investigation and analysis of the Company and the data set forth in this CIM. Industry data and statistics have been obtained or derived from the Company and published industry sources.*

*By accepting this CIM, the recipient acknowledges and agrees that all of the information contained herein is highly confidential and subject to the Non-Disclosure Agreement ("NDA") executed by the recipient. Without limiting the generality of the foregoing: (1) the recipient will not reproduce this CIM in whole or in part; (2) if the recipient does not wish to pursue a Transaction relating to the Company, it will (i) promptly return to Cain Brothers hard copies or delete electronic copies of this CIM, together with any other materials relating to the Company which the recipient may have received in written or electronic form from the Company, Cain Brothers or any of their respective subsidiaries or affiliates and (ii) take such other actions, if any, required by the NDA; (3) the recipient will hold all information and the fact that it is involved in any process relating to the Company and the status thereof as confidential; and (4) any proposed actions by the recipient which are inconsistent in any manner with the NDA will require the prior written consent of the Company.*

*Cain Brothers has not independently verified any of the information contained herein, and neither the Company, Cain Brothers nor any of their respective affiliates makes any representation or warranty (expressed or implied) as to the accuracy or completeness of this CIM or any statements, estimates or projections contained herein. Such statements, estimates and projections reflect various assumptions made by the Company concerning anticipated results, which are subject to business, economic and competitive uncertainties and contingencies, many of which are beyond the control of the Company and which may or may not prove to be correct. As a result, no representation or warranty is made as to the feasibility or attainability of the projected financial information or the accuracy or completeness of the assumptions from which the projected financial information is derived. There can be no assurance that the projections will be realized. This CIM speaks only as of the date hereof or as of the date indicated. This CIM does not constitute an offer or invitation for the sale or purchase of the securities, assets or business described herein. The only information that will have any legal effect will be that specifically represented, warranted and contained in a definitive agreement relating to a Transaction and executed by the Company and a prospective Transaction party. The Company and Cain Brothers disclaim liability for any loss or damage incurred as a result of any information contained in or omitted from this CIM.*

*The Company reserves the right to negotiate with one or more qualified prospects at any time and to enter into a definitive agreement relating to a Transaction without prior notice to the recipient or other prospective Transaction parties. Further, the Company reserves the right, at any time, to terminate the process and / or to modify any procedures without giving advance notice or providing any reason therefore. The Company also reserves the right during the evaluation period to take any action, whether within or outside the ordinary course of business.*

## INFORMATION REQUESTS

*Cain Brothers is the Company's exclusive financial advisor. Under no circumstances should any interested party directly contact the Company, any of its trustees, employees, medical staff, patients or suppliers, for any reason in connection with their evaluation of the Company. All inquiries regarding this Confidential Information Memorandum or the Company should be directed to the following persons:*

| **Jim Cain** | **Jason D. Horowitz** | **Nichole Kim** |
|---|---|---|
| Managing Director | Senior Vice President | Analyst |
| (212) 981-6955 | (212) 981-6951 | (212) 981-6919 |
| jcain@cainbrothers.com | jhorowitz@cainbrothers.com | nkim@cainbrothers.com |

**Cain Brothers & Company, LLC**
360 Madison Avenue, 5th Floor
New York, New York 10017
Telephone: (212) 869-5600

# Table of Contents

I. Process Overview 5

II. Executive Summary 8

III. Key Investment Considerations 10

IV. Network and Hospital Overview 12

A. Network and Hospital Introduction 12

B. Affiliations and Partnerships 13

C. Hospital Overview 16

D. Facilities 20

E. Payor Mix 25

F. Utilization Statistics 26

G. Procedure Mix 27

V. Service Area Profile 28

A. Demographics 29

B. Competition 30

VI. Organization and Management 32

A. Organizational Structure and Employees 32

B. Executive Leadership Team Biographies 34

VII. Financial Overview 37

A. GWHN Historical Financial Statements 37

B. Waterbury Hospital Historical Financial Statements 39

C. Management's Discussion and Analysis of Historical Results 41

D. PriceWaterhouseCoopers Report on Performance Improvement 42

E. December 2010 Bond Issuance 42

XIII. Appendices 43

Appendix A – Response Matrix 44

Appendix B – 2010 GWHN Audited Financials 46

Appendix C – 2010 Hospital Audited Financials 47

# I. Process Overview

## A. Organization

Greater Waterbury Health Network, Inc. (together with its affiliates, "GWHN," the "Network," or the "Company") (http://www.waterburyhospital.org) is a Connecticut non-stock, 501(c)(3) corporation. GWHN consists of numerous legal entities, joint ventures ("JVs") and affiliations, including The Waterbury Hospital (the "Hospital" or "Waterbury Hospital"). The Hospital, a 357-licensed bed acute-care teaching hospital, provides a comprehensive range of inpatient, outpatient and ancillary services for residents of Waterbury and the surrounding community. The Hospital is located near the intersection of Route 8 and Interstate 84 and currently staffs of 866 full-time employees and 1,015 part-time employees, with 440 medical staff members.

## B. Objectives

GWHN's Board of Trustees (the "Board") has engaged Cain Brothers to explore strategic alternatives, which may include a partnership, merger or sale. At the Board's direction, Cain Brothers is requesting proposals from a select group of organizations interested in a strategic relationship with GWHN. The core objective is to assure GWHN's continued long-term vigor as a provider of leading health care services to the Greater Waterbury community. Based on this overarching goal, GWHN intends to evaluate potential partners who can demonstrably help in the achievement of the following objectives (the "Objectives"):

- Ensure Waterbury Hospital remains a viable health care entity, providing the highest safety and quality health care services to the Greater Waterbury communities for the long-term;
- Deploy repeatable and scalable tools and clinical care services to continually improve the health of the community;
- Provide access to sufficient capital to meet current and future capital needs while strengthening the balance sheet;
- Enhance the Hospital's medical staff by attracting and retaining physicians;
- Maintain high satisfaction scores by patients, physicians, employees and volunteers; and
- Continue charitable care delivery and funding.

The Board is therefore requesting proposals from a select group of organizations that can demonstrate:

- An alignment in mission, culture and ability that supports GWHN's strategic initiatives, including patient, employee and physician safety and satisfaction;
- An ability to attract and sustain long-term viable relationships with physicians;
- A commitment to making substantial future capital investments in GWHN in order to ensure that GWHN continues to provide the Greater Waterbury community access and choice to exceptional high quality, cost effective health care;
- A commitment to ensure a culture of high quality care throughout the system as a distinguishing feature, through quality clinical care programs and the encouragement of healthy life styles and prevention programs;
- A history of commitment to providing appropriate charitable care to the communities it serves; and
- The intent and ability to complete a transaction within a reasonable time frame.

## C. Phase I – Preliminary Proposal

GWHN, through Cain Brothers, is inviting selected interested organizations to ***submit a written, preliminary, non-binding indication of interest and value ("Preliminary Proposals")***, based on the information provided herein and/or related information provided by the GWHN.

Your proposal should be submitted electronically no later than ***5:00 pm Eastern Standard Time on May 2, 2011*** in Microsoft Word® format to Jason D. Horowitz (jhorowitz@cainbrothers.com). Any additional materials supplementing your proposal may be submitted in Adobe PDF® or other electronic format.

After receipt of Preliminary Proposals, GWHN plans to select a limited number of participants to continue to Phase II.

***GWHN requests that the proposal be as specific and detailed as possible. In order to be considered responsive and to allow for appropriate analysis, proposals should address the elements outlined in Appendix A in the order presented.***

Site visits at GWHN facilities and management discussion will not be conducted prior to the first proposal submission deadline.

***Furthermore, please do not contact any of the employees, members of the GWHN's Board of Directors, the Hospital's Trustees, management, or staff without the prior consent of Cain Brothers.***

Once received, Cain Brothers will review your proposal and follow-up with any aspects of your proposal that may need elaboration or clarification.

## D. Phase II – Detailed Due Diligence

Phase II is intended to provide the information that a qualified respondent will need in order to submit a binding proposal, primarily through access to a GWHN virtual data room, site visit and management discussions. We anticipate Phase II to begin the Week of May 8 and last throughout the remainder of May.

In order to maintain an orderly and consistent flow of information to Phase II participants, any requests for additional due diligence information should be submitted to Cain Brothers in writing. Cain Brothers will distribute responses to information requests to all Phase II participants.

## E. Phase III – Binding Proposals

A binding, definitive proposal will be due following the completion of the Phase II due diligence process. This proposal will include a markup of a Definitive Agreement to be provided by GWHN prior to submission of the binding proposal. As soon as feasible, following the submission of a binding proposal, GWHN, with the advice of Cain Brothers and GWHN's legal counsel, will evaluate the proposal to determine if it will be recommended for acceptance.

GWHN shall have no obligation to accept any proposal, whether or not such proposal represents the best offer for GWHN. An offer will be accepted only upon the execution and delivery of a Definitive Agreement. Until such time that a Definitive Agreement has been executed, GWHN will not have any obligation to any potential partner with respect to any transaction involving GWHN. Following such time, GWHN's only obligation will be as set forth in a Definitive Agreement.

## F. Changes to the Selection Process

GWHN's intent is to identify partnering alternatives and potentially a candidate with whom to complete a transaction meeting the Objectives as quickly as feasible. Therefore, GWHN expressly reserves the right to consider any and all factors in the selection of a proposal and to deal with any party individually or simultaneously with other prospective partners. GWHN may alter these and any other procedures, as it deems necessary and appropriate. GWHN also reserves the right, at its sole discretion, to reject any and all expressions of interest or proposals and to terminate the process in its entirety, or with respect to any prospective partner, at any time.

## G. Costs and Expenses

Each participant agrees to bear all costs of its own investigation and evaluation of the operations of GWHN, including the fees and disbursements to its own counsel and advisors. No finders' fees, brokers' fees, or commissions will be paid by GWHN, except to its own advisors, in connection with any transaction which may result.

# II. Executive Summary

## A. Background

GWHN is a Connecticut non-stock, 501(c)(3) corporation consisting of four (4) active wholly-owned subsidiaries, the largest of which is The Waterbury Hospital. Waterbury Hospital, the first hospital in the City of Waterbury and fourth in the State of Connecticut, opened in 1890, after nearly a decade of fundraising.

The Company's Board has engaged Cain Brothers to explore strategic alternatives, which may include a partnership, merger or sale. At the Board's direction, Cain Brothers is requesting proposals from a select group of organizations interested in a strategic relationship with GWHN. The core objective is to assure GWHN's continued long-term vigor as a provider of leading health care services to the Greater Waterbury community. Based on this overarching goal, GWHN intends to evaluate potential partners who can achieve the Objectives:

- Ensure Waterbury Hospital remains a viable health care entity, providing the highest safety and quality health care services to the Greater Waterbury communities for the long-term;
- Deploy repeatable and scalable tools and clinical care services to continually improve the health of the community;
- Provide access to sufficient capital to meet current and future capital needs while strengthening the balance sheet;
- Enhance the Hospital's medical staff by attracting and retaining physicians;
- Maintain high satisfaction scores by patients, physicians, employees and volunteers; and
- Continue charitable care delivery and funding.

## B. Overview

Waterbury Hospital provides a comprehensive range of inpatient, outpatient and ancillary services for residents of Waterbury and the surrounding community. The Hospital is a 357-bed teaching facility located at 64 Robbins Street in Waterbury, Connecticut near the intersection of Route 8 and Interstate 84.

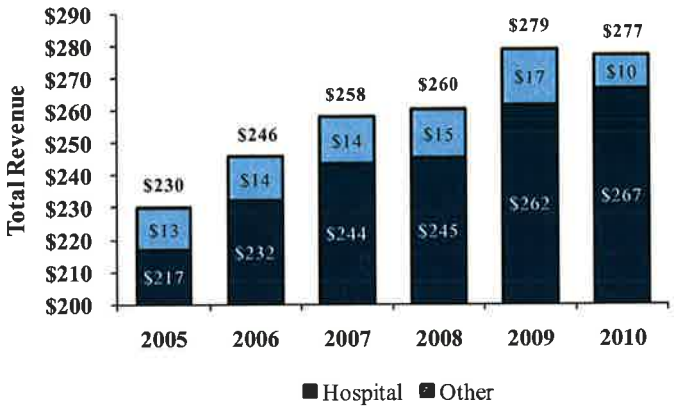
As of December 31, 2010, the Hospital staffs 866 full-time and 1,015 part-time employees, totaling over 1,500 full-time equivalents ("FTEs"). There are 440 medical staff members.

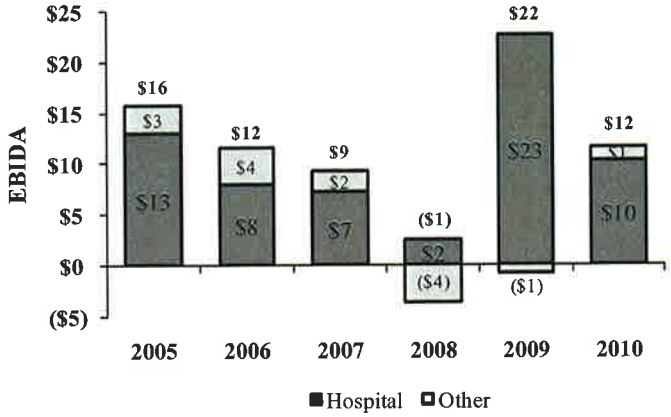
The Hospital, which accounts for 96.3% of the GWHN's revenue in fiscal year ending September 30, 2010, has experienced a compounded annual revenue growth rate of 4.2% over the past six fiscal years.

The Hospital also accounted for 89.3% of GWHN's EBIDA in FY 2010.

**Table 2.1: Summary Operating Results**

*($ in millions)*




*Note: Fiscal year ends September 30*

**Table 2.2: Key Hospital Utilization Statistics**

| | 2008 | 2009 | 2010 |
|---|---|---|---|
| Licensed Beds | 357 | 357 | 357 |
| Average Length of Stay | 4.81 | 4.86 | 4.54 |
| Inpatient Admissions | 14,743 | 13,928 | 13,046 |
| Patient Days | 70,879 | 67,682 | 59,271 |
| Births | 1,287 | 1,221 | 1,125 |
| Average Daily Census | 194 | 185 | 163 |

*Note: Fiscal year ends September 30*

**Table 2.3: GWHN Summary Financial Information**

*($ in millions)*

| | Fiscal Year Ended September 30, | | | | | |
|---|---|---|---|---|---|---|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| Total Revenue | $229.8 | $245.6 | $257.9 | $260.4 | $279.1 | $277.1 |
| Total Operating Expenses | 225.7 | 246.8 | 261.7 | 274.0 | 281.6 | 279.9 |
| EBIDA[(1)] | 15.7 | 11.5 | 9.2 | (1.2) | 21.9 | 11.6 |
| Operating Income[(1)] | 6.1 | 1.0 | (1.8) | (11.7) | 12.0 | 1.7 |
| Excess Revenue Over Expenses | 2.5 | (2.7) | (5.1) | (17.8) | (3.3) | (2.5) |
| Capital Expenditures | 15.2 | 10.1 | 5.1 | 4.3 | 2.6 | 5.6 |

*Note: Fiscal year ends September 30*

*(1) Excludes one-time fees including operations improvement expenses and investment fees and bank charges*

# III. Key Investment Considerations

GWHN represents a unique and attractive opportunity for a potential partner to grow in the Southern New England region. GWHN is one of the oldest and well-respected health providers in the Southern New England region, demonstrating leadership, innovation, and high quality service for over a century.

### Unique Acquisition Opportunity with Significant Financial Enhancement Potential

GWHN offers a potential partner a well-established system with substantial upside potential. The Hospital represents an excellent opportunity in the Central Connecticut market. While the Hospital has a firmly established market position, it requires additional resources and expertise to further unlock its potential through enhancement of physician recruitment and marketing efforts and leveraging of operational costs, including information technology infrastructure costs and facility upgrades.

- **Physician Recruitment.** Considerable opportunity exists through enhanced physician recruitment efforts to increase patient volumes by expanding specialist recruitment efforts.

- **Operational Leverage.** A strategic combination with a partner would provide substantial cost saving opportunities from operational expense rationalization and through the leveraging of information technology capabilities that could provide a positive impact on productivity and clinical quality.

- **Facility Upgrade.** Combining GWHN's existing long-term capital plans with an infusion of new capital can substantially increase profitability and top-line growth.

### Leading Market Share Position

For several years, the Hospital has maintained the leading market share position in several key areas including general medicine, obstetrics, newborns, neonatal, behavioral health, angioplasty, musculoskeletal medicine. The Hospital's long-standing relationships with regional physicians and other hospitals have contributed to its overall success, making Waterbury Hospital and its affiliates, a referral site for many services.

### Exceptional Quality, Centers of Excellence and Other Accreditations

The Hospital and its affiliates have received multiple industry accolades for quality, excellent services and operations. Among the distinctions achieved:

- For the past two years, the Hospital was graded in the top 10% nationally by *Healthgrades* in Spinal Surgery
- For the past several years, the Hospital was graded in the top 5% nationally by *Healthgrades* in Orthopedic Joint Replacement
- Received the American Stroke Association's Get With the Guidelines – Stroke Bronze Performance Achievement Award for consistently meeting the highest standards of care for stroke patients (2010)
- Ranked in the top ten percent in the nation for coronary intervention and received the 2010 Coronary Intervention Excellence Award
- Received accreditation recommendation by the American Society of System Pharmacists for its Pharmacy Residency Program (2010)

## Strong Relationships and Partnerships

GWHN is known for its long-standing, meaningful partnerships with local hospitals and physicians for the overall health of the individual organizations and the communities they serve. This practice and philosophy has served GWHN and its partners well, strengthening the services available in Waterbury while enhancing services in regional locations.

Highlights include:

- Access Rehab Centers
- Greater Waterbury Imaging Center
- Harold Leever Regional Cancer Center
- Heart Center of Greater Waterbury

## Attractive Market

Waterbury Hospital is located in Waterbury, Connecticut – the fifth largest city in Connecticut and ninth largest city in New England, with an estimated 2010 population of 110,366. The location of the Hospital is extremely advantageous in providing access via major transportation routes (Interstate 84 and Connecticut Route 8).

Known as the "Brass City," the area once bustled as the home of the nation's only skilled brass craftsmen. But as the city developed, the brass industry left and a new, more modern and skilled labor force took hold. Industrial parks replaced the former brass mills and new businesses continue to relocate to the city. Today, service and retail trade industries are Waterbury's predominant players.

Waterbury's total population has remained fairly consistent in the past two decades, hovering near the 110,000 mark. Close to 80.0% of the population has at least a high school diploma, and almost half the population is in their prime earning years (25 – 55). Waterbury's employment is consistent with the region's median, and is anticipated to keep pace with the nation's economic recovery.

# IV. Network and Hospital Overview

## A. Network and Hospital Introduction

GWHN is a Connecticut non-stock, 501(c)(3) corporation consisting of four (4) active wholly-owned subsidiaries, the largest of which is The Waterbury Hospital. GWHN employs over 1,500 FTEs and is the largest employer in Waterbury.

GWHN's mission is "To support and encourage the development of comprehensive, integrated, healthcare related services for the advancement of the health and well being of the general public by providing financial, management and other assistance to its affiliates including Waterbury Hospital."

Waterbury Hospital, the first hospital in the city of Waterbury and fourth in the state of Connecticut, opened in 1890, after nearly a decade of fundraising. The original home was in a Victorian mansion overlooking the city. During its first twelve months of operation, 85 patients were admitted and two babies were born. The staff included eight physicians, ten nurses, one orderly, a janitor and a cook. Although there was hot and cold water, all operations were performed by daylight, since the light bulb had not yet been invented.

The Hospital, a wholly owned subsidiary of the Network, is a community teaching hospital founded located in the northern section of New Haven County, between Hartford and New York City. Its mission is "To provide compassionate, high quality health care services through a family of professionals and services." The Hospital is licensed for 357 beds and currently staffs approximately 192 beds excluding bassinets.

**Table 4.1: Beds by Service Line**

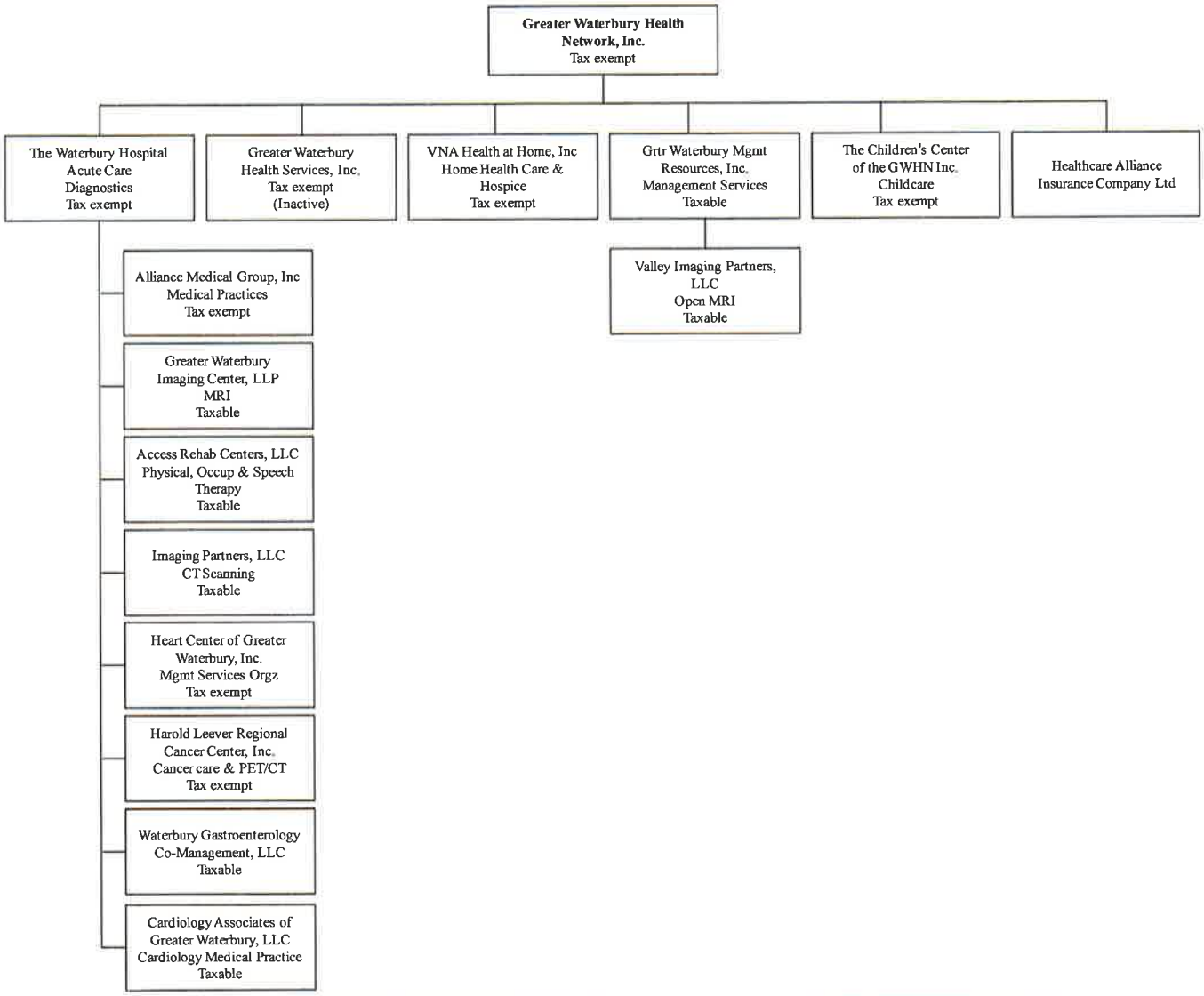
| Service | Licenced Beds | Staffed Beds |
|---|---|---|
| Medical/Surgical | 265 | 118 |
| ICU / CCU | 40 | 24 |
| Psychiatry | 30 | 30 |
| Obstetrics | 22 | 20 |
| **Sub-Total (Acute)** | **357** | **192** |

The Hospital is also a Connecticut non-stock corporation, exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code. A voluntary Board of Trustees elected by the Network governs the Hospital. The Hospital's Board of Trustees consists of individuals selected for their leadership and community interest and serve for a maximum of 12 years.

## B. Affiliations and Partnerships

Set forth below is the organizational structure of the entities within the Company:

**Table 4.2: Greater Waterbury Health Network**




GHWN is the sole member or sole equity holder, as the case may be, of the following entities:

- **The Waterbury Hospital (wholly-owned, 100%).** The Hospital operates as an acute care teaching hospital under the direction of its Board of Trustees. (*Please see the following Section "C. Hospital Overview" for an overview of Hospital Services)*

    - **Alliance Medical Group Inc. (wholly-owned, 100%).** Alliance Medical Group ("AMG") is a tax exempt 501(c)(3) medical foundation and a wholly owned subsidiary of the Hospital. AMG is the largest hospital-affiliated, multi-specialty group in the Waterbury area with more than 100 physicians and health care providers practicing in the following specialties:

Emergency and Internal Medicine, Pediatric and Adolescent Medicine, Breast Surgery, General and Colorectal Surgery, Endocrinology, Pulmonary, Rheumatology, Infectious Disease/Travel Medicine and Sleep Medicine. AMG expects to add Minimally Invasive and Bariatric Surgery shortly. AMG uses an electronic medical record ("EMR") system that allows all physicians access to their patients' medical records to streamline and coordinate care.

- **Greater Waterbury Imaging Center Limited Partnership (64% owner).** The Hospital is the general partner of Greater Waterbury Imaging Center Limited Partnership (the "Limited Partnership"), a Connecticut limited partnership formed to develop and operate a medical diagnostic imaging center. The Limited Partnership was formed in 1988. The imaging center, which is adjacent to the Hospital's Emergency Department, is in a building constructed by the Hospital and leased to the Limited Partnership. The Limited Partnership agreement does not commit the Hospital to fund any operational or capital deficits.

- **Access Rehab Centers LLC (65% owner).** Access Rehab Centers LLC ("Access") is a limited liability company formed in 1998 and owned by the Hospital and Easter Seal Rehabilitation of Greater Waterbury, Inc. It offers the region's largest and most comprehensive array of outpatient physical, occupational and speech therapy to adults and children. Access also provides physical therapy services on an inpatient basis to Waterbury Hospital. The two main facilities, located at 134 Grandview Avenue and 22 Tompkins Street, specialize in pain management, neurologic rehabilitation and therapies aimed at returning the patient to the work place. Access has nine additional outpatient locations serving the surrounding community.

- **Imaging Partners LLC (85% owner).** Imaging Partners LLC is a limited liability company owned by the Hospital and a private radiology practice, Diagnostic Radiology Associates, LLC. Formed in 2001, Imaging Partners offers advanced, multi-slice CT scanning services. Located at 134 Grandview Avenue in Waterbury in a convenient medical office building setting, this partnership is a key component of Waterbury Hospital's outpatient imaging network.

- **Waterbury Gastroenterological Co-Management Company, LLC.** Waterbury Gastroenterological Co-Management Company, LLC, is a limited liability company established to provide management services to Waterbury Hospital to improve and, where appropriate, maintain the overall quality, efficiency, and effectiveness of the Hospital's gastroenterology service line. The Hospital is sole Class H Member and has certain management rights; the Physician owners, Class P Members, assist the Hospital in providing such management services.

- **Cardiology Associates of Greater Waterbury, LLC.** Cardiology Associates of Greater Waterbury, LLC is a cardiology practice established in 2010 and owned by the Hospital. The practice is comprised of eight employed board certified cardiologists, three of whom are interventional cardiologists. The practice has approximately 20,000 active patients.

- **Greater Waterbury Health Services (wholly-owned, 100%).** Greater Waterbury Health Services, Inc., a not-for-profit corporation, was organized to provide for the contracting and management of tax-exempt community health services and programs in which GWHN may engage. Currently, there is no activity in this subsidiary.

- **VNA Health at Home (wholly-owned, 100%).** VNA Health at Home, Inc., ("VNA") is a non-profit, non-stock corporation established in 1939 and affiliated with the Company since 1996. VNA is a home health care agency that provides skilled nursing care, speech, physical and occupational therapy and medical social work throughout the Greater Waterbury region.

- **Greater Waterbury Management Resources (wholly-owned, 100%).** Greater Waterbury Management Resources, Inc. ("GWMRI"), of which the Network is the sole stockholder, is a taxable corporation. GWMRI is a Medical Service Organization originally organized to provide services to effectively manage medical group practices. While the GWMRI has been in existence since 1984, there is minimal activity since the formation of and transition to AMG.

- **Children's Center (wholly-owned, 100%).** Children's Center of Greater Waterbury Health Network, Inc., ("CCGWHN") a not-for-profit tax exempt corporation, is a nationally accredited state-licensed childcare center. CCGWHN provides a staff of early childhood professionals to care for children from six weeks to five years of age and has been providing childcare services since 1997.

- **Healthcare Alliance Insurance Company (33% owner).** Healthcare Alliance Insurance Company, Ltd. ("HAIC") is a Cayman Islands based captive insurance company owned jointly by Griffin Health Services, Milford Health and Medical, Inc., and The Greater Waterbury Health Network, Inc. HAIC was created to offer professional malpractice and general liability insurance coverage to Griffin Hospital, Milford Hospital, and Waterbury Hospital, and members of their respective medical staffs. The Network became a shareholder in 2006 with 33% ownership.

  In addition to the above subsidiaries, the Hospital has two, 50/50 Joint Ventures with Saint Mary's Hospital ("Saint Mary's") providing specialty services:

  - **Harold Leever Regional Cancer Center.** Harold Leever Regional Cancer Center, Inc. ("HLRCC"), a 501(c)(3) corporation, is a 50 / 50 JV between the Hospital and Saint Mary's. Formed in October 2002, HLRCC combined both hospitals' existing medical and radiation oncology businesses into one combined program to better meet the needs of the community. HLRCC provides state of the art cancer diagnostic and radiation services with two (2) linear accelerators and a PET/CT Scanner. Located at 1075 Chase Parkway, Waterbury, the building is also home to the area's two private medical oncology practices.

  - **Heart Center of Greater Waterbury.** Heart Center of Greater Waterbury ("HCGW"), a 501(c)(3) corporation, is a 50 / 50 JV between the Hospital and Saint Mary's. HCGW has a relationship with University of Connecticut Medical Center to provide certain management services and quality oversight for advanced cardiac services program. Under this joint program, the two hospitals are able to provide area residents with advanced cardiac services, including cardiac angioplasties and open heart surgery on both hospitals' campuses. The program performs over 650 angioplasties and 200 open heart surgeries annually.

## C. Hospital Overview

Waterbury Hospital provides a variety of health care services including:

- **Orthopedic Services.** Waterbury Hospital, one of the busiest orthopedic centers in New England, receives high marks for outstanding clinical quality, performance and excellence in orthopedics, with special recognition for joint replacement surgery and spinal surgery. The Hospital's orthopedic surgeons specialize in providing diagnosis, treatment and rehabilitation for patients experiencing injury or disease of the bones, muscles, tendons, ligaments and nerves.
    - **The Joint Replacement Center.** The surgeons and staff at the Joint Replacement Center specialize in innovative surgical treatment for patients with knee and hip arthritis, treatment options and replacement options. The center performs more than 900 hip and knee replacements or revisions annually, making it one of the busiest orthopedic centers in the state.
    - **The Shoulder Center.** The Shoulder Center provides evaluation and management of shoulder injuries by experienced, fellowship-trained orthopedic surgeons. High-quality musculoskeletal radiologists, experienced OR teams, a full complement of advanced arthroscopic instrumentation and state-of-the-art rehabilitation combine to make the Hospital a regional leader in shoulder care
    - **Spine Care.** Waterbury Hospital provides care for individuals with a wide range of back and neck problems.
    - **Sports Orthopedics.** Sports Orthopedics uses the most advanced sports medicine and orthopedic practices, protocols and treatments to help patients return to sports. The physicians specialize on the hand, wrist, arm, elbow, foot and ankle.
- **Behavioral Health.** Behavioral Health of Waterbury Hospital employs a multidisciplinary approach and encourages the client to be an active participant in treatment. Through a blending of biologic and psychosocial modalities, the Hospital endeavors to reduce distress, to educate and to heal. The Hospital utilizes state-of-the-art therapies that assist patients in achieving their goals in a manner that preserves privacy and promotes personal dignity and hope. Whenever possible, the Hospital seeks to reduce the stigma associated with mental illness and to promote compassion and understanding.
    - **The Center for Behavioral Health.** Completed in 1997, The Center for Behavioral Health offers state-of-the-art treatment in a therapeutic environment. Located in the Pomeroy Pavilion at the Hospital, the Center for Behavioral Health features specialized units for the treatment of adolescents, adults and older individuals. The treatment team includes psychiatrists, psychologists, social workers, nurses, occupational therapists, activity therapists and other mental health professionals working collaboratively with patients, families and providers.

- **Chemical Dependence & Dual-Diagnosis Services.** The program offers a range of options for people who have problems with alcohol, opiates, cocaine, cannabis, sedatives and other substances. The treatment team consists of nurses, substance abuse counselors and physicians. The multi-dimensional approach to chemical dependency incorporates medical, behavioral, motivational and harm-reduction strategies.

- **Child and Adolescent Services.** This partial hospital program provides daily intensive treatment in a structured environment. Treatment centers on the child/adolescent at risk and their families and other support systems. Therapies include group, individual and family, as well as other more specialized modalities such as anger management, creative expression, school issues forum, substance abuse treatment and separate male and female treatment groups. Multiple family meetings are offered in both the Partial Hospital Programs and Intensive Outpatient Programs. Intensive Outpatient Programs embrace a broad range of therapeutic techniques designed to assist children / adolescents and their families to work in an intensive and goal-focused manner.

- **Crisis Assessment and Triage Services.** The Crisis Assessment and Triage Service provide easy access to the entire continuum of behavioral health services at the Hospital. These services are available 24 hours per day, seven days per week. Appointments are available within 24 hours; however, clients may also be seen on an emergent/urgent basis.

- **The Comprehensive Center for Arthritis.** The Comprehensive Center for Arthritis specializes in the evaluation and treatment of patients with arthritis and other rheumatologic diseases. The physicians and staff provide diagnostic evaluations, ongoing care for patients with chronic rheumatologic problems and education to patients and their families. Patients also benefit from the physical, occupational and speech therapy services at Access Rehab Centers of Waterbury Hospital.

- **Emergency Services/ Observation Unit.** The Hospital is a Level II Trauma Center providing optimal care for all critically ill or injured patients. The Observation Unit located within the Emergency Department, provides close monitoring of patients with undiagnosed chest pain and other symptoms in a quiet, comfortable and private environment.

- **The Family Birthing Center.** The Family Birthing Center offers 24 hour in-house obstetrics and anesthesia coverage by board certified physicians with years of experience. The Hospital's board certified neonatologists and CCMC mid-level practitioners are available to evaluate babies at birth. The neonatal intensive care unit ("NICU") is staffed with specially trained nurses and lactation counselors.

The NICU is a Level II nursery, which cares for babies at 28 weeks gestation but also has relationships with tertiary centers if needed. The Family Birthing Center also provides Certified Nurse Midwife service allowing a low-intervention birth in a family-focused environment.

- **Henry S. Chase Outpatient Center.** The Henry S. Chase Outpatient Center offers general primary health care to individuals living in Greater Waterbury. Physicians, registered nurses and allied health

professionals also provide orthopedic, surgical, urology, menopause, dermatology, gastroenterology, podiatry and musculoskeletal specialty services.

- **Hospitalist Program.** The Hospitalist Program provides patients with coordinated, seamless care during their stay at the Hospital. Hospitalists are licensed medical doctors, trained in internal medicine, who devote their practice to the unique needs of hospitalized patients. Hospitalists oversee a patient's care from the time admitted to the hospital until discharged. The hospitalist physicians care for patients around-the-clock and work with private doctors to deliver the right care at the right time and are able to respond quickly and efficiently to changes in a patient's condition that may require a new medication, test or procedure.

- **Inpatient Hospice Care.** Quality of life at the end of life is the philosophy behind innovative inpatient hospice suites jointly run by the Hospital and its affiliate, VNA Health at Home. The suites provide an alternative to home hospice or hospice centers which may not be easily accessible to the terminal patient.

- **Intensive Care / Telemetry.** A 35-bed Medical Intensive Care and Telemetry unit combines a highly skilled nursing staff with the state-of-the-art technology necessary to meet the needs of patients. A centralized nursing station maximizes the staff's ability to track patients closely. The units are an integral component of the Hospital's designation as a Level II Trauma Center.

- **Laboratory Services.** The Hospital operates nine blood drawing facilities in Waterbury, Middlebury, Naugatuck, Southbury, Thomaston, Watertown and Woodbury.

- **Medical Library.** The library is located on the first floor of the Hospital's North Wing and extends its services to patients, families, the community, and hospital-affiliated physicians, residents and students.

- **Medical Residency Program.** The Hospital is home to a robust medical residency program that is sponsored by the Yale School of Medicine and has the distinction of being the single, major community hospital training site for the Yale School of Medicine's Primary Care and Internal Medicine Residency Program. Since 1989, over 200 doctors have trained in the program.

- **Outpatient Testing.** Outpatient Testing is located on the ground floor and provides testing including clinical laboratory testing, autologous donation services, EKG testing and preoperative assessments and instructions. It offers convenience by enabling patients to complete their testing needs in one convenient location.

- **Pharmacy Program.** The Hospital offers a PGY-1 clinical Pharmacy Residency Program and is accredited by the American Society of Health-System Pharmacists ("ASHP") with two resident positions available each year. The Hospital also participates in the Resident Match Program.

- **Reed Cardiology.** The Reed Cardiology Department provides cardiac and pulmonary patients with exceptional, individualized medical services from diagnostic to rehabilitation. The staff consists of cardiologists, registered and practices nurses, nurses, physical and respiratory therapists and technicians, invasive and non-invasive cardiopulmonary technicians, exercise specialists, as well as registered echocardiography, nuclear medicine and EKG technicians.

    - **Invasive Cardiac Testing and Intervention.** Services include cardiac catheterization and coronary angioplasty/stent.

    - **Non-Invasive Heart Testing.** Services include echocardiogram, trans-esophageal echocardiogram, treadmill stress testing, nuclear stress testing, pulmonary function test, exercise physiology test, halter monitory and pacemaker clinic.

    - **Cardiopulmonary Rehabilitation.** Twenty-four hour patient monitoring and extensive wellness and rehabilitation services for cardiac and pulmonary patients are also offered. Services include inpatient cardiac rehabilitation (phase I), outpatient cardiac rehabilitation (phase II), cardiac rehabilitation (phase III), Volunteer Visitation Program and Healthy Hearts Club.

- **The Reed Surgery Center.** The Reed Surgery Center ("Reed") is equipped with the latest surgical instrumentation, including minimally-invasive technology, closed-circuit cameras and microphones for two-way interaction with an adjacent educational viewing room for surgeons in training. There are approximately 6,000 out-patient surgeries a year at the Hospital. One Day Surgery routinely handles general, gynecological, and orthopedic procedures, as well as all non-surgical procedures and post-operative care, including liver biopsy, cardioversion, anesthesia procedures, bronchoscopy, arteriogram preparation and recovery, cardiac catheterization recovery and MRI and CT-Scan sedation. A pediatric pre-operative program offers a tour of the center for children and their families, a pediatric playroom and the support of the Hospital's Child Life Specialist on the morning of surgery.

- **Sleep Lab.** The facility is dedicated to sleep disorders through sleep consultations and customized treatments. More than 30 percent of individuals suffer from a sleep-related problem which may include severe snoring sleep apnea, restless legs syndrome, narcolepsy and insomnia. Sleep disorders can result in a wide range of problems including worsening of depression, high blood pressure, ADHD in all ages and increased risk of coronary artery disease. The Sleep Lab has two off campus locations in Middlebury and Southbury.

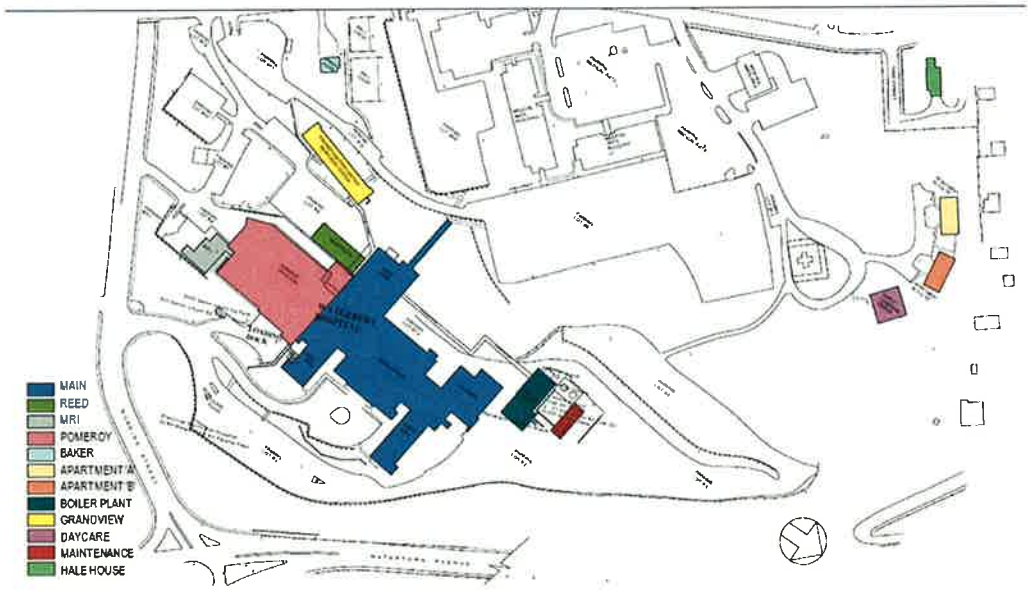
- **Surgical Residency Program.** The Hospital's surgical residency program is one of the few remaining independent surgical residency programs in the country, providing a full spectrum of surgical experiences for its trainees. The Hospital's residents have access to general surgery, ENT, urology, plastics, GYN, neurosurgery and orthopedic cases. The Surgical Residency Program also trains medical students from the University of Connecticut School of Medicine and PA students from Quinnipiac University. The residents rotate at Yale New Haven Hospital, Hartford Hospital and Connecticut Children's Medical Center. Over 60 years old, the surgical residency program has graduated over 120 surgeons, many of whom have accepted prestigious fellowship appointments at prominent hospitals across the country.

- **The Stroke Center.** The Hospital is certified by the Connecticut Department of Public Health as a Primary Stroke Center. Waterbury Hospital provides the very latest and best treatment options for stroke victims. The Stroke Center team treats patients who have had strokes and TIAs (transient ischemic attacks) by providing emergency stroke treatment, as well as education for hospital inpatients and the community on stroke risk factors and warning signs, stroke prevention and rehabilitation.

## D. Facilities

The Hospital campus is located on 38 acres in the west side of Waterbury at the cross roads of both Route 8 and Interstate 84. The lower campus, accessed from Robbins Street, is home to the main hospital facilities, including inpatient, outpatient and emergency services. The Pomeroy Pavilion houses all of the inpatient services. The Reed Surgical Center is a state of the operating suite where advanced cardiac surgery is performed. The upper campus, accessed from Grandview Avenue, offers a suite of Medical Offices as well as the Children's Center and helipad. Also accessed from Grandview Avenue is the outpatient Behavioral Health Services. The Development Office sits adjacent to the upper campus.

**Table 4.3: Waterbury Hospital Facility Map**



The Hospital consists of 12 floors, with an additional lower and ground levels. The following tables are representative floor plans of several of the floors:

**Table 4.4: Waterbury Hospital Facility Map – Lower Level**

**Table 4.5: Waterbury Hospital Facility Map – Ground Floor**

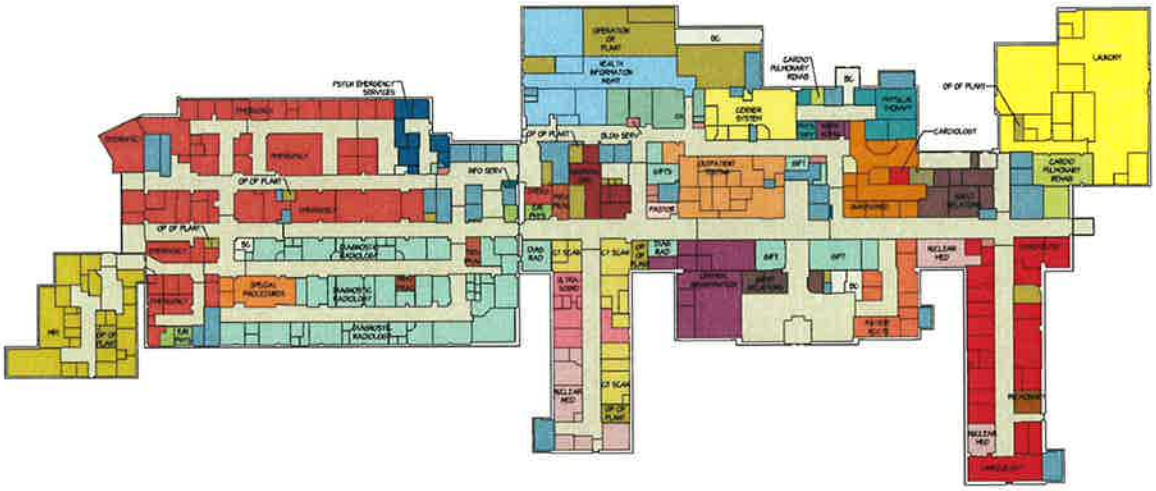


**Table 4.6: Waterbury Hospital Facility Map – First Floor**

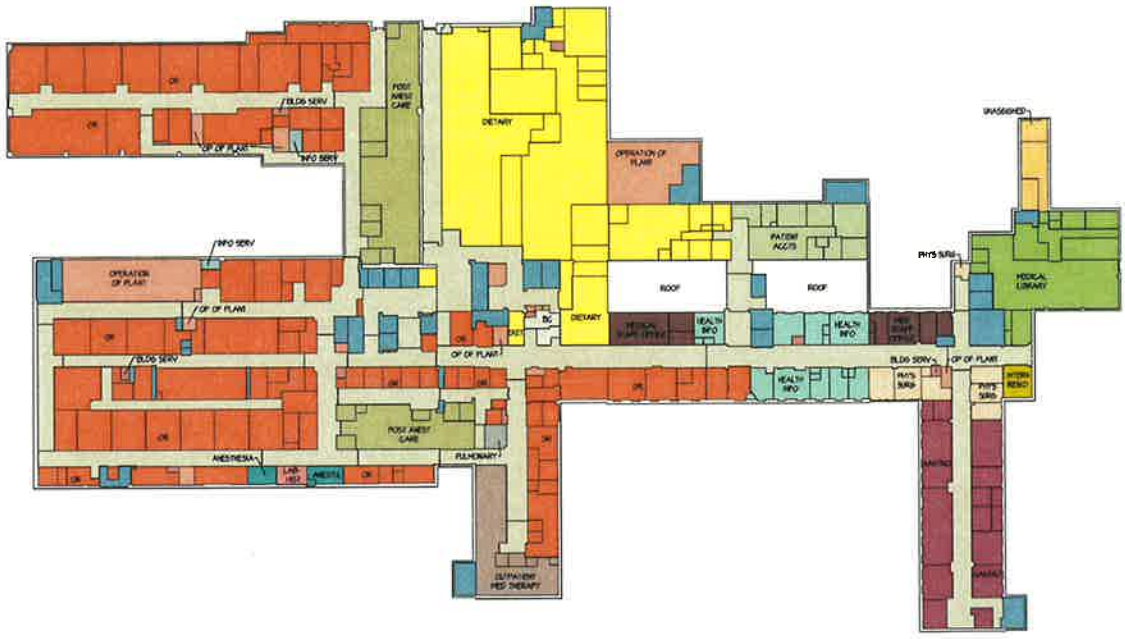


**Table 4.7: Waterbury Hospital Facility Map – Second Floor**

**Table 4.8: Waterbury Hospital Facility Map – Third Floor**

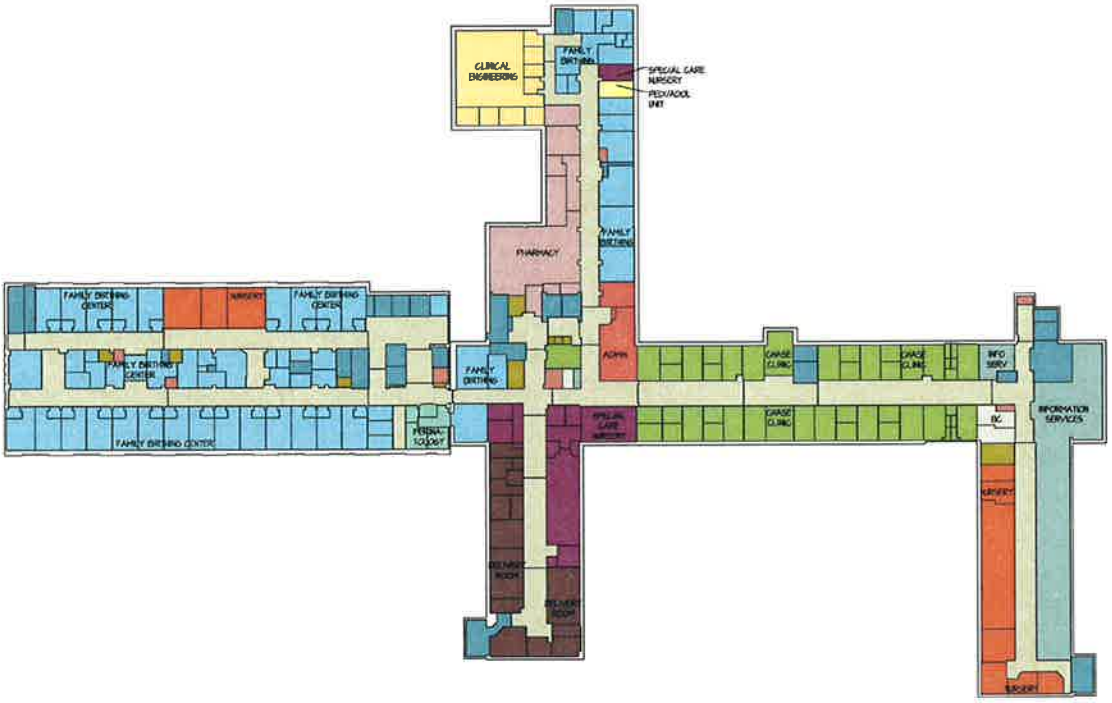



**Table 4.9: Waterbury Hospital Facility Map – Fourth Floor**

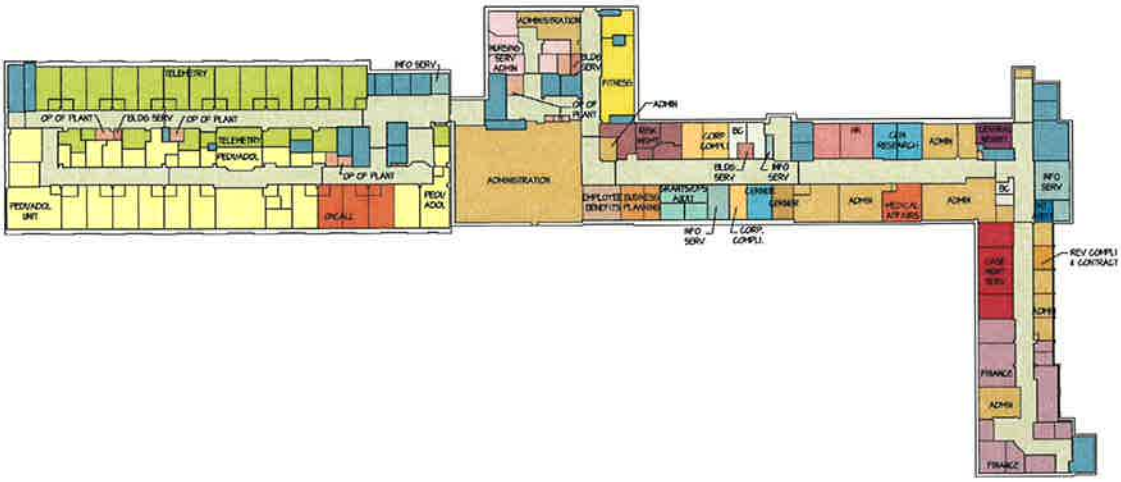


**Table 4.10: Waterbury Hospital Facility Map – Fifth Floor**

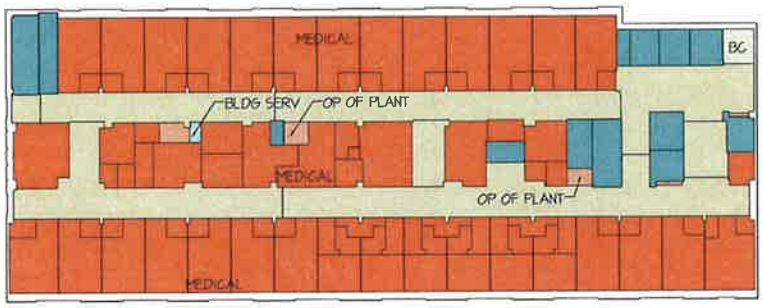



**Table 4.11: Waterbury Hospital Facility Map – Sixth Floor**

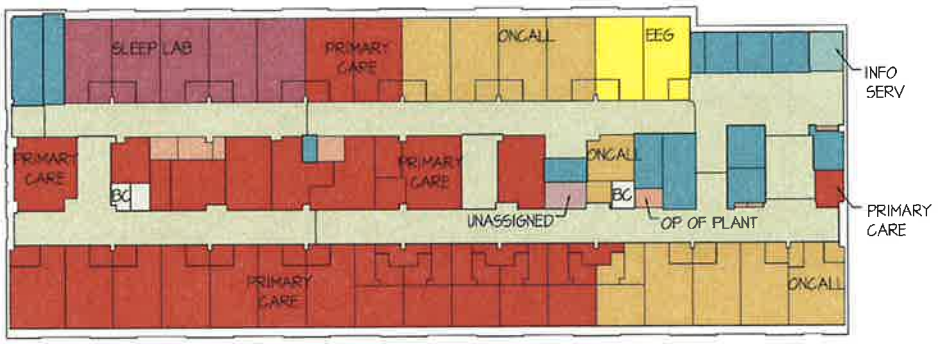
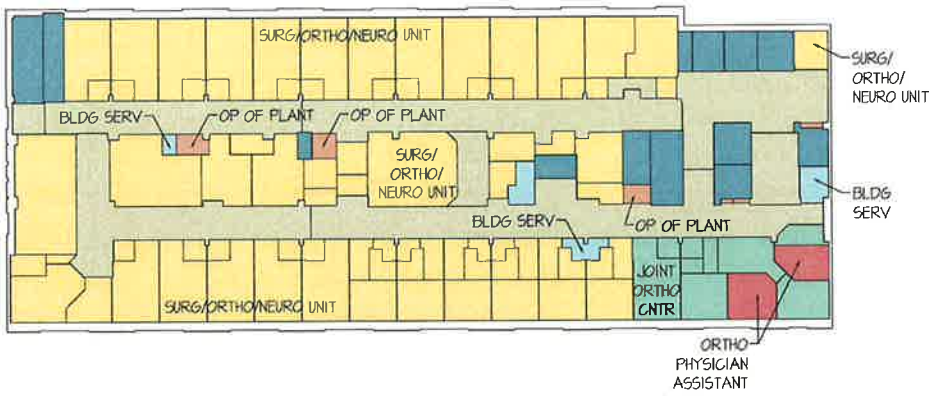


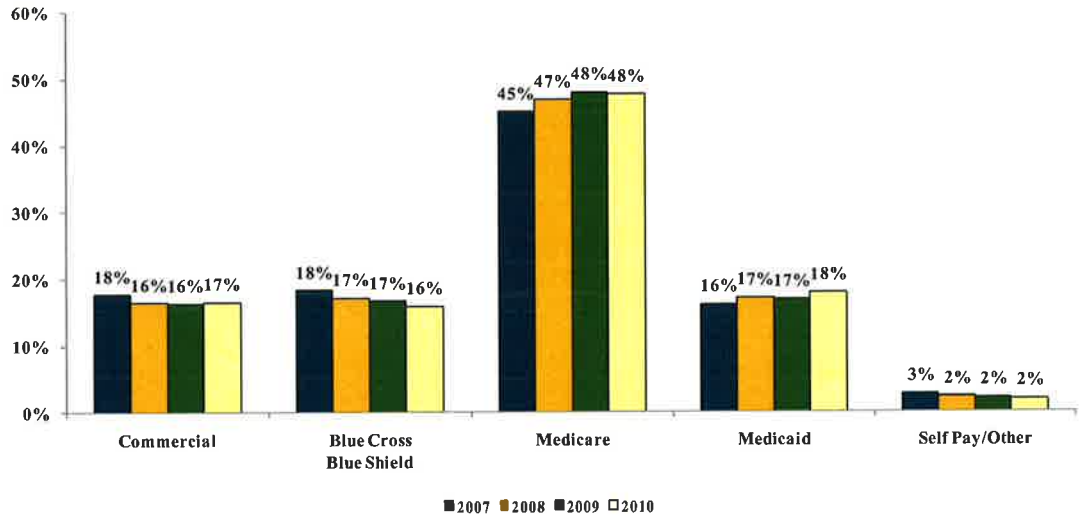

**Table 4.12: Waterbury Hospital Facility Map – Seventh Floor**



## E. Payor Mix

The Hospital's payor mix has remained relatively steady since 2007. The Hospital's historical payor mix is as follows:

**Table 4.13: Waterbury Hospital Historical Payor Mix (by Gross Revenue)**




*Note: Fiscal year ends September 30*

The Hospital's payors are comprised primarily of Commercial, Blue Cross Blue Shield and government payors including Medicare and Medicaid.

- **Commercial.** The Hospital has contracts with PPO and/or PPO/HMO/POS managed care organizations that account for about 17% of the Hospital's payor mix.

- **Blue Cross Blue Shield.** The Hospital contracts with Anthem Blue Cross Blue Shield, which comprises about 16% of the Hospital's payor mix. The current Anthem contract expires in September 2012.

- **Medicare.** The Hospital's Medicare revenues are generated through both traditional and Medicare Advantage programs. Medicare comprises about 48% of the Hospital's payor mix. As the population continues to age, the Hospital expects to see a continuing increase in Medicare's portion of the payor mix, along with a corresponding increase in the losses associated with the provision of this care.

- **Medicaid.** The Hospital's Medicaid revenues are derived from Aetna Better Health, AmeriChoice, CHN, State Medicaid and Medicaid LIA. Overall, Medicaid comprises about 18% of the Hospital's payor mix.

- **Self Pay/Other.** The uninsured patient population and other payors comprise about two percent of the Hospital's payor mix.

## F. Utilization Statistics

The Hospital's historical utilization statistics are as follows:

### Table 4.14: Waterbury Hospital Utilization Statistics

| | For the Fiscal Years Ended September 30, | | | | |
|---|---|---|---|---|---|
| | 2006 | 2007 | 2008 | 2009 | 2010 |
| **Inpatient Admissions** | | | | | |
| Adults & Children | 13,690 | 13,319 | 13,456 | 12,707 | 11,921 |
| Newborns | 1,255 | 1,291 | 1,287 | 1,221 | 1,125 |
| **Total** | 14,945 | 14,610 | 14,743 | 13,928 | 13,046 |
| **Patient Days** | | | | | |
| Adults & Children | 66,770 | 67,464 | 66,918 | 63,850 | 55,788 |
| Newborns | 4,311 | 3,821 | 3,961 | 3,832 | 3,483 |
| **Total** | 71,081 | 71,285 | 70,879 | 67,682 | 59,271 |
| **Average Length of Stay (days)** | | | | | |
| Adults & Children | 4.88 | 5.07 | 4.97 | 5.02 | 4.68 |
| Newborns | 3.44 | 2.96 | 3.08 | 3.14 | 3.10 |
| **Average** | 4.76 | 4.88 | 4.81 | 4.86 | 4.54 |
| **Daily Patient Census** | | | | | |
| Adults & Children | 183 | 185 | 183 | 175 | 153 |
| Newborns | 12 | 10 | 11 | 10 | 10 |
| **Total** | 195 | 195 | 194 | 185 | 163 |
| Percent of Occupancy (Based on staffed beds) | 75.48% | 75.70% | 79.91% | 96.08% | 85.79% |
| **Outpatient** | | | | | |
| Ambulatory Surgery Cases | 4,932 | 4,944 | 4,963 | 4,513 | 4,504 |
| Emergency Department Visits | 56,331 | 53,824 | 55,159 | 58,561 | 58,443 |
| **Patient Care Services** | | | | | |
| CT Scans | 20,208 | 20,962 | 21,172 | 22,435 | 21,253 |
| Drug Orders Dispensed | 1,906,419 | 1,594,428 | 1,721,160 | 1,876,529 | 1,474,965 |
| EEG Exams | 2,877 | 2,567 | 2,712 | 2,510 | 2,193 |
| EKG Exams | 24,107 | 29,351 | 28,572 | 30,350 | 29,466 |
| Laboratory tests | 986,720 | 1,096,908 | 1,059,055 | 1,168,999 | 1,090,040 |
| Laundry processed (pounds) | 2,391,192 | 2,638,464 | 2,817,582 | 2,493,206 | 2,285,140 |
| Meals served to patients | 178,509 | 183,655 | 200,322 | 170,918 | 167,364 |
| Nuclear medicine treatments | 13,106 | 15,269 | 13,222 | 12,719 | 9,098 |
| Psychiatric visits | 30,954 | 29,268 | 27,981 | 29,060 | 27,272 |
| Pulmonary disease treatments | 120,725 | 88,660 | 87,594 | 83,186 | 73,746 |
| Surgical operations | 9,428 | 9,378 | 9,393 | 8,680 | 7,776 |
| Ultrasound exams | 9,106 | 8,884 | 8,712 | 8,996 | 9,267 |
| X-ray exams | 52,544 | 52,341 | 51,436 | 52,250 | 48,358 |

## G. Procedure Mix

The Hospital provides a wide breadth of services to the community. Its procedure mix is as follows:

**Table 4.15: Waterbury Hospital Historical Procedure Mix – Inpatient Cases**

| | For the Fiscal Years Ended September 30, | | |
|---|---|---|---|
| | **2008** | **2009** | **2010** |
| Medical* | 5,409 | 5,332 | 4,941 |
| Medical Cardiology | 1,668 | 1,517 | 1,340 |
| Newborn | 1,315 | 1,230 | 1,129 |
| Maternity | 1,275 | 1,202 | 1,114 |
| Major Joint | 889 | 958 | 963 |
| Surgical | 1,161 | 1,074 | 960 |
| Mental Disease/Substance Abuse | 924 | 794 | 916 |
| Ortho | 506 | 423 | 404 |
| Angioplasty | 312 | 334 | 339 |
| Surgical Cardiology | 293 | 277 | 249 |
| Gynecology | 307 | 253 | 234 |
| Urology | 295 | 228 | 180 |
| Ortho Nonsurgical | 221 | 161 | 142 |
| Neurosurgery | 168 | 145 | 135 |
| **Total Cases** | **14,743** | **13,928** | **13,046** |

*Source: Company Reports*
**Includes pediatric inpatient cases*

**Table 4.16: Waterbury Hospital Historical Contribution Margin – Inpatient Cases**

| | For the Fiscal Years Ended September 30, | | |
|---|---|---|---|
| | **2008** | **2009** | **2010** |
| Major Joint | $3,589 | $5,484 | $7,513 |
| Surgical | 4,196 | 6,350 | 7,502 |
| Ortho | 2,984 | 4,288 | 7,187 |
| Neurosurgery | 6,799 | 7,367 | 6,539 |
| Surgical Cardiology | 6,053 | 7,466 | 5,422 |
| Medical* | 3,232 | 4,179 | 4,473 |
| Angioplasty | 4,121 | 6,232 | 4,309 |
| Urology | 2,355 | 4,144 | 3,848 |
| Medical Cardiology | 2,567 | 3,709 | 3,830 |
| Ortho Nonsurgical | 2,030 | 2,437 | 3,338 |
| Mental Disease/Substance Abuse | 1,365 | 2,097 | 2,112 |
| Gynecology | (386) | 1,419 | 1,669 |
| Newborn | 1,499 | 1,600 | 878 |
| Maternity | 679 | 1,335 | 262 |
| **Inpatient Contribution Margin / Case** | **$2,758** | **$3,873** | **$4,066** |

*Source: Company Reports*
**Includes pediatric inpatient cases*

# V. Service Area Profile

The Hospital's primary service area, with a total population of approximately 260,000, includes eight towns in New Haven County: Beacon Falls, Cheshire, Middlebury, Naugatuck, Prospect, Southbury, Waterbury and Wolcott and four towns in Litchfield County: Bethlehem, Thomaston, Watertown and Woodbury. 89 percent of Waterbury Hospital in-patients live within the primary market. Residents of the City of Waterbury account for approximately 46% of all inpatient discharges.

The secondary service area is made up of five towns that each account for at least 0.50% of Hospital discharges. The towns include: Bristol, Oxford, Plymouth, Terryville and Torrington. Combined, secondary market towns account for approximately 3% of all inpatient discharges.

**Table 5.1: Waterbury Hospital Service Area Map**

## A. Demographics

The Hospital is located in the City of Waterbury, the fifth largest city in Connecticut. The City of Waterbury has approximately 110,000 residents, with the gender breakdown approximately an even split (53.0% female / 47.0% male). The City is also relatively young with a median age of 34.3 years.

According to the American Community Survey 2005-2009, the racial breakdown of the City of Waterbury is predominantly white/Caucasian, with a large minority of African Americans and small minority of Asians. Hispanic or Latino as a country of origin, which includes many of the races described below is 28.2% of the population. The median household income of the Waterbury is approximately $40,000. The most recent unemployment rate of Waterbury was higher than the national trend, at 11.3%.

**Table 5.2: Market Demographics**

| | City of Waterbury | |
|---|---|---|
| Male | 50,235 | 47.0% |
| Female | 56,674 | 53.0% |
| Total Population | 106,909 | 100.0% |
| | | |
| Age | | |
| 0-19 years | 31,681 | 29.6% |
| 20-54 years | 51,199 | 47.9% |
| 55-84 years | 21,074 | 19.7% |
| 85+ years | 2,955 | 2.8% |
| | | |
| Median Age | 34.3 | |
| | | |
| Race | | |
| White alone | 68,530 | 64.1% |
| Black or African American alone | 18,790 | 17.6% |
| Asian alone | 2,107 | 2.0% |
| Two or more races | 5,952 | 5.6% |
| Other | 11,530 | 10.8% |
| | | |
| Median Household Income | $39,832 | |
| Mean Household Income | $51,984 | |
| | | |
| High school degree or higher | 79.4% | |
| Unemployment rate | 11.3% | |
| | | |
| Industry of Employed over 16 Years of Age | | |
| Agriculture, forestry, fishing and hunting and mining | 63 | 0.1% |
| Construction | 2,801 | 6.0% |
| Manufacturing | 7,125 | 15.4% |
| Wholesale trade | 1,182 | 2.6% |
| Retail trade | 6,510 | 14.0% |
| Transportation and warehousing and utilities | 2,012 | 4.3% |
| Information | 1,027 | 2.2% |
| Finance and insurance, real estate, rental and leasing | 2,803 | 6.0% |
| Professional, scientific, and management and administrative & waste management services | 2,961 | 6.4% |
| Educational services and health care & social assistance | 12,183 | 26.3% |
| Arts, entertainment, recreation, accommodation and food services | 3,438 | 7.4% |
| Other services, except public administration | 2,146 | 4.6% |
| Public administration | 2,090 | 4.5% |
| Total | 46,341 | 100.0% |

*Source: U.S. Census Bureau, 2005-2009 American Community Survey*

## B. Competition

Waterbury Hospital has maintained a strong market position in its Primary Service Area driven by its community reputation as a quality service provider.

**Table 5.3: Competitive Landscape**

| | | Distance from WH | Staffed Beds | Admissions | Census | Outpatient Visits | Births |
|---|---|---|---|---|---|---|---|
| 1) | Waterbury Hospital | – | 192 | 13,046 | 163 | 192,260 | 1,125 |
| 2) | Saint Mary's Hospital | 1 | 175 | 11,466 | 139 | 231,344 | 995 |
| 3) | Bristol Hospital | 10 | 115 | NA | NA | NA | NA |
| 4) | MidState Medical Center | 13 | 128 | 8,915 | 110 | 149,663 | 1,039 |
| 5) | Griffin Hospital | 16 | 111 | 6,912 | 88 | 179,202 | 625 |
| 6) | The Hospital of Central Connecticut | 16 | 318 | 18,162 | 220 | 318,126 | 1,878 |
| 7) | The Charlotte Hungerford Hospital | 17 | 105 | NA | NA | NA | NA |
| 8) | Hospital of Saint Raphael | 18 | 406 | NA | NA | NA | NA |
| 9) | New Milford Hospital | 18 | 62 | 2,478 | 25 | 112,956 | 296 |
| 10) | Yale-New Haven Hospital | 19 | 906 | 50,025 | 690 | 365,464 | 4,482 |
| 11) | Veterans Affairs Connecticut Healthcare System | 20 | 200 | NA | NA | NA | NA |
| 12) | Middlesex Hospital | 21 | 180 | 12,877 | 150 | 1,413,473 | 1,077 |
| 13) | Danbury Hospital | 23 | 325 | 18,543 | 242 | 391,479 | 2,105 |
| 14) | Connecticut Children's Medical Center | 24 | 147 | 6,360 | 98 | 141,229 | NA |
| 15) | Hartford Hospital | 24 | 565 | 37,231 | 565 | 198,729 | 3,801 |
| 16) | Milford Hospital | 24 | 87 | 4,800 | 55 | 75,675 | 488 |
| 17) | Saint Francis Hospital and Medical Center | 24 | 566 | 30,223 | 424 | 315,237 | 3,106 |
| 18) | Bridgeport Hospital | 26 | 373 | 17,567 | 269 | 244,474 | 2,398 |
| 19) | St. Vincent's Medical Center | 26 | 376 | 20,555 | 416 | 211,015 | 1,171 |

*Source: American Hospital Association Guide 2011*

The Hospital's primary competitors are considered:

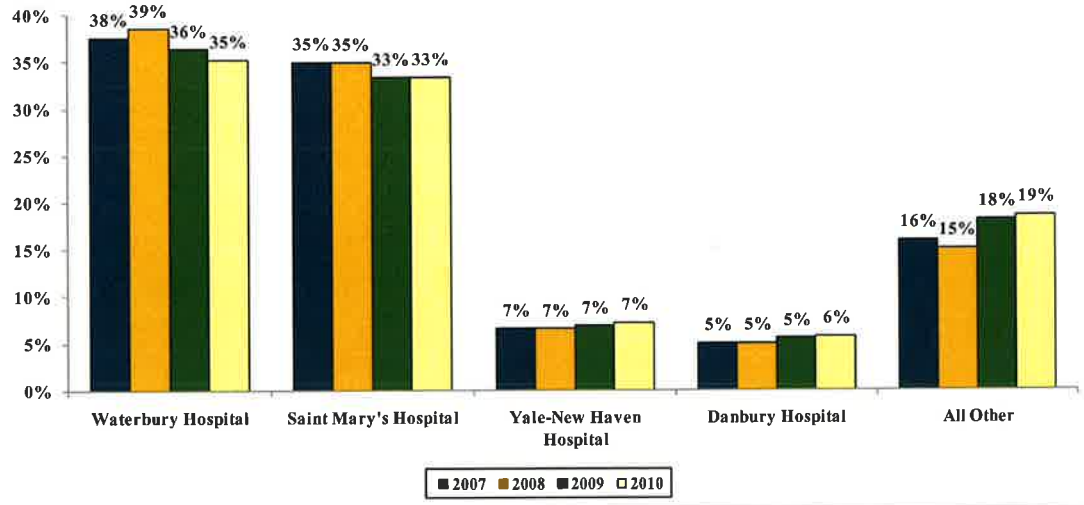
**Saint Mary's Hospital** – located one mile away from the Hospital, Saint Mary's is an acute care community teaching hospital that has served Greater Waterbury for more than 100 years. Licensed for 347 beds (staffed at 175), Saint Mary's has designated Level II Trauma Center and Primary Stroke Center, and offers several acute care services including cardiac, pediatric emergency and surgical services. On March 22, 2011 Saint Mary's announced an 80/20 joint venture with LHP Hospital Group, a for-profit hospital operator in a deal that will provide capital to the Saint Mary's system. Regulatory approval is required and has not yet commenced.

**Yale-New Haven Hospital** – located 19 miles south of the Hospital, Yale-New Haven is a 966-bed (906 staffed), not-for-profit hospital serving as the primary teaching hospital for the Yale School of Medicine. The Yale-New Haven Hospital complex includes Yale-New Haven Children's Hospital, Yale-New Haven Psychiatric Hospital and Smilow Cancer Hospital at Yale-New Haven. Yale-New Haven has a combined medical staff of about 2,200 university and community physicians practicing in more than 100 specialties. The Yale-New Haven Health System consists of Yale-New Haven Hospital and its affiliates, Bridgeport Hospital and Greenwich Hospital. On March 25, 2011 Yale-New Haven announced its intention to acquire the Hospital of Saint Raphael, a 511-bed (406 staffed) community teaching hospital also in New Haven. Regulatory approval is required and has not yet commenced.

**Danbury Hospital** – located 23 miles west of the Hospital is a 371-bed (325 staffed) regional medical center and university teaching hospital associated with Yale University School of Medicine, the University Of Connecticut School Of Medicine, and the University of Vermont. On October 1, 2010, Danbury Hospital and New Milford Hospital affiliated into "Western Connecticut Healthcare Network."

The Hospital has a strong market position in its PSA with 35% of the total PSA volume.

**Table 5.4: Top 5 Primary Service Area Competitors**




*Source: Company Reports*
*Note: Fiscal year ends September 30*

# VI. Organization and Management

## A. Organizational Structure and Employees

As of January 31, 2011, the Hospital had a total full time employee count of 1,523.75 FTEs. Nursing, service and maintenance employees are represented by unions. Registered nurses and licensed practical nurses are represented by the Connecticut Health Care Associates, National Union of Hospital and Health Care Employees, AFSCME, AFL-CIO. The service and maintenance department is represented by the New England Health Care Employees Union, District 1199, SEIU/AFL-CIO. Management believes that the Hospital has very good relations with its employees.

The following is the Hospital's FTEs by department:

**Table 6.1: Waterbury Hospital Full Time Employees**

*(as of January 31, 2011)*

| Department | FTEs Assigned | Department | FTEs Assigned |
|---|---|---|---|
| Addiction Services | 10.81 | Lab - Cytology | 1.23 |
| Administration | 7.18 | Lab - Draw Stations | 12.96 |
| Administrative Finance | 1.57 | Lab - Hematology | 5.16 |
| Adolescent PHP & IOP | 6.80 | Lab - Histology | 4.54 |
| Adopt a School Grant | 0.19 | Lab - House Calls | 0.76 |
| American Savings Foundation | 0.13 | Lab - Microbiology | 8.05 |
| Behavioral Health Consults | 0.96 | Lab - Office Staff | 5.48 |
| Cardiac Unit | 18.82 | Lab - Shift 2 | 9.29 |
| Cardio Pulmonary Rehab | 3.06 | Lab - Shift 3 | 4.13 |
| Cardiology | 19.50 | Laundry | 18.10 |
| CAT-Psych Assess & Triage | 1.72 | Main PACU | 11.18 |
| Center for Behavioral Health | 46.21 | Medical Affairs | 2.52 |
| Central Registration | 37.29 | Medical Library | 1.91 |
| Central Sterile Processing | 15.27 | Medical Staff Office | 2.76 |
| Cerner Staff Augmentation | 2.58 | Medical Unit | 63.30 |
| Children's Behavioral Health | 3.42 | Middlebury X-Ray | 1.29 |
| Clinical Engineering | 6.71 | Nuclear Medicine | 3.13 |
| Clinical Resource & Quality Management | 6.84 | Nursing Service Administration | 12.96 |
| Clinical Trials | 0.04 | Operating Room | 50.79 |
| Cordis / Sapphire | 0.22 | OR Administration | 4.71 |
| Corporate Compliance | 1.30 | Outpatient Med Therapy | 5.34 |
| Crisis Center | 17.69 | Outpatient Testing | 5.38 |
| Critical Care Unit | 56.71 | Parent Trust Grant | 0.19 |
| CT Community Foundation-APAN | 0.46 | Pastoral Care | 1.34 |
| CT Scan | 9.82 | Patient Accounts / Final Services | 24.71 |
| CVU, Int Care & Tele Float Pool | 2.15 | Patient Throughput | 25.53 |
| Day Prog-Partial Hosp | 2.48 | Perinatology | 0.74 |
| DBTIOP Grant | 2.70 | Pharmacy | 34.53 |
| Development | 3.46 | Plant Engineering | 23.58 |
| Diagnostic Radiology | 24.28 | Pre-Operating | 16.28 |
| Dietary | 48.49 | Primary Care | 44.33 |
| Disaster Preparedness | 0.20 | Private Foundation Grants | 0.15 |
| DMHAS Outpatient Grant | 2.80 | Psych Admin | 1.68 |
| DPH-WHAP State Approp Fd | 6.79 | Psych Emergency Services BHED | 8.07 |
| Education & Org Dev | 7.73 | Psych O/P Services | 16.37 |
| EEG | 1.63 | Public Affairs | 2.66 |
| Emergency Department | 82.34 | Pulmonary Function | 0.17 |
| Employee Benefits | 0.27 | Purchasing | 8.02 |
| Environmental Services | 102.10 | Reed PACU | 11.79 |
| Family Birthing Center | 45.41 | Respiratory Therapy | 19.85 |
| Family Birthing Center Float Pool | 0.42 | Respite Grant | 0.37 |
| FBC Admin | 2.89 | Risk Management | 3.67 |
| Finance | 14.51 | RW Yale SPNS | 1.00 |
| Floats | 11.57 | Ryan White I Grant | 5.36 |
| Gastroenterology | 11.07 | Ryan White III Grant | 1.83 |
| Geriatric IOP & Outpatient | 7.04 | Safety / Security | 23.11 |
| Grants & Operations Audit | 1.39 | Shelter Grant | 2.55 |
| HCAP Grant | 0.00 | Sleep Lab | 8.21 |
| Health Information Management | 37.49 | Special Care Nursery | 10.54 |
| Human Resources | 11.56 | Special Procedures | 6.82 |
| I/P Psych DHMAS Grant | 0.10 | Storeroom / Receiving | 9.48 |
| Information Services | 42.64 | Surg / Gen Unit | 63.19 |
| Internal Audit | 1.00 | Surg / Ortho / Neuro Unit | 49.74 |
| Interns & Residents | 14.26 | Telemetry | 59.70 |
| Konica, Clinical Trials | 0.24 | Trauma Program | 2.01 |
| Lab - Administration | 3.07 | Ultrasound | 4.98 |
| Lab - Blood Bank | 5.67 | Volunteer Services / Patient Relations | 1.00 |
| Lab - Central Process | 9.17 | Workers Compensation | 2.84 |
| Lab - Chemistry | 10.19 | | |
| | | **Total FTEs** | **1,523.75** |

The Hospital has a diverse medical staff with a total medical staff of 440 physicians, comprised of physicians and dentists categorized within 31 specialty areas. Management believes there is a significant opportunity for a strategic partner to provide additional resources and enhance physician recruitment efforts.

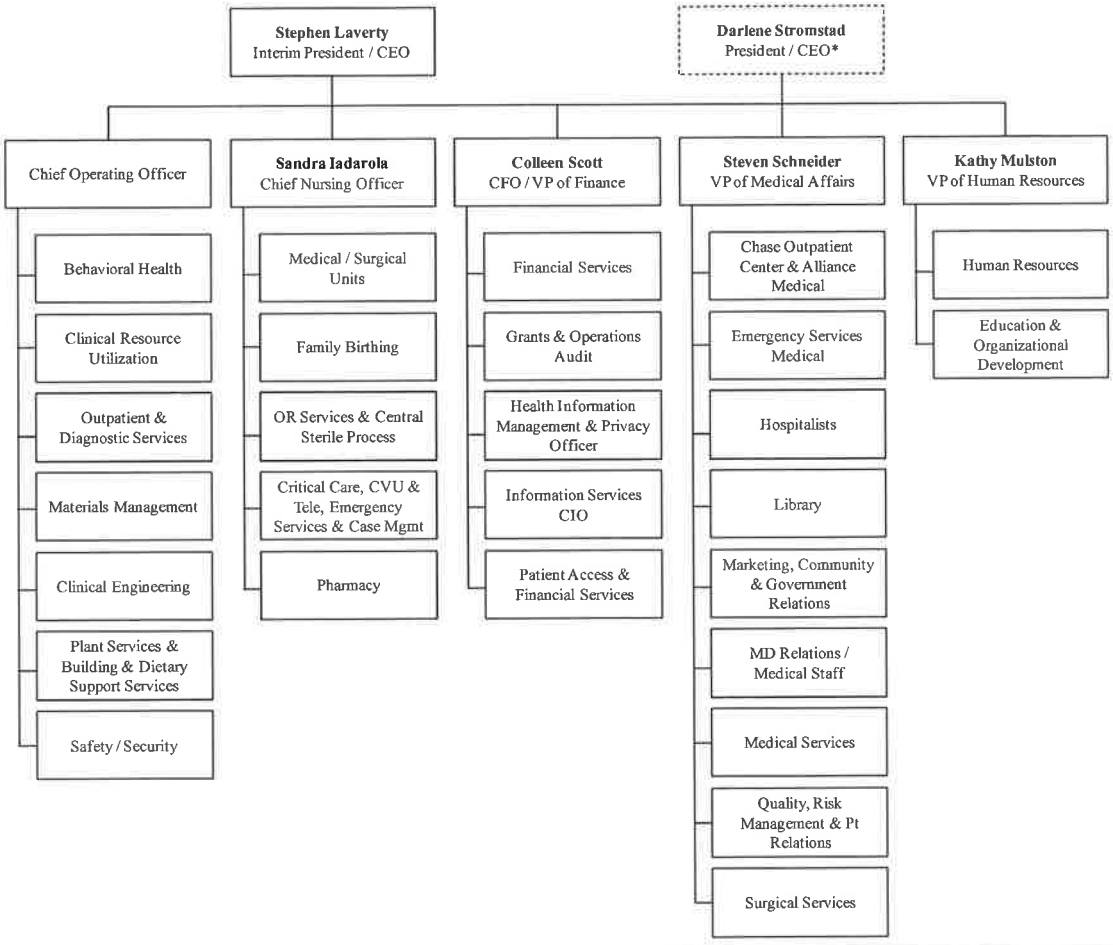
**Table 6.2: Physician Staff**

*(Fiscal Year 2010)*

| Clinical Services | Number of Total Attending Physicians | Average Age | Board Certified | |
|---|---|---|---|---|
| | | | Number | Percent |
| MEDICINE: | | | | |
| General Medicine | 152 | 47 | 118 | 78% |
| Cardiology | 18 | 52 | 18 | 100% |
| Gastroenterology | 8 | 61 | 8 | 100% |
| Oncology | 5 | 47 | 5 | 100% |
| Neurology | 3 | 54 | 3 | 100% |
| Pulmonary | 7 | 54 | 7 | 100% |
| Dermatology | 4 | 65 | 4 | 100% |
| Endocrinology | 3 | 52 | 3 | 100% |
| Allergy | 5 | 52 | 3 | 60% |
| Infectious Disease | 2 | 44 | 2 | 100% |
| Nephrology | 4 | 50 | 4 | 100% |
| SURGERY: | | | | |
| General Surgery | 24 | 51 | 15 | 63% |
| Ophthalmology | 13 | 54 | 13 | 100% |
| Orthopedics | 21 | 49 | 16 | 76% |
| Otolaryngology | 7 | 53 | 7 | 100% |
| Urology | 8 | 50 | 7 | 88% |
| Neurosurgery | 5 | 54 | 5 | 100% |
| Plastic Surgery | 5 | 54 | 5 | 100% |
| Oral Surgery | 3 | 54 | 3 | 100% |
| Vascular Surgery | 3 | 54 | 2 | 67% |
| Podiatry | 13 | 58 | 11 | 85% |
| Thoracic Surgery | 1 | 56 | 1 | 100% |
| PEDIATRICS | 39 | 51 | 31 | 79% |
| OB/GYN | 21 | 52 | 19 | 90% |
| PSYCHIATRY | 13 | 59 | 12 | 92% |
| GENERAL DENTISTRY | 1 | 70 | 0 | 0% |
| OTHER: | | | | |
| Anesthesiology | 21 | 52 | 21 | 100% |
| Pathology | 3 | 57 | 3 | 100% |
| Radiology | 10 | 53 | 8 | 80% |
| Radiation Therapy | 2 | 63 | 2 | 100% |
| Emergency Medicine | 16 | 41 | 11 | 69% |
| TOTAL | 440 | 50 | 367 | 83% |

The table below sets forth Waterbury Hospital's corporate organization structure:

**Table 6.3: Waterbury Hospital Management Organization**




**Anticipated start date of July 1, 2011*

## B. Executive Leadership Team Biographies

The responsibility for day-to-day operations and implementation of the Board of Trustees policies rests with Management. The Management team is led by:

**Table 6.4: Waterbury Hospital Management Team**

| Name | Title | Age | Years with Waterbury Hospital |
|---|---|---|---|
| Stephen Laverty | Interim President and CEO | 58 | 1 |
| Darlene Stromstad | President and CEO | 54 | * |
| Colleen Scott | CFO and VP of Finance | 53 | 23 |
| Steven Schneider, MD | VP of Medical Affairs and Chief Medical Officer | 58 | 22 |
| Kathy Mulston | VP of Human Resources | 55 | 5 |
| Sandra Iadarola | Chief Nursing Officer, VP of Patient Care | 59 | 9 |

**Anticipated start date of July 2011*

**Stephen Laverty, Interim President and Chief Executive Officer.** Mr. Laverty joined the Hospital in January 2011 as the Interim President and Chief Executive Officer. Mr. Laverty served as Chief Executive Officer, Chief Operating Officer and Chief Financial Officer for a broad range of organizations including a large regional health system, community hospitals and a Boston teaching hospital. Prior to joining Waterbury Hospital, he served as Chief Executive Officer of Northeast Health System for eight years. He held the position of President and Chief Operating Officer of Boston's Children's Hospital from 1998-1999 and held various financial and operating leadership positions to become CEO of Winchester Hospital between 1985 and 1998. Mr. Laverty holds an MBA with a finance concentration from Boston's Suffolk University and a Bachelor of Arts degree in business administration from St. Michael's College.

**Darlene Stromstad, President and Chief Executive Officer.** Ms. Stromstad will join the Hospital as its new President and Chief Executive Officer in July 1, 2011. Ms. Stromstad currently serves as President and Chief Executive Officer of Goodall Hospital in Sanford, Maine where she has served the community for six years. Prior to becoming CEO of Goodall Hospital in 2005, she held the positions of senior vice president at Catholic Medical Center from 1999-2004, senior vice president at Olympus Healthcare from 1997 to 1999 and vice president at St. Joseph Healthcare from 1988 to 1996. Ms. Stromstad holds an MBA from Rivier College and a Bachelor of Arts degree from the University of North Dakota.

**Colleen Scott, CPA, Vice President of Finance and Chief Financial Officer.** Ms. Scott joined the Hospital in May 1988 and served as Financial Planner and Director of Finance before being promoted to Vice President for Finance and Chief Financial Officer. Prior to coming to the Hospital, Ms. Scott was acting Chief Financial Officer and Controller of Griffin Hospital in Derby, CT (1983-1988). Ms. Scott holds a Bachelor of Science degree in Accounting from Central Connecticut State University (1979) and a Master's degree in Business Administration from the University of New Haven (1987). Ms. Scott is also a Certified Public Accountant.

**Steven Schneider, MD, Vice President of Medical Affairs and Chief Medical Officer.** Dr. Schneider joined the Medical Staff of Waterbury Hospital in 1989 as the Director of Inpatient Psychiatry. He became the Director of the Department of Psychiatry in 1990. He completed his Masters in Business Administration at the University of New Haven in 1995. He became the Vice President for Medical Affairs in 1995. He has held the positions of Assistant Professor at Yale University School of Medicine and Quinnipiac University. Dr. Schneider received his Medical Degree from the University of Nebraska 1977 and served his internship and Emergency Medical Residency at Madigan Army Medical Center in 1977-1980. He completed a residency in Psychiatry at Yale University in 1985 and is certified by the American Board of Psychiatry and Neurology.

**Kathy Mulston, Vice President of Human Resources.** Ms. Mulston joined Waterbury Hospital in January 2006 as Director of Human Resources and was promoted in January, 2007 to Vice President of Human Resources. She was previously Vice President of Human Resources at Physicians Health Services where she was employed from 1986-1998 and held various human resources positions at Richardson Vicks (Procter & Gamble) between 1977 and 1986. She also held the position of Interim Vice President of Human Resources at ConnectiCare from 1999-2000. Ms. Mulston holds a Masters Degree in Business Administration from Sacred Heart University and a Bachelors Degree from University of Bridgeport. She is a member of the Human Resource Planning Society of Western New England and the Society for Human Resource Management.

**Sandra Iadarola, RN, Chief Nursing Officer and Vice President of Patient Care.** Ms. Iadarola joined the Hospital in March 2002 and has worked as the Administrative Director of Medical/Surgical and Critical Care Services until assuming the Chief Nursing Officer role in February 2011. Prior to coming to the Hospital, Ms. Iadarola was the Vice President of Patient Care Services at Charlotte Hungerford Hospital in Torrington, CT. She had worked in progressive management positions during her 14 years there. Ms. Iadarola holds a Bachelor of Science degree in nursing from the University of Connecticut, a Masters of Business Administration with a healthcare concentration from Rensselaer Polytechnic Institute and is a Certified Professional in Healthcare Quality.

# VII. Financial Overview

## A. GWHN Historical Financial Statements

### Table 7.1: GWHN and Subsidiaries Historical Income Statement

*($ in millions)*

| | For the Fiscal Years Ended September 30, | | | | | For the 3 Months Ended December 31, |
|---|---|---|---|---|---|---|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2010 |
| Revenues: | | | | | | |
| Net revenues from services to patients | $228.0 | $239.2 | $240.0 | $258.1 | $259.8 | $63.7 |
| Investment related income | $5.1 | $6.1 | $1.3 | $2.7 | $1.3 | - |
| Other than temporary impairment of investments | ($0.0) | - | - | - | - | - |
| Other operating revenues | 3.6 | 4.7 | 5.0 | 3.5 | 6.8 | 3.6 |
| Service, sales and rental income | 3.2 | 3.3 | 9.2 | 9.2 | 3.6 | - |
| Unrestricted gifts and bequests | 1.0 | 0.2 | 0.2 | 0.5 | 0.2 | - |
| Net assets released from restrictions | 4.6 | 4.4 | 4.7 | 5.1 | 5.4 | - |
| Other | 0.2 | - | - | - | - | - |
| **Total Revenue** | **$245.6** | **$257.9** | **$260.4** | **$279.1** | **$277.1** | **$67.3** |
| *% Growth* | *6.9%* | *5.0%* | *0.9%* | *7.2%* | *(0.7%)* | |
| Expenses: | | | | | | |
| Salaries, wages and benefits | 141.8 | 148.3 | 154.4 | 152.1 | 158.9 | 43.2 |
| Supplies, utilities and other | 78.0 | 78.5 | 89.3 | 90.6 | 90.9 | 23.8 |
| Bad debt expense | 14.3 | 21.9 | 17.9 | 14.4 | 15.7 | - |
| Depreciation | 10.6 | 11.0 | 10.5 | 9.9 | 9.8 | 2.5 |
| Operations improvement | - | - | - | 12.9 | 2.7 | 0.3 |
| Interest and Amortization | 1.9 | 1.9 | 1.7 | 1.6 | 1.9 | 0.4 |
| Investment fees and bank charges | 0.2 | 0.2 | 0.2 | - | - | - |
| Total Expenses | $246.8 | $261.7 | $274.0 | $281.6 | $279.9 | $70.1 |
| **Gain (loss) from operations** | **($1.1)** | **($3.8)** | **($13.6)** | **($2.5)** | **($2.9)** | **($2.9)** |
| Minority interest | (1.5) | (1.4) | (1.1) | (1.3) | (1.0) | (0.3) |
| Other nonoperating expenses | - | 0.1 | (3.1) | 0.5 | 1.4 | 1.6 |
| Total other income (expense) | ($1.5) | ($1.3) | ($4.2) | ($0.8) | $0.4 | $1.3 |
| **Excess of revenue over expenses** | **($2.7)** | **($5.1)** | **($17.8)** | **($3.3)** | **($2.5)** | **($1.6)** |
| **EBIDA[1]** | **$11.5** | **$9.2** | **($1.2)** | **$21.9** | **$11.6** | **$0.2** |
| *Margin* | *4.7%* | *3.6%* | *(0.5%)* | *7.9%* | *4.2%* | *0.4%* |
| **Operating Income[1]** | **$1.0** | **($1.8)** | **($11.7)** | **$12.0** | **$1.7** | **($2.2)** |
| *Margin* | *0.4%* | *(0.7%)* | *(4.5%)* | *4.3%* | *0.6%* | *(3.3%)* |

*(1) Excludes one-time fees including operations improvement expenses and investment fees and bank charges*

### Table 7.2: GWHN and Subsidiaries Balance Sheet as of December 31, 2010

*($ in millions)*

| **ASSETS** | | **LIABILITIES & NET ASSETS** | |
|---|---|---|---|
| Cash & Cash Equivalents | $18.8 | Accounts Payable | $13.4 |
| Net Accounts Receivable | 35.3 | Accrued Expenses | 14.8 |
| Due from Affiliates | 0.4 | Accrued Pension | 9.3 |
| Assets Whose Use is Limited | 1.1 | Long-Term Debt | 22.3 |
| Other Investments | 33.3 | Due to Third-Party Payors | 2.7 |
| Net Property, Plant & Equipment | 47.0 | Other Liabilities | 11.2 |
| Other Assets | 5.8 | Minority Interest in Net Assets of Affiliates | 3.0 |
| | | Net Assets | 64.9 |
| **Total Assets** | **$141.6** | **Total Liabilities & Shareholders' Equity** | **$141.6** |

## Table 7.3: GWHN and Subsidiaries Historical Balance Sheet

*($ in millions)*

| | As of September 30, | | | | |
|---|---|---|---|---|---|
| | 2006 | 2007 | 2008 | 2009 | 2010 |
| Current Assets | | | | | |
| Cash and cash equivalents | $17.4 | $8.6 | $14.5 | $19.3 | $22.3 |
| Short-term investments | 0.5 | 0.9 | 0.9 | 0.8 | 0.9 |
| Accounts receivable, net | 32.2 | 36.0 | 36.9 | 33.0 | 32.6 |
| Other receivables | 2.6 | 1.4 | 0.8 | 1.1 | 1.7 |
| Inventory | 0.6 | 0.5 | 0.6 | 0.6 | 0.8 |
| Prepaid expenses and other | 1.4 | 1.5 | 1.8 | 1.4 | 1.4 |
| Due from third-party reimbursement agencies | - | - | 0.6 | - | - |
| Due from affiliates | - | 1.1 | 2.6 | 1.5 | 0.2 |
| Assets whose use is limited and required for current liabilities | 4.3 | 3.1 | 2.7 | 0.6 | 0.6 |
| Other current assets | 0.6 | 0.2 | 0.3 | 0.1 | - |
| Total Current Assets | $59.6 | $53.4 | $61.6 | $58.5 | $60.5 |
| Funds held by trustee | $11.5 | $9.8 | $4.8 | $0.0 | $0.0 |
| Funds held in escrow by agreement with CHEFA and trustee | 2.6 | 2.6 | 2.6 | 2.6 | 2.6 |
| Assets whose use is limited and required for current liabilities | (4.3) | (3.1) | (2.7) | (0.6) | (0.6) |
| Funds held in trust by others | 42.9 | 47.2 | 38.5 | 37.9 | 39.6 |
| Long-term investments | 44.4 | 48.3 | 33.2 | 30.2 | 32.3 |
| Board-designated endowment funds | - | - | - | 2.7 | 2.8 |
| Other investments | - | 0.2 | 0.1 | 0.2 | 0.3 |
| Prepaid pension and other investments | 5.6 | 1.8 | - | - | - |
| Loans and other receivables | 2.2 | 1.8 | 1.1 | 0.9 | 0.4 |
| Accrued interest and dividends receivable | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| CHEFA obligations issue expense | 0.8 | 0.8 | 0.7 | 0.7 | 0.7 |
| Property, plant and equipment, net | 69.5 | 63.6 | 57.4 | 50.1 | 45.8 |
| **Total Assets** | **$234.9** | **$226.5** | **$197.5** | **$183.3** | **$184.4** |
| Current Liabilities | | | | | |
| Accounts payable and accrued expenses | $22.4 | $21.5 | $30.9 | $25.1 | $28.7 |
| Due to third-party reimbursement agencies | 1.1 | 2.5 | - | 1.2 | 0.4 |
| Current portion of CHEFA obligations | 0.8 | 0.8 | 0.8 | 0.9 | 0.9 |
| Current portion of notes payable | 4.0 | 5.9 | 5.0 | 0.4 | 0.5 |
| Due to affiliates | - | - | 0.4 | - | 0.0 |
| Total Current Liabilities | $28.2 | $30.7 | $37.1 | $27.6 | $30.6 |
| Other noncurrent liabilities | $11.0 | $8.9 | $7.8 | $14.4 | $14.7 |
| CHEFA obligations | 22.9 | 22.2 | 21.4 | 20.5 | 19.7 |
| Notes payable | 6.8 | 1.8 | 0.6 | 0.6 | 0.7 |
| Minority interest | 2.6 | 2.5 | 2.4 | 2.5 | 2.9 |
| Total Liabilities | $71.6 | $66.1 | $69.3 | $65.6 | $68.6 |
| Net Assets | | | | | |
| Unrestricted | $104.9 | $96.8 | $76.2 | $69.3 | $65.2 |
| Temporarily restricted | 12.8 | 13.5 | 10.7 | 7.8 | 8.3 |
| Permanently restricted | 45.7 | 50.0 | 41.3 | 40.7 | 42.4 |
| Total Net Assets | $163.3 | $160.3 | $128.2 | $117.7 | $115.9 |
| **Total Liabilities and Net Assets** | **$234.9** | **$226.5** | **$197.5** | **$183.3** | **$184.4** |

## B. Waterbury Hospital Historical Financial Statements

### Table 7.4: Waterbury Hospital and Subsidiaries Historical Income Statement

*($ in millions)*

| | For the Fiscal Years Ended September 30, | | | | | For the 3 Months Ended December 31, |
|---|---|---|---|---|---|---|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2010 |
| Revenues: | | | | | | |
| Net revenues from services to patients | $223.9 | $234.7 | $235.3 | $253.5 | $254.8 | $61.3 |
| Other operating revenues | 3.5 | 4.6 | 5.2 | 3.3 | 6.6 | 2.9 |
| Net assets released from restrictions | 4.6 | 4.4 | 4.7 | 5.1 | 5.4 | - |
| **Total Revenue** | **$232.1** | **$243.8** | **$245.2** | **$261.9** | **$266.8** | **$64.2** |
| *% Growth* | *7.0%* | *5.0%* | *0.6%* | *6.8%* | *1.9%* | |
| Expenses: | | | | | | |
| Salaries and benefits | 134.7 | 140.0 | 144.0 | 142.8 | 153.2 | 41.2 |
| Supplies and Other | 75.1 | 74.7 | 80.9 | 82.0 | 87.6 | 23.0 |
| Bad debts | 14.3 | 21.9 | 17.9 | 14.4 | 15.7 | - |
| Depreciation | 10.0 | 10.6 | 10.1 | 9.6 | 9.6 | 2.4 |
| Operations Improvement | - | - | - | 12.9 | 2.7 | 0.3 |
| Interest and Amortization | 1.7 | 1.7 | 1.6 | 1.5 | 1.8 | 0.3 |
| Total Expenses | $235.9 | $248.9 | $254.5 | $263.2 | $270.6 | $67.2 |
| **Gain (loss) from operations** | **($3.7)** | **($5.1)** | **($9.2)** | **($1.3)** | **($3.8)** | **($3.0)** |
| Minority interest | (1.5) | (1.4) | (1.1) | (1.3) | (1.0) | (0.3) |
| Unrestricted gift and bequests | 0.9 | 0.1 | 0.1 | 0.4 | 0.2 | - |
| Investment income | 1.9 | 1.9 | 1.9 | 1.6 | 1.6 | - |
| Realized (losses) gains on sales of investments | (0.2) | 0.1 | (0.0) | (0.0) | 0.0 | - |
| Other nonoperating expenses | 0.2 | 0.1 | (0.1) | 1.0 | (0.8) | 0.3 |
| Total other income (expense) | $1.3 | $0.8 | $0.8 | $1.8 | ($0.0) | ($0.0) |
| **Excess of revenue over expenses** | **($2.5)** | **($4.3)** | **($8.5)** | **$0.5** | **($3.8)** | **($3.0)** |
| **EBIDA**[1] | **$8.0** | **$7.2** | **$2.5** | **$22.7** | **$10.3** | **($0.0)** |
| *Margin* | *3.4%* | *2.9%* | *1.0%* | *8.7%* | *3.9%* | *(0.0%)* |
| **Operating Income**[1] | **($2.0)** | **($3.4)** | **($7.6)** | **$13.1** | **$0.7** | **($2.4)** |
| *Margin* | *(0.9%)* | *(1.4%)* | *(3.1%)* | *5.0%* | *0.3%* | *(3.8%)* |

*(1) Excludes one-time fees including operations improvement expenses*

### Table 7.5: Waterbury Hospital and Subsidiaries Balance Sheet as of December 31, 2010

*($ in millions)*

| ASSETS | | LIABILITIES & NET ASSETS | |
|---|---|---|---|
| Cash & Cash Equivalents | $16.8 | Accounts Payable | $13.1 |
| Net Accounts Receivable | 34.5 | Accrued Expenses | 14.3 |
| Due from Affiliates | 5.6 | Accrued Pension | 9.3 |
| Assets Whose Use is Limited | 1.1 | Long-Term Debt | 20.5 |
| Other Investments | 8.5 | Due to Third-Party Payors | 2.6 |
| Net Property, Plant & Equipment | 44.5 | Other Liabilities | 11.1 |
| Other Assets | 5.3 | Minority Interest in Net Assets of Affiliates | 3.0 |
| | | Net Assets | 42.6 |
| **Total Assets** | **$116.4** | **Total Liabilities & Shareholders' Equity** | **$116.4** |

## Table 7.6: Waterbury Hospital and Subsidiaries Historical Balance Sheet

*($ in millions)*

| | As of September 30, | | | | |
|---|---|---|---|---|---|
| | **2006** | **2007** | **2008** | **2009** | **2010** |
| Current Assets | | | | | |
| Cash and cash equivalents | $16.6 | $8.0 | $13.6 | $18.6 | $21.4 |
| Short-term investments | - | 0.3 | 0.3 | 0.4 | 0.4 |
| Accounts receivable, net | 31.6 | 35.4 | 35.7 | 32.4 | 31.8 |
| Other receivables | 2.6 | 1.4 | 0.8 | 1.1 | 1.7 |
| Inventory | 0.6 | 0.5 | 0.6 | 0.6 | 0.8 |
| Prepaid expenses and other | 1.4 | 1.5 | 1.8 | 1.4 | 1.4 |
| Due from third-party reimbursement agencies | - | - | 0.8 | - | - |
| Due from affiliates | 0.2 | 4.0 | - | 0.9 | - |
| Assets whose use is limited and required for current liabilities | 4.3 | 3.1 | 2.7 | 0.6 | 0.6 |
| Total Current Assets | $57.3 | $54.1 | $56.4 | $55.8 | $58.1 |
| Funds held by trustee | $11.5 | $9.8 | $4.8 | $0.0 | $0.0 |
| Funds held in escrow by agreement with CHEFA and trustee | 2.5 | 2.5 | 2.6 | 2.6 | 2.6 |
| Assets whose use is limited and required for current liabilities | (4.3) | (3.1) | (2.7) | (0.6) | (0.6) |
| Other Long Term Assets | | | | | |
| Funds held in trust by others | 42.9 | 47.2 | 38.5 | 37.9 | 39.6 |
| Long-term investments | 13.9 | 15.4 | 12.7 | 9.6 | 10.1 |
| Board-designated endowment funds | - | - | - | 2.7 | 2.8 |
| Other receivables | 1.7 | 1.5 | 0.9 | 0.7 | 0.1 |
| Due from affiliates | - | - | - | 4.9 | 5.7 |
| Prepaid pension and other investments | 5.6 | 1.8 | - | - | - |
| CHEFA obligations issue expense | 0.7 | 0.7 | 0.6 | 0.6 | 0.6 |
| Property, plant and equipment, net | 65.3 | 59.4 | 53.4 | 45.8 | 43.3 |
| **Total Assets** | **$197.1** | **$189.4** | **$167.2** | **$160.0** | **$162.3** |
| Current Liabilities | | | | | |
| Accounts payable and accrued expenses | $13.6 | $11.7 | $20.3 | $15.8 | $19.0 |
| Accrued salaries | 7.9 | 8.6 | 9.2 | 8.2 | 9.2 |
| Due to third-party reimbursement agencies | 0.9 | 2.4 | - | 1.0 | 0.2 |
| Current portion of CHEFA obligations | 0.7 | 0.8 | 0.8 | 0.8 | 0.9 |
| Current portion of notes payable | 2.8 | 5.1 | 1.2 | 0.3 | 0.5 |
| Due to affiliates | - | - | 0.7 | - | 0.2 |
| Total Current Liabilities | $26.0 | $28.5 | $32.2 | $26.2 | $29.9 |
| Other noncurrent liabilities | $11.0 | $8.9 | $7.8 | $14.4 | $14.7 |
| CHEFA obligations | 21.3 | 20.5 | 19.8 | 19.0 | 18.1 |
| Notes payable | 6.7 | 1.7 | 0.5 | 0.3 | 0.7 |
| Minority interest | 2.6 | 2.5 | 2.4 | 2.5 | 2.9 |
| Total Liabilities | $67.6 | $62.2 | $62.7 | $62.3 | $66.4 |
| Net Assets | | | | | |
| Unrestricted | $71.0 | $63.7 | $52.4 | $49.3 | $45.2 |
| Temporarily restricted | 12.8 | 13.5 | 10.7 | 7.8 | 8.3 |
| Permanently restricted | 45.7 | 50.0 | 41.3 | 40.7 | 42.4 |
| Total Net Assets | $129.5 | $127.2 | $104.5 | $97.7 | $95.9 |
| **Total Liabilities and Net Assets** | **$197.1** | **$189.4** | **$167.2** | **$160.0** | **$162.3** |

## C. Management's Discussion and Analysis of Historical Results

***Total Net Revenue***

For the year ended September 30, 2010, Waterbury Hospital generated $266.8 million in net revenue compared to $261.9 million, representing a 1.9% growth. The primary reason for the increase in total net revenue was the addition of AMG (physician practices) revenue in consolidating financial statements. Although volumes slightly decreased, this was partially offset by an increase in average reimbursement rates for most major payors.

Total net revenue was comprised of:

- **Net patient service revenue.** Net patient service revenue was $253.5 million for the fiscal year ended September 30, 2009. In 2010, net patient service revenue grew 0.5% to $254.8 million. During 2010, patient days decreased 8,411 from 67,682 days in 2009 to 59,271. Inpatient admissions also decreased from 13,928 in 2009 to 13,046 in 2010.

- **Investment income, other revenue, gains and support and net assets released from restrictions used for operations ("other revenue").** Other revenue increased 43.4% from 2009 to 2010. Other revenue for the fiscal year ended 2010 was $12.0 million compared to $8.4 million for the fiscal year ended 2009.

***Operating Expenses***

As of fiscal year 2010, AMG (physician practices) has been consolidated into the Hospital statements, which increased operating expenses across all subcategories.

- **Salaries, benefits and professional fees.** Salaries and benefits expense increased $10.4 million from $142.8 million in 2009 to $153.2 million representing a 7.3% increase.

- **Nonsalary expense.** Non-salary expense increased 6.8%, or $5.6 million, to $87.6 million in 2010 from $82.0 million in 2009.

- **Provision for bad debts.** Provision for bad debts increased from $14.4 million in 2009 to $15.7 million in 2010. This represents an increase of $1.3 million, or 8.8%. As unemployment rises and the economy stalls, hospital debt is often one of the first to be deferred. The System continues to see increases in patient bad debt, even as it continues to implement programs and procedures designed to improve the collection process.

***Capital Expenditures***

Capital expenditures for the fiscal year ended September 30, 2009 were $2.0 million compared to $5.5 million in 2010. Capital expenditures primarily consisted of improvements to plant, investment in technologies and other capital improvements.

***Accounts Receivable***

Accounts receivable decreased $0.5 million from $32.4 million on September 30, 2009 to $31.8 million on September 30, 2010.

## D. PriceWaterhouseCoopers Report on Performance Improvement

In 2008 the Hospital violated two of its three financial covenants (days cash on hand and debt service coverage ratio) related to its outstanding CHEFA bond obligation (insured by Radian). As a result of this violation, the Hospital took several swift steps to shore up operating results and restore compliance with those financial covenants. The Hospital was successful in negotiating a waiver with Radian for these covenants along with a phased in recovery plan for days cash on hand.

In its efforts to restore compliance and financial integrity to the Hospital, Management engaged an independent consultant, PriceWaterhouseCoopers ("PWC"), to assist in conducting an overall assessment of Hospital operations with a goal of identifying opportunities to improve performance.

Beginning in October 2008, PWC began working with Management to collect and analyze data about the Hospital's revenues and expenses, as well as similar data about the Network's related physician practice, Alliance Medical Group. After several months of analysis and interviews with Management and staff, the PWC report identified opportunities to improve net revenues by $11 million annually (4.9% of net revenues) and reduce operating expenses by $13.7 million (6.0% of expenses).

Management engaged PWC to assist with a rapid process to implement best practices throughout the organization and achieve the projected revenue enhancements and expense reductions. During the course of fiscal 2009, the Hospital was successful in improving revenues by $11 million through pricing realignment, managed care rate negotiations, clinical documentation improvement program, point of service collections, and improved charge capture. On the expense side, the Hospital was successful in reducing its labor costs through reduction of overtime utilization as well as staffing reductions, reductions in benefit costs through negotiation, and supply chain reductions, for a total reduction of $13.7 million.

## E. December 2010 Bond Issuance

In December 2010, The Hospital and Network completed an issuance of $26 million of Bank Qualified Tax-Exempt Bonds. The proceeds were used to refund their 1999 Series B Bonds, ($19.4 million) and to provide $7.9 million new money to renovate certain departments and finance various capital expenditures. The following outlines the use of proceeds:

**Table 7.7: Use of Bond Proceeds**
*($ in millions)*

| | |
|---|---|
| Redemption of Existing Bonds | $19.4 |
| Renovation of the Pomeroy 7 – Inpatient unit | 1.5 |
| Addition of Cardiac Catheterization Laboratory | 1.6 |
| Acquisition of Computers and devices and financial decision support | 1.5 |
| Renovation and Upgrade of Operating Rooms | 2.5 |
| Fit up of medical office expansion space – Middlebury Edge | 0.8 |
| **Total** | **$26.0** |

# XIII. Appendices

## Appendix A – Response Matrix

| Transaction Element | Description |
|---|---|
| **1. Form of Transaction** | a) Please describe the structure of the proposed transaction and resulting relationship with the surviving GWHN organization. |
| **2. Objectives Alignment** | Please describe how you envision achieving GWHN's Objectives:<br>a) Ensure Waterbury Hospital remains a viable health care entity, providing the highest safety and quality health care services the Greater Waterbury and surrounding communities for the long-term;<br>b) Deploy repeatable and scalable tools and clinical care services to continually improve the health of the community;<br>c) Provide access to sufficient capital to meet current and future capital needs while strengthening the balance sheet;<br>d) Enhance the Hospital's medical staff by attracting and retaining physicians to the market;<br>e) Maintain high satisfaction scores by patients, physicians, employees and volunteers; and<br>f) Continue charitable care delivery and funding. |
| **3. Ownership, Governance and Management** | a) Describe how GWHN will be organized in relation to your organization.<br>b) Describe the proposed governance structure and the ongoing role, if any, of GWHN's current Board of Directors.<br>c) Describe the proposed management organizational structure for GWHN. |
| **4. Transaction Value** | If you are proposing an asset purchase, please describe how GWHN will be valued, including the methodology and calculation of any adjustments to the proposed consideration. |
| **5. Maintenance of Clinical Services** | a) Describe your commitment to maintaining existing clinical services.<br>b) Describe any new services you anticipate implementing over the next five years.<br>c) Describe which, if any, clinical services may not be maintained at GWHN and the Hospital.<br>d) Indicate the minimum time horizon for maintaining existing services. |
| **6. Excluded Activities and Operations** | a) Describe any GWHN activities and operations that are expected to be excluded from a transaction.<br>b) Describe how the surviving GHWN organization (if any) could support the ongoing activities of the acquired operations after the transaction. |
| **7. Charity Care** | Describe your existing charity and indigent care policies and any potential changes to GWHN policies you foresee. |
| **8. Ethical and Religious Directives** | Describe any ethical or religious directives of your organization, if any, which would impact the future operations of GWHN. |
| **9. Employee Relationships** | a) Describe your commitment to GWHN employees, anticipated layoffs, and type of severance package that may be offered to any affected employees.<br>b) Describe any anticipated employee benefit changes. |

| Transaction Element | Description |
|---|---|
| **10. Capital Expenditure Commitments** | Describe your expectations and commitment to capital investments over the next five years to improve GWHN facilities and expand programs and services. |
| **11. No Sale** | Describe your commitment to retaining ownership of the GWHN operations acquired. |
| **12. Right of First Refusal/Repurchase Rights** | Describe any terms and conditions under which the surviving GWHN organization (if any) could reacquire interests transferred in a transaction. |
| **13. Financial and Operating Information** | a) Provide a copy of your most recent audited financial statements.<br>b) Describe how you propose to finance the transaction and any proposed ongoing financial commitments to GWHN.<br>c) Provide an overview of your existing operations, including, but not limited to, the following:<br>(i) Number and location of facilities owned and operated<br>(ii) Number of beds owned and operated<br>(iii) Key operating statistics<br>(iv) Key quality indicators |
| **14. Due Diligence** | a) Describe your due diligence process.<br>b) Provide a list of due diligence items you would like to receive in Phase II if you are selected to continue in the process. |
| **15. Process and Approvals** | Indicate the level at which your response has been approved within your organization and what approvals will be required to sign a Definitive Agreement and to close the transaction. |
| **16. Other** | Please describe any other factors that GWHN should consider in evaluating your proposal. |

## Appendix B – 2010 GWHN Audited Financials

See Separate PDF© File

## Appendix C – 2010 Hospital Audited Financials

See Separate PDF© File

*[THIS PAGE LEFT INTENTIALLY BLANK]*

# EXHIBIT 7:  LETTER OF INTENT

**LHP SOUTHWEST CONNECTICUT, LLC**
**2800 NORTH DALLAS PARKWAY**
**SUITE 200**
**PLANO, TEXAS 75093**

August 18, 2011

Greater Waterbury Health Network, Inc.
64 Robbins Street
Waterbury, Connecticut 06708

Re: Joint Venture Proposal Respecting Greater Waterbury Health Network, Inc.

Ladies and Gentlemen:

This letter of intent (the "Letter of Intent") sets forth a non-binding agreement in principle regarding a proposed transaction (the "Transaction") between Southwest Connecticut Health System, LLC, a to-be-formed Connecticut limited liability company ("SWC Health System" or the "LLC"), and Greater Waterbury Health Network, Inc., a Connecticut non-stock corporation (together with its affiliates, "GWHN"), involving The Waterbury Hospital, an acute care teaching hospital having 357 licensed beds, together with various parking facilities, medical office buildings, and other related health care assets located in and around Waterbury, Connecticut (collectively, the "Facilities"). GWHN presently owns and operates the Facilities.

1. Parties to the Transaction. The parties to the Transaction will be SWC Health System and GWHN. SWC Health System will have as its initial members (i) LHP Southwest Connecticut, LLC, a Delaware limited liability company that is an indirect wholly owned subsidiary of LHP Hospital Group, Inc., a Delaware corporation (together with its affiliates, "LHP"), and (ii) a wholly owned subsidiary of Saint Mary's Health System, Inc., a Connecticut non-profit corporation ("SMHS"). LHP will initially own an 80% interest in SWC Health System, and SMHS will initially own a 20% interest in SWC Health System. As a result of, and in connection with, the Transaction, the composition and ownership of SWC Health System will be modified as described in paragraph 3 of this Letter of Intent.

2. The Transaction. Pursuant to a definitive agreement or agreements to be prepared by SWC Health System and acceptable to SWC Health System and GWHN (the "Definitive Agreement"), GWHN will contribute to the capital of SWC Health System substantially all of the assets associated with the ownership and operation of the Facilities, including, without limitation, the assets listed on Exhibit A-1 (the "Assets"), but specifically excluding the assets listed on Exhibit A-2. The assets to be contributed, the liabilities to be assumed, and the assets and liabilities to be excluded from the Transaction will be more specifically described in the Definitive Agreement. In consideration for its contribution of the Assets to the LLC, GWHN will receive a 10% membership interest in the LLC valued at $27 million and the LLC's commitment in the Definitive Agreement to develop and construct a new replacement hospital at a cost of approximately $400 million for the purpose of consolidating in a single facility the

acute care services presently provided by both GWHN and SMHS (the "Replacement Hospital"). Simultaneously with the closing of the Transaction, LHP will also contribute to SWC Health System a note payable in the principal amount of $108 million (the "LHP Promissory Note") to be used as described in the remaining provisions of this Letter of Intent.

3. Post-Transaction Ownership of SWC Health System. Simultaneously with the closing of the Transaction, the ownership interests in SWC Health System will be adjusted to take into account (i) the respective ownership interests of LHP and SMHS in SWC Health System prior to the closing of the Transaction, (ii) the value of the Assets contributed by GWHN to SWC Health System in connection with the Transaction, and (iii) the value of the LHP Promissory Note contributed by LHP to SWC Health System in connection with the Transaction. As a result of such adjustment, the ownership interests of the parties in SWC Health System following the Transaction will be as follows: (A) LHP will own an 80% interest in SWC Health System; (B) SMHS will own a 10% interest in SWC Health System; and (C) GWHN will own a 10% interest in SWC Health System. The rights and obligations of the members of SWC Health System will be governed by an amended and restated limited liability company agreement to be entered into simultaneously with the closing of the Transaction (the "LLC Agreement").

4. Encumbrances. GWHN will convey good and indefeasible title to the Assets to SWC Health System, free and clear of all liens, liabilities, encumbrances, and defects in title except as may be mutually agreed by the parties and described in the Definitive Agreement.

5. Liabilities. Except as the parties may agree in the Definitive Agreement, SWC Health System will not assume, and GWHN will remain responsible for, and indemnify SWC Health System, LHP, and SMHS against, any and all liabilities, indebtedness, commitments, or obligations of any kind whatsoever that relate to the Assets or the operation thereof prior to the closing, including, without limitation, existing debt, environmental claims or claims associated with alleged violations of environmental laws for acts prior to closing, liabilities for funding any defined benefit pension plan, Medicare/Medicaid payables, tax liabilities, and medical malpractice or general liability claims.

6. "Tail" Insurance. GWHN will purchase extended reporting endorsement policies from all current liability insurance carriers at its expense, including endorsement policies for employed physicians, if any.

7. Community Benefit/Uncompensated Care. The LLC will commit to operate the Facilities in accordance with the "community benefit standards" set forth in Revenue Ruling 69-545 (the "Standards"), including, without limitation, the (i) acceptance of all Medicare and Medicaid patients, (ii) acceptance of all emergency patients without regard to ability to pay, (iii) maintenance of an open medical staff, (iv) provision of public health programs of educational benefit to the community, and (v) general promotion of public health, wellness, and welfare to the community through the provision of health care at a reasonable cost. The Facilities will treat any patient presented to the emergency room in accordance with the Standards and will remain eligible to participate in the Medicare and Medicaid programs. This covenant will be subject in all respects to changes in governmental law, policy, or regulation.

8. Commitment to Maintenance of Services.

a. In order to ensure that all of the material clinical services and programs currently being provided by GWHN are maintained in the community following the closing of the Transaction, and except as provided in paragraph 8.b below, the LLC Agreement will require that the deletion of any material clinical service or program currently provided by GWHN will require the approval of the Board (as hereinafter defined) of SWC Health System.

b. Because SWC Health System is obligated to operate its facilities in accordance with the Ethical and Religious Directives for Catholic Health Care Services (the "Catholic Directives"), arrangements will be made for maintaining the clinical services and programs currently being provided by GWHN that do not comply with the Catholic Directives (the "GWHN Legacy Services"). It is presently anticipated that such arrangements could involve two distinct phases: (i) a transition arrangement for a defined period of years, pursuant to which the GWHN Legacy Services would continue to be provided in the same manner as they are at the time of closing, and (ii) a long-term "hospital within a hospital" arrangement similar to that successfully employed in other communities in which Catholic and non-Catholic hospitals have merged, pursuant to which a hospital provider other than SWC Health System would provide the GWHN Legacy Services in leased space in the Replacement Hospital. In that regard, the parties will evaluate various aspects of the "hospital within a hospital" arrangement, including the scope of services to be provided in the "hospital within a hospital," the possibility of having GWHN serve as the provider of the GWHN Legacy Services under the "hospital within a hospital" arrangement, and the financial viability of the arrangement.

9. Employee Matters; Labor Union Agreements. SWC Health System, LHP, and SMHS recognize and respect the right of employees to join unions, form bargaining units, and engage in collective bargaining with their employers. Representatives of SWC Health System have reviewed the GWHN collective bargaining agreements made available through the due diligence process thus far. Further information will be required in order to complete the analysis of these matters, and final decisions about hiring practices and treatment of the agreements will be made as the form of the Transaction is finalized and further planning is completed.

10. Governance. Following closing of the Transaction, SWC Health System will be governed by a Board of Directors (the "Board") having two categories of directors, with each category of directors having six members. LHP will appoint the members of one category of directors (the "LHP Directors"), with one LHP Director selected from the active medical staff of each of The Waterbury Hospital and Saint Mary's Hospital. SMHS and GWHN each will appoint three members of the second category of directors (the "SM/W Directors"). Actions requiring the approval of the Board will be accomplished through "block voting" – i.e., such actions will require approval of both a majority of the LHP Directors and a majority of the SM/W Directors.

The Board will have the authority to authorize actions as specifically set forth in the LLC Agreement, including, without limitation, (i) approve the hiring of the Chief Executive Officer of the Facilities, (ii) approve all budgets for the LLC, (iii) add or discontinue the provision of any material clinical services at the Facilities, (iv) evaluate the amount of uncompensated care provided by the Facilities to ensure compliance with the Standards, (v) make certain determinations as to the accreditation of the Facilities by The Joint Commission, (vi) make certain decisions relative to distributions of cash to the members of the LLC, (vii) incur debt in excess of agreed upon thresholds, (viii) make loans in excess of agreed upon thresholds, (ix) acquire entities in excess of agreed upon thresholds, (x) enter into joint ventures or similar business arrangements, (xi) merge or consolidate the LLC with another entity, (xii) sell, lease, mortgage, pledge, transfer, or exchange the assets of the LLC in excess of agreed upon thresholds, (xiii) call for additional capital contributions by the members, and (xiv) oversee the enforcement of the provisions of the Management Agreement. The SM/W Directors will also have the unilateral right to (a) terminate the Chief Executive Officer of the Facilities, (b) cause the dissolution of the LLC in the event the LLC fails to meet the Standards, (c) elect not to renew the Management Agreement (as defined below) if the Manager (as defined below) fails to operate the Facilities in accordance with the Standards or otherwise is in breach of the Management Agreement, and (d) subject to the provisions below, appoint the Chairman of the Board. In addition, the members of the Board appointed by SMHS will have the unilateral right to approve any action or decision relating to the observance and implementation of the Catholic Directives.

Each Chairman of the Board will serve for a single three-year term. The initial Chairman of the Board will be the individual previously named by SMHS who is serving as Chairman of the Board of SWC Health System at the time of the closing of the Transaction. At the expiration of the term of the initial Chairman of the Board, the members of the Board appointed by GWHN will have the unilateral right to appoint the next Chairman of the Board. Thereafter, the Chairman of the Board will be selected by the SM/W Directors in accordance with this paragraph 10.

In the case of any decision by the Board to call for additional capital contributions by the members, any Tax-Exempt Member (as hereinafter defined) who votes in favor of such a call for additional capital contributions will be obligated to either (i) fund its pro rata share of such additional capital contribution or (ii) obtain the agreement of the other Tax-Exempt Member to fund the pro rata shares of both Tax-Exempt Members.

The LLC Agreement will contain appropriate dispute resolution provisions to protect all parties and the LLC against the possibility of a deadlock. Specifically, and without limitation upon the foregoing, the LLC Agreement will provide that any deadlock among the SM/W Directors with respect to an issue requiring the approval of the Board (other than an issue relating to the rights described above that are retained by the members of the Board appointed by SMHS) will be resolved in favor of those SM/W Directors who voted in favor of the course of action supported by the LHP Directors.

The Board of SWC Health System will appoint a twelve-member local Board of Trustees to oversee the combined operating activities of The Waterbury Hospital and Saint Mary's Hospital (the "Consolidated Facilities"). At least six of the members of the Board of

Trustees will be physicians from the active medical staffs of the Consolidated Facilities, with three members selected from the active medical staff of each of The Waterbury Hospital and Saint Mary's Hospital; the remainder of the members of the Board of Trustees will be local community leaders. The Board of Trustees will be responsible for (i) adopting a vision, mission, and values statement for the Consolidated Facilities; (ii) monitoring performance improvement at the Consolidated Facilities; (iii) granting medical staff privileges and, when necessary and with the advice of counsel, taking disciplinary action consistent with the medical staff bylaws; (iv) assuring medical staff compliance with the requirements of The Joint Commission (with the advice of counsel); (v) providing advice and consultation regarding physician recruitment efforts; and (vi) fostering community relationships and identifying service and education opportunities.

11. Management. SWC Health System will enter into a management agreement (the "Management Agreement") with an affiliate of LHP (the "Manager"), pursuant to which the Manager will be responsible for managing the day-to-day operations of the LLC and the Consolidated Facilities. Under the Management Agreement, the Manager will provide certain services to the LLC and the Consolidated Facilities, including, without limitation, (i) corporate oversight and operational support, (ii) reimbursement services, (iii) purchasing and supply chain services, (iv) business planning, (v) development support, (vi) quality and resource management support, (vii) human resources support, (viii) facility planning, (ix) legal services, (x) risk management support, (xi) compliance services, (xii) real estate services, and (xiii) information systems support. The LLC will pay the Manager a management fee equal to 2% of the consolidated net revenues of the LLC. The management fee will not include the costs of insurance, information services, and certain other third party expenses more specifically delineated in the Management Agreement, all of which will be billed directly to the LLC at LHP's cost. The Management Agreement will have an initial term of five years and will automatically renew for successive terms of five years each.

12. Capital Contributions. In the event that the LLC requires funds in excess of the party's initial capital contributions to develop and construct the Replacement Hospital, as well as to fund any other capital expenditures and improvements of the LLC, such funds will be obtained in the following order of priority: (i) cash available from operations of the LLC; (ii) the LHP Promissory Note; (iii) loans from LHP to the extent available and on terms mutually agreeable to LHP and the LLC; (iv) commercial loans from third parties to the extent available on terms acceptable to the LLC: and (v) capital contributions from the members (pro rata in accordance with their respective ownership interests in the LLC). Subject to the foregoing and to the provisions of paragraph 10 hereof, the Board will have the right to request that the members make additional capital contributions (pro rata in accordance with their respective ownership interests in the LLC) to fund the LLC's working capital and capital expenditure needs. In such event, and subject to the provisions of paragraph 10, neither SMHS nor GWHN (each, a "Tax-Exempt Member") will be required to make any such additional contributions; provided, however, that if a Tax-Exempt Member elects not to make an additional contribution, the other Tax-Exempt Member will have the right to contribute the amount that the non-contributing Tax-Exempt Member fails to contribute. In such case, the Tax-Exempt Members' ownership interests in the LLC will be adjusted appropriately to reflect their respective aggregate capital contributions. If, as a result of such adjustments, a Tax-Exempt Member owns an interest in the LLC of less than six percent at any time, such Tax-Exempt Member will have the right to

appoint only two members of the SM/W Directors, and the other Tax-Exempt Member will have the right to appoint four members of the SM/W Directors. If, as a result of such adjustments, a Tax-Exempt Member owns an interest in the LLC of less than three percent at any time, such Tax-Exempt Member will have the right to appoint only one member of the SM/W Directors, and the other Tax-Exempt Member will have the right to appoint five members of the SM/W Directors.

13. Available Cash. "Available Cash" will be distributed quarterly in proportion to each member's ownership interest in the LLC. The term "Available Cash" will be defined broadly to mean cash receipts, less (i) disbursements, (ii) reserves, and (iii) expected capital expenditures.

14. Access to Information. Pending the execution of the Definitive Agreement, GWHN will permit SWC Health System and its representatives to have reasonable access during normal business hours to such books, agreements, papers, and records relating to GWHN's business and operations as is necessary for the conduct of appropriate due diligence activities relating to the Transaction. Such access will be conducted in a manner that will not interfere with GWHN's operations. Pending the execution of the Definitive Agreement, the proposed members of SWC Health System will permit GWHN and its representatives to have reasonable access during normal business hours to such books, agreements, papers, and records relating to the business and operations of SWC Heath System and its proposed members as is necessary for the conduct of appropriate due diligence activities relating to the Transaction. Such access will be conducted in a manner that will not interfere with the operations of SWC Health System or its proposed members.

15. No Violation. This Letter of Intent has been prepared and delivered in reliance on GWHN's representations that (i) it is not currently bound under any binding or enforceable contract or agreement with any third party that would materially interfere with the Transaction contemplated hereby and (ii) this Letter of Intent, and the Transaction contemplated hereby, will not violate any contract, agreement, or commitment currently binding on GWHN or, to the knowledge of GWHN, any law, regulation, judgment, decision, order, or other pronouncement of any court or governmental body having appropriate jurisdiction.

16. Confidentiality; Disclosure; Expenses.

a. The Confidentiality Agreement dated April 8, 2011, between GWHN, LHP, and SMHS will remain in effect. The parties will mutually agree on the timing and content of any press releases, press conferences, or other public communication describing the parties' intent to consummate the Transaction. At no time, however, will any party disclose the financial or other terms included in this Letter of Intent or subsequently executed Definitive Agreement and LLC Agreement. The foregoing will not restrict the ability of the parties to communicate with or submit all required notices and communications to the Attorney General or Office of Health Care Access of the State of Connecticut or other governmental authorities as necessary for approval of the Transaction. GWHN acknowledges that SMHS and LHP have previously submitted to the Attorney General and

the Commissioner of the Department of Public Health of the State of Connecticut an Application for Approval of Joint Venture respecting the formation of SWC Health System (the "Application") and that the Application is currently undergoing regulatory review.

b. Except as required by law, any release to the public of information with respect to the matters set forth herein will be made only in the form and manner approved by the parties and their respective counsel.

c. Each party will bear its own expenses in connection with the implementation of this Letter of Intent, regardless of whether the Definitive Agreement and LLC Agreement are executed.

17. Continuation of Operations. Until the sooner to occur of (i) the termination of this Letter of Intent or (ii) the execution and delivery of the Definitive Agreement, GWHN will continue to operate the Facilities in the ordinary course of GWHN's business, including, without limitation, making all normal and planned capital expenditures. Without the prior written consent of SWC Health System, GWHN will not (i) remove or transfer any of the Assets, except in the ordinary course of business (with adequate replacement of any such Assets), (ii) make any material change in the business or operation of the Facilities, or (iii) enter into any other significant contract, commitment, or transaction with respect to the Facilities or the Assets, except in the ordinary course of business.

18. No-Shop Provisions.

a. GWHN will not, during the Exclusivity Period (as defined in paragraph 18.b), do any of the following without the approval of SWC Health System: (a) offer for sale the Assets (or substantially all of the Assets) or any ownership interest in any entity owning any of the Assets, (b) solicit offers to buy all or substantially all of the Assets or any ownership interest in any entity owning any of the Assets, (c) hold discussions with any party (other than SWC Health System, LHP, or SMHS) looking toward such an offer or solicitation or looking toward a merger, consolidation, joint venture, or similar transaction involving any entity owning any of the Assets, or (d) enter into any agreement with any party (other than SWC Health System, LHP, or SMHS) with respect to the sale or other disposition of the Assets (or substantially all of the Assets) or any ownership interests in any entity owning any of the Assets or with respect to any merger, consolidation, joint venture, or similar transaction involving any entity owning any of the Assets. GWHN will promptly communicate to SWC Health System the substance of any inquiry or proposal concerning any such transaction.

b. For purposes of this paragraph 18, the term "Exclusivity Period" shall mean the period beginning on the date of execution of this Letter of Intent and ending on the date sixty days following such date (unless negotiations hereunder are terminated by SWC Health System, whereupon the

covenant of GWHN under paragraph 18.a will terminate); provided, however, that in the event that a CON Determination Form is filed with the State of Connecticut Office of Health Care Access (or the process for obtaining a certificate of need relating to the transfer of ownership of the Facilities is otherwise initiated) during the 60-day period following the date of execution of this Letter of Intent, the Exclusivity Period will not terminate until the date upon which the parties have received written notice of a final, unappealable decision in respect of each of the Federal and State regulatory approvals associated with the Transaction (including, without limitation, certificate of need, change of ownership, licensure, state attorney general, and any and all other necessary regulatory approvals).

19. Definitive Agreement. Except for the concepts expressed in paragraphs 14, 15, 16, 17, and 18 above (the "Binding Provisions"), this Letter of Intent is not intended to be a binding agreement and will not give rise to any obligations between the parties. Further, due to the complexity of the Transaction, it is the expressed intention of the parties that except for the Binding Provisions, no binding contractual agreement will exist between them unless and until GWHN and SWC Health System have executed the Definitive Agreement and the LLC Agreement, which will contain the provisions outlined above and other representations, warranties, and terms and conditions customary in this type of transaction, all of which must be acceptable to all parties in their sole discretion (including, without limitation, contingencies and/or conditions to closing relating to certificate of need, change of ownership, licensure, state attorney general, and any and all other necessary regulatory approvals). The parties expressly acknowledge that the Definitive Agreement and the LLC Agreement will require the approval of the Boards of Directors of each of GWHN, LHP, and SMHS. In addition, the parties expressly acknowledge that the Transaction will require, among other regulatory approvals, a certificate of need relating to the transfer of ownership of the Facilities as well as a certificate of need respecting the development and construction of the Replacement Hospital. Any party may for whatever reason terminate this Letter of Intent and further negotiations at any time and for any reason by providing written notice of the same to the other parties. In the event of any such termination, no liability will arise between the parties as a result of the execution of this Letter of Intent, any action taken in reliance thereon, or such termination, except as provided in and with respect to the Binding Provisions.

20. Assignment. Neither this Letter of Intent nor the rights or obligations of the parties hereunder are assignable in whole or part by either party without the prior written consent of the other parties. Any attempted assignment in contravention hereof shall be void.

21. Successors and Assigns. This Letter of Intent shall be binding upon and inure solely to the benefit of the parties hereto, their successors and permitted assigns, and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit, or remedy of any nature whatsoever.

22. Entire Agreement. This Letter of Intent constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all other prior agreements and

understandings, oral or written, between the parties with respect to the subject matter hereof other than the Confidentiality Agreement between the parties dated April 8, 2011.

23. Amendments; No Waiver. No provision of this Letter of Intent may be amended, revoked, or waived except by a writing signed and delivered by each party hereto. No failure or delay on the part of any party in exercising any right hereunder will operate as a waiver of, or impair, any such right. No single or partial exercise of any such right will preclude any other or further exercise thereof or the exercise of any other right. No waiver of any such right will be deemed a waiver of any other right hereunder.

24. Counterparts. This Letter of Intent may be executed in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement.

25. Governing Law. This Letter of Intent will be governed by and construed in accordance with the laws of the State of Connecticut, without regard to the conflict of laws and principles of such state. Any action or proceeding relating to or arising out of this Letter of Intent shall be commenced and heard only in state or federal courts located in Connecticut, specifically those courts in New Haven County, Connecticut, and the parties hereto agree to such courts' jurisdiction.

Please indicate your approval of the terms and conditions of this Letter of Intent and your intention to enter into these negotiations by executing three copies of this letter in the space provided below and returning two executed copies to us, whereupon we will proceed promptly with the initiation of due diligence and the drafting and negotiation of the Definitive Agreement and the LLC Agreement. Please be advised that this proposal will expire unless there has been delivered to us a fully executed copy of this Letter of Intent no later than 5:00 p.m., Dallas, Texas time, on Friday, August 19, 2011.

We look forward to a successful and mutually rewarding relationship in respect of the Transaction described herein.

LHP SOUTHWEST CONNECTICUT, LLC

By: Dan Moen

Dan Moen
Chief Executive Officer

AGREED AND APPROVED
THIS 18 DAY OF August, 2011

GREATER WATERBURY HEALTH NETWORK, INC.

By: Darlene Stromstad

Darlene Stromstad
President & Chief Executive Officer

SAINT MARY'S HEALTH SYSTEM, INC. has executed this Letter of Intent to signify its agreement to be bound by the provisions of paragraphs 14 and 16 hereof as of THIS 15th DAY OF August, 2011.

SAINT MARY'S HEALTH SYSTEM, INC.

By: _____

Chad Wable
President & Chief Executive Officer

**EXHIBIT A-1**

**ASSETS**

- All right, title, and interest in and to the Facilities, including, without limitation, The Waterbury Hospital, its business operations, and other related health care assets.
- Equipment.
- Net working capital (which shall be defined as accounts receivable, inventory and supplies, and any prepaid expenses and deposits that have continuing value to SWC Health System, less accounts payable and accrued expenses).
- Patient, medical, personnel, and other records of the Facilities.
- Licenses, permits, and trade names.
- Certain assumable contracts of the Facilities.
- Interests in subsidiaries and affiliates.
- 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 GWHN and used or held for use in the operation of the Facilities.

## EXHIBIT A-2

## EXCLUDED ASSETS

- Cash and cash equivalents.
- Board-designated, restricted, and trustee-held or escrowed funds (such as funded depreciation, debt service reserves, working capital trust assets, and assets and investments restricted as to use), beneficial interests in charitable trusts, and accrued earnings on all of the foregoing.
- Prepaid expenses not assumed by SWC Health System.
- All insurance proceeds arising in connection with the operation of the Assets or the Facilities for periods prior to closing.
- All amounts due or to become due to GWHN from the Medicare, Medicaid, or other payor programs in respect of cost report periods ended on or prior to closing.
- Interests in, and assets of, GWNH's existing charitable foundation.

**LHP SOUTHWEST CONNECTICUT, LLC**
**2800 NORTH DALLAS PARKWAY**
**SUITE 200**
**PLANO, TEXAS 75093**

November 15, 2011

Greater Waterbury Health Network, Inc.
64 Robbins Street
Waterbury, Connecticut 06708

Re: Amendment to Letter of Intent

Ladies and Gentlemen:

Reference is made to that certain letter of intent dated August 18, 2011, as amended by a letter dated October 18, 2011 (collectively, the "Letter of Intent"), by and between LHP Southwest Connecticut, LLC, a Delaware limited liability company, and Greater Waterbury Health Network, Inc., a Connecticut non-stock corporation, and having Saint Mary's Health System, Inc. as an additional signatory thereto. Except as otherwise expressly provided herein, capitalized terms used in this letter shall have the same meanings ascribed thereto in the Letter of Intent.

Paragraph 18.b of the Letter of Intent shall be deleted in its entirety, and the following new paragraph 18.b shall be substituted therefor:

b. For purposes of this paragraph 18, the term "Exclusivity Period" shall mean the period beginning on the date of execution of this Letter of Intent and ending on December 15, 2011 (unless negotiations hereunder are terminated by SWC Health System, whereupon the covenant of GWHN under paragraph 18.a will terminate); provided, however, that in the event that a CON Determination Form is filed with the State of Connecticut Office of Health Care Access (or the process for obtaining a certificate of need relating to the transfer of ownership of the Facilities is otherwise initiated) during the period beginning on the date of execution of this Letter of Intent and ending on December 15, 2011, the Exclusivity Period will not terminate until the date upon which the parties have received written notice of a final, unappealable decision in respect of each of the Federal and State regulatory approvals associated with the Transaction (including, without limitation, certificate of need, change of ownership, licensure, state attorney general, and any and all other necessary regulatory approvals).

This letter shall be deemed to be an amendment to the Letter of Intent, and shall be subject to the terms of paragraph 19 of the Letter of Intent. This letter may be executed in counterparts, each of which will be deemed to be an original, and all of which, when taken together, will constitute one and the same letter. Signatures sent by facsimile or other electronic

transmission will be deemed to be original signatures. This letter is not assignable without the prior written consent of the other party. The Letter of Intent, as amended by this letter, shall remain in full force and effect.

Sincerely,

LHP SOUTHWEST CONNECTICUT, LLC

By: _____
Dan Moen
Chief Executive Officer

AGREED AND APPROVED
THIS ___ DAY OF _____, 2011

GREATER WATERBURY HEALTH NETWORK, INC.

By: _____
Darlene Stromstad
President & Chief Executive Officer

transmission will be deemed to be original signatures. This letter is not assignable without the prior written consent of the other party. The Letter of Intent, as amended by this letter, shall remain in full force and effect.

Sincerely,

LHP SOUTHWEST CONNECTICUT, LLC

By: _____
Dan Moen
Chief Executive Officer

AGREED AND APPROVED
THIS 21st DAY OF November, 2011

GREATER WATERBURY HEALTH NETWORK, INC.

By: _____
Darlene Stromstad
President & Chief Executive Officer

SAINT MARY'S HEALTH SYSTEM, INC., as an additional signatory to the Letter of Intent, hereby signifies its acknowledgement of the terms of this letter of amendment as of THIS 11th DAY OF November, 2011.

SAINT MARY'S HEALTH SYSTEM, INC.

By: _____

Chad Wable
President & Chief Executive Officer

**LHP SOUTHWEST CONNECTICUT, LLC**
**2800 NORTH DALLAS PARKWAY**
**SUITE 200**
**PLANO, TEXAS 75093**

January 27, 2012

Greater Waterbury Health Network, Inc.
64 Robbins Street
Waterbury, Connecticut 06708

Re: Amendment to Letter of Intent

Ladies and Gentlemen:

Reference is made to that certain letter of intent dated August 18, 2011, as amended by letters dated October 18, 2011 and November 15, 2011 (collectively, the "Letter of Intent"), by and between LHP Southwest Connecticut, LLC, a Delaware limited liability company, and Greater Waterbury Health Network, Inc., a Connecticut non-stock corporation, and having Saint Mary's Health System, Inc. as an additional signatory thereto. Except as otherwise expressly provided herein, capitalized terms used in this letter shall have the same meanings ascribed thereto in the Letter of Intent.

Paragraph 8 of the Letter of Intent shall be deleted in its entirety.

This letter shall be deemed to be an amendment to the Letter of Intent, and shall be subject to the terms of paragraph 19 of the Letter of Intent. This letter may be executed in counterparts, each of which will be deemed to be an original, and all of which, when taken together, will constitute one and the same letter. Signatures sent by facsimile or other electronic transmission will be deemed to be original signatures. This letter is not assignable without the prior written consent of the other party. The Letter of Intent, as amended by this letter, shall remain in full force and effect.

Sincerely,

LHP SOUTHWEST CONNECTICUT, LLC

By: Dan Moen

Dan Moen
Chief Executive Officer

AGREED AND APPROVED
THIS 30th DAY OF January, 2012

GREATER WATERBURY HEALTH NETWORK, INC.

By: _____
Darlene Stromstad
President & Chief Executive Officer

SAINT MARY'S HEALTH SYSTEM, INC., as an additional signatory to the Letter of Intent, hereby signifies its acknowledgement of the terms of this letter of amendment as of THIS 30th DAY OF January, 2012.

SAINT MARY'S HEALTH SYSTEM, INC.

By: _____
Chad Wable
President & Chief Executive Officer



WH000468

**LHP SOUTHWEST CONNECTICUT, LLC**
**2800 NORTH DALLAS PARKWAY**
**SUITE 200**
**PLANO, TEXAS 75093**

January 26, 2012

Greater Waterbury Health Network, Inc.
64 Robbins Street
Waterbury, Connecticut 06708

Re: Transaction with LHP Southwest Connecticut, LLC

Ladies and Gentlemen:

Reference is made to that certain letter of intent dated August 18, 2011, as amended by letters dated October 18, 2011 and November 15, 2011 (collectively, the "GWHN Letter of Intent"), by and between LHP Southwest Connecticut, LLC, a Delaware limited liability company and an affiliate of LHP Hospital Group, Inc. (together with their subsidiaries and affiliates, "LHP"), and Greater Waterbury Health Network, Inc., a Connecticut non-stock corporation ("GWHN"), and having Saint Mary's Health System, Inc., a Connecticut non-profit corporation (together with its subsidiaries and affiliates, "SMHS"), as an additional signatory thereto. The GWHN Letter of Intent describes a transaction (the "GWHN Transaction") pursuant to which Southwest Connecticut Health System, LLC, a Connecticut limited liability company (the "Joint Venture"), would (i) acquire, own, and operate The Waterbury Hospital, an acute care teaching hospital having 357 licensed beds, together with various parking facilities, medical office buildings, and other related health care assets located in and around Waterbury, Connecticut, and (iii) construct a new replacement hospital at a cost of approximately $400 million for the purpose of consolidating the acute care services presently provided at the existing facilities owned by GWHN and SMHS. LHP is also a party to a certain letter of intent dated January 13, 2011, as amended by a letter dated March 17, 2011 (the "SMHS Letter of Intent"), between LHP and SMHS regarding the acquisition, ownership, and operation by the Joint Venture of Saint Mary's Hospital, a 347-bed acute care hospital located in Waterbury, Connecticut, together with certain other related health care facilities and assets (the "SMHS Transaction"). The GWHN Transaction and the SMHS Transaction are collectively referred to herein as the "Transaction."

Since the execution of the GWHN Letter of Intent and the SMHS Letter of Intent, LHP, GWHN, and SMHS have engaged in extensive deliberations and negotiations respecting the Transaction, including the preparation of draft definitive agreements. The parties have also begun the process of seeking the numerous regulatory approvals necessary to consummate the Transaction. The purpose of this letter agreement (this "Letter Agreement") is to set forth certain additional agreements and arrangements to which LHP and GWHN have agreed during their deliberations and negotiations that are not presently evidenced by the GWHN Letter of Intent.

1. Conditionality of Approvals and Closings. The parties acknowledge that the consummation of the Transaction requires numerous third-party approvals (including, without limitation, approvals from Federal and State regulatory authorities, canonical authorities, and the Boards of Directors of LHP, GWHN, and SMHS). Among the State regulatory approvals contemplated to be required are those for two conversion applications and no fewer than four applications for Certificates of Need. The parties have agreed with the State of Connecticut's Office of Attorney General and Office of Health Care Access, and hereby confirm, that the State regulatory approvals are to be issued with mutual and reciprocal conditions, such that the State's approval of each element of the transaction is effective only if and to the extent that the State approves each and every other element of the Transaction.

The parties also acknowledge that, in order to comply with certain aspects of the canonical approvals required to permit SMHS' participation in the Transaction, it is necessary to consummate the SMHS Transaction prior to consummating the GWHN Transaction. Stated differently, the nature of the canonical approvals generally requires that the Transaction be closed in two discrete steps, such that SMHS is admitted as a member of the Joint Venture prior to the admission of GWHN as a member of the Joint Venture. Nevertheless, it is the intention and agreement of the parties that neither the SMHS Transaction nor the GWHN Transaction is to be consummated without the other. In order to assure that the closing of the Transaction proceeds as intended, the parties hereby agree and acknowledge that: (i) the SMHS Transaction shall not be consummated, and SMHS shall not be admitted as a member of the Joint Venture, unless and until (y) a definitive agreement is in effect with respect to the GWHN Transaction that is binding and enforceable upon each of LHP and GWHN (the "Binding GWHN Agreement"), and (z) all conditions to closing set forth in the Binding GWHN Agreement have been satisfied other than conditions related to the closing of the SMHS Transaction; and (ii) the GWHN Transaction shall not be consummated, and GWHN shall not be admitted as a member of the Joint Venture, unless and until the SMHS Transaction has been closed and SMHS has been admitted as a member of the Joint Venture.

2. Exclusivity.

a. GWHN acknowledges and agrees that, effective as of the date of this Letter, the Exclusivity Period (as such term is defined and utilized in paragraph 18 of the GWHN Letter of Intent) shall not terminate until the date upon which the parties have received written notice of a final, unappealable decision in respect of each of the Federal and State regulatory and canonical approvals associated with the Transaction

(including, without limitation, canonical, certificate of need, change of ownership, licensure, state attorney general, and any and all other necessary regulatory approvals).

b. The GWHN Letter of Intent is hereby amended as necessary and appropriate to reflect the agreements set forth in this paragraph 2. In the event of any conflict between the language of the GWHN Letter of Intent and this Letter Agreement, the provisions of this Letter Agreement shall control.

The agreements described in this Letter Agreement shall be "Binding Provisions" for purposes of the GWHN Letter of Intent. This Letter Agreement may be executed in counterparts, each of which will be deemed to be an original, and all of which, when taken together, shall constitute one and the same document. Signatures sent by facsimile or other electronic transmission shall be deemed to be original signatures. This Letter Agreement is not assignable without the prior written consent of the other parties thereto. The GWHN Letter of Intent, as amended by this Letter Agreement, shall remain in full force and effect.

Sincerely,

LHP SOUTHWEST CONNECTICUT, LLC

By: _____

AGREED AND APPROVED
THIS 26 DAY OF January, 2012

GREATER WATERBURY HEALTH NETWORK, INC.

By: _____
Darlene Stromstad
President & Chief Executive Officer

cc: Chad Wable, Saint Mary's Health System, Inc.

**LHP SOUTHWEST CONNECTICUT, LLC**
**2800 NORTH DALLAS PARKWAY**
**SUITE 200**
**PLANO, TEXAS 75093**

January 27, 2012

Greater Waterbury Health Network, Inc.
64 Robbins Street
Waterbury, Connecticut 06708

Re: Transaction with LHP Southwest Connecticut, LLC

Ladies and Gentlemen:

Reference is made to that certain letter agreement dated January 26, 2012 (the "LHP-GWHN Side Letter") by and between LHP Southwest Connecticut, LLC, a Delaware limited liability company and an affiliate of LHP Hospital Group, Inc. (together with their subsidiaries and affiliates, "LHP"), and Greater Waterbury Health Network, Inc., a Connecticut non-stock corporation ("GWHN") describing the GWHN Transaction (as such term is defined in the LHP-GWHN Side Letter) and setting forth certain agreements and arrangements to which LHP and GWHN have agreed during their deliberations and negotiations regarding the GWHN Transaction. Each capitalized term used in this letter shall have the same meaning ascribed thereto in the LHP-GWHN Side Letter.

In order to ensure that all of the material clinical services and programs currently being provided by GWHN are maintained in the community following the closing of the Transaction, and except as provided in the following sentence, the LLC Agreement will require that the termination of any material clinical service or program currently provided by GWHN will require the approval of the Board of Directors of SWC Health System. Because SWC Health System will be obligated to operate its facilities in accordance with the Ethical and Religious Directives for Catholic Health Care Services (the "Catholic Directives"), arrangements will be made for maintaining the clinical services and programs currently being provided by GWHN that do not comply with the Catholic Directives (the "GWHN Legacy Services"). It is presently anticipated that such arrangements could involve two distinct phases: (i) a transition arrangement for a defined period of years, pursuant to which the GWHN Legacy Services (other than elective abortions) would continue to be provided in the same manner as they are at the time of closing, and (ii) an arrangement pursuant to which a health care provider other than SWC Health System would provide GWHN Legacy Services in a free-standing ambulatory surgery center. In that regard, the parties will work together to evaluate the various aspects of the alternative arrangement, including the scope of services to be provided in the ambulatory surgery center, the identity of the provider of the GWHN Legacy Services, and the financial viability of the arrangement.

This letter may be executed in counterparts, each of which will be deemed to be an original, and all of which, when taken together, shall constitute one and the same document. Signatures sent by facsimile or other electronic transmission shall be deemed to be original signatures. This letter is not assignable without the prior written consent of the other party thereto. The LHP-GWHN Side Letter, as amended by this letter, shall remain in full force and effect.

Sincerely,

LHP SOUTHWEST CONNECTICUT, LLC

By: _____

AGREED AND APPROVED
THIS 30th DAY OF January, 2012

GREATER WATERBURY HEALTH NETWORK, INC.

By: _____
Darlene Stromstad
President & Chief Executive Officer

cc: Chad Wable, Saint Mary's Health System, Inc.

**LHP SOUTHWEST CONNECTICUT, LLC**
**2800 NORTH DALLAS PARKWAY**
**SUITE 200**
**PLANO, TEXAS 75093**

October 18, 2011

Greater Waterbury Health Network, Inc.
64 Robbins Street
Waterbury, Connecticut 06708

Re: Amendment to Letter of Intent

Ladies and Gentlemen:

Reference is made to that certain letter of intent dated August 18, 2011 (the "Letter of Intent"), by and between LHP Southwest Connecticut, LLC, a Delaware limited liability company, and Greater Waterbury Health Network, Inc., a Connecticut non-stock corporation, and having Saint Mary's Health System, Inc. as an additional signatory thereto. Except as otherwise expressly provided herein, capitalized terms used in this letter shall have the same meanings ascribed thereto in the Letter of Intent.

Paragraph 18.b of the Letter of Intent shall be deleted in its entirety, and the following new paragraph 18.b shall be substituted therefor:

> b. For purposes of this paragraph 18, the term "Exclusivity Period" shall mean the period beginning on the date of execution of this Letter of Intent and ending on November 15, 2011 (unless negotiations hereunder are terminated by SWC Health System, whereupon the covenant of GWHN under paragraph 18.a will terminate); provided, however, that in the event that a CON Determination Form is filed with the State of Connecticut Office of Health Care Access (or the process for obtaining a certificate of need relating to the transfer of ownership of the Facilities is otherwise initiated) during the period beginning on the date of execution of this Letter of Intent and ending on November 15, 2011, the Exclusivity Period will not terminate until the date upon which the parties have received written notice of a final, unappealable decision in respect of each of the Federal and State regulatory approvals associated with the Transaction (including, without limitation, certificate of need, change of ownership, licensure, state attorney general, and any and all other necessary regulatory approvals).

This letter shall be deemed to be an amendment to the Letter of Intent, and shall be subject to the terms of paragraph 19 of the Letter of Intent. This letter may be executed in counterparts, each of which will be deemed to be an original, and all of which, when taken together, will constitute one and the same letter. Signatures sent by facsimile or other electronic transmission will be deemed to be original signatures. This letter is not assignable without the

prior written consent of the other party. The Letter of Intent, as amended by this letter, shall remain in full force and effect.

Sincerely,

LHP SOUTHWEST CONNECTICUT, LLC

By: _____
Dan Moen
Chief Executive Officer

AGREED AND APPROVED
THIS 20 DAY OF Oct, 2011

GREATER WATERBURY HEALTH NETWORK, INC.

By: _____
Darlene Stromstad
President & Chief Executive Officer

SAINT MARY'S HEALTH SYSTEM, INC., as an additional signatory to the Letter of Intent, hereby signifies its acknowledgement of the terms of this letter of amendment as of THIS 21st DAY OF October, 2011.

SAINT MARY'S HEALTH SYSTEM, INC.

By: _____

Chad Wahle
President & Chief Executive Officer

# EXHIBIT 8: FAIRNESS OPINION REQUEST FOR PROPOSAL

**LETTERHEAD OF GREATER WATERBURY HEALTH NETWORK, INC.**

September 6, 2011

[PROSPECTIVE BIDDER
ADDRESS]

Re: Fairness Evaluation for Conversion of Greater Waterbury Health Network Inc.

Ladies and Gentlemen:

Please find enclosed our Request for Proposals to conduct a fairness evaluation in connection with the conversion process for the transaction between Greater Waterbury Health Network, Inc. and a subsidiary of LHP Hospital Group, Inc.

We invite you to respond; should you choose to respond, please send your response to the undersigned no later than September , 2011.

Very truly yours,

GREATER WATERBURY HEALTH NETWORK, INC.

By: _____

Darlene Stromstad
Its President

[xxx], 2011

# Advisory Engagement for

# Greater Waterbury Health Network, Inc.

The Board of Directors ("Board") of Greater Waterbury Health Network, Inc. ("GWHN"), the parent of The Waterbury Hospital (the "Hospital"), is requesting proposals from financial advisory companies to provide a Fairness Evaluation in conjunction with its announced three-way joint venture (the "Transaction") with Saint Mary's Health System, Inc. and LHP Hospital Group, Inc.

*Background*

On March 4, 2011, GWHN engaged Cain Brothers and Co., LLC ("Cain Brothers") to explore strategic alternatives, which included a partnership, merger or sale. At the Board's direction, Cain Brothers requested proposals from a select group of organizations interested in this type of strategic relationship, with the core objective being the assurance of GWHN's continued long-term vigor as a provider of leading health care services to the Greater Waterbury community. Based on this overarching goal, GWHN evaluated potential partners who could demonstrably help in the achievement of the following objectives:

- Ensure Waterbury Hospital remains a viable health care entity, providing the highest safety and quality health care services to the Greater Waterbury communities for the long-term;
- Deploy repeatable and scalable tools and clinical care services to continually improve the health of the community;
- Provide access to sufficient capital to meet current and future capital needs while strengthening the balance sheet;
- Enhance the Hospital's medical staff by attracting and retaining physicians;
- Maintain high satisfaction scores by patients, physicians, employees and volunteers; and
- Continue charitable care delivery and funding.

After receiving proposals from potential partners, thoughtful diligence and intense negotiations, GWHN announced on August 23, 2011 that it had signed a letter of intent to join with the previously announced joint venture being formed between LHP Hospital Group, Inc. and Saint Mary's Health System, Inc.

The proposed transaction includes a commitment by the joint venture to construct a new medical center facility at a cost of approximately $400 million that will replace both The Waterbury Hospital and Saint Mary's Hospital.

*Scope of Work:*

Fairness Evaluation. The Transaction will require the Hospital to undertake the conversion process prescribed in Connecticut General Statutes § 19a-486 et seq. (the "Conversion Statute") The Board, to fulfill its fiduciary duties and its obligations under Conversion Statute requires an evaluation as to the appropriateness and fairness of the proposed Transaction. The evaluation must address each of the criteria specified in Connecticut General Statutes § 19a-486(c). The evaluation will be used to support the conclusion that GWHN will receive "fair market value" for its assets, which means the most likely price that the assets would bring in a sale in a competitive and open market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably and in their own best interest, and with a reasonable time being allowed for exposure in the open market.

The Board will utilize the Fairness Evaluation in the conversion process and it will be submitted as part of the Hospital's conversion application. Recognizing that the transaction conveys no cash consideration to GWHN at close, the valuation methodology must reference the intangible value to the Greater Waterbury community of maintaining the mission of GWHN and the value of the commitment of a replacement facility. The evaluation should include an assessment of the management agreement that the Joint Venture will enter into with an LHP affiliate to manage the hospitals' operations. Extrapolation of valuations from for-profit versus not-for-profit organizations and academic hospital systems versus community hospital systems are a requirement. The engagement is self-contained with a single work product.

*Terms of Engagement*

1. Remuneration: The Board will pay a fixed price for the Fairness Evaluation.

2. Exclusivity: In order to assure independence and avoidance of conflicts of interest, the advisor agrees not to perform or be contracted for any investment banking services for LHP Group, Saint Mary's or any patient care organization operating within 35 miles of GWHN for a period commencing at the time of engagement until the delivery of the Fairness Evaluation.

3. Non-Solicitation: The Board's primary motivation in entering into this agreement is to ensure that a Replacement Hospital is developed by the joint venture, thereby ensuring the highest quality care and delivery system is maintained in the Greater Waterbury Community. The greatest risk to GWHN as an enterprise would be for this transaction to fail to be consummated for any reason. The advisor must, therefore, be cognizant and become fluent in the confidentiality and exclusivity provisions in the Transaction, which essentially prohibit solicitation of any market contact as to any potential transaction or financing involving GWHN.

4. Acknowledgement: The advisor acknowledges that Cain Brothers is GWHN's investment banker, and no other investment banking services are required at this time.

*Request for Proposal:*

Please provide the Board four (4) sets of the following, in written format, no later than _____, 2011.

- Firm Overview and Relevant Experience
- Biographies and Commitment of Proposed Team Members
- Diligence Needs
- Process Timeline
- Outline of Other Logistics & Coordination
- Compensation Structure
- Confirmation of Absence of any Conflicts of Interest

Direct your proposal to:

GREATER WATERBURY HEALTH NETWORK, INC.

64 Robbins Street

Waterbury CT 06708

Attention: Darlene Stromstad

# EXHIBIT 9: FAIRNESS OPINION PROPOSALS

# FirstSouthwest

## Healthcare Services Practice & Fairness Evaluation Response

In response to:

WATERBURY HOSPITAL
HEALTH CENTER

FirstSouthwest


**Stephen Johnson**
Managing Director, Corporate Finance
214.953.8856
stephen.johnson@firstsw.com

**Vic Schmerbeck**
Managing Director, Corporate Finance
214.953.4044
vic.schmerbeck@firstsw.com


October 2011

CONFIDENTIAL

WH000483

# FirstSouthwest – Firm Overview

WATERBURY HOSPITAL

WH000484

**Company History**

- Founded in 1946
- Registered broker/dealer with FINRA, activities regulated by the SEC & MSRB
- Diverse staff of investment banking, underwriting and sales professionals

**Lines of Business**

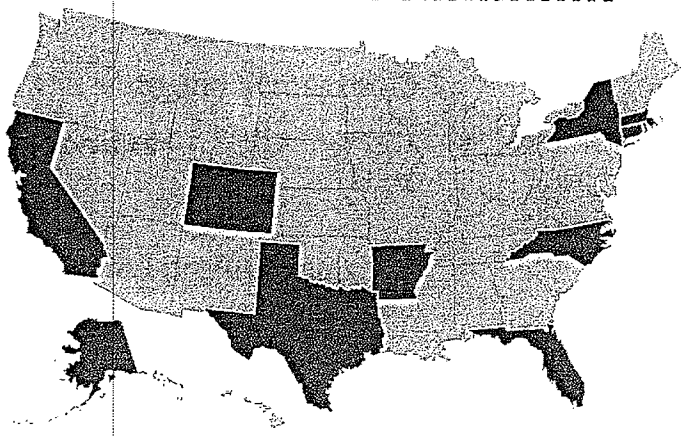
- Corporate Finance (M&A, Capital Raising, Strategic Advisory)
- Public Finance (Financial Advisory, Underwriting & Financial Planning)
- Capital Markets (Sales, Trading, Underwriting & Structured Products)
- Asset Management
- Correspondent Clearing Services

**Corporate Highlights**

- Dedicated healthcare practice with experienced Corporate and Public Finance bankers
  - advise healthcare providers and payors, healthcare technology and service companies, and private equity firms
  - variety of capital markets transactions including acquisitions, sales, financings, recapitalizations, joint ventures and fairness opinions
- Served as financial advisor on 61 healthcare bond issues totaling $4.7 billion over the last five years
- Served as underwriter of 1,512 municipal bond issues totaling $72.9 billion, and financial advisor on 4,101 issues totaling $142.8 billion over the last five years
- Part of PlainsCapital Corporation, a $5+ billion diversified financial services company

**FirstSouthwest at a glance...**

- **Founded in 1946**
- **Approximately 380 employees**
- **22 offices in 11 states**
- **Headquartered in Dallas, Texas, offices throughout the Northeast**
- **Tenured employees comprise 34% of total staff**
- **Represents clients in nearly every state**





Member FINRA & SIPC | Subsidiary of PlainsCapital | © 2011 FirstSouthwest

# FirstSouthwest – Healthcare Expertise

WATERBURY HOSPITAL

WH000485

## Healthcare Services Practice

- Our dedicated healthcare services practice, consisting of experienced Corporate and Public Finance bankers, advises healthcare providers and payors, healthcare technology and service companies, and private equity firms on a variety of capital markets transactions including acquisitions, sales, growth financings, recapitalizations and joint ventures
- Substantial experience with hospitals and hospital management companies
  - Active participants with hospital transactions including ongoing engagements
  - Senior financial and operational expertise within healthcare practice
  - Involvement with numerous not-for-profit and for-profit transactions
- Strong relationships with strategic market leaders as well as capital providers
  - Close ties with major health systems and payors throughout the state and across the U.S.
  - Regularly interact with leading healthcare-focused financial sponsors
- Senior-Level Involvement in Transactional Process
  - Your Fairness Evaluation will be given by senior healthcare dedicated professionals
  - Quality services delivered in a timely manner – our professionals know healthcare
- Strong Balance Sheet


Member FINRA & SIPC | Subsidiary of PlainsCapital | © 2011 FirstSouthwest

# FirstSouthwest – Corporate Advisory Services

WATERBURY HOSPITAL

WH000486

## Corporate Finance Capabilities

### Mergers & Acquisitions

- Sell-side Advisory
  - Company Sales
  - Asset Sales
  - Divestitures
- Buy-side Advisory
- Recapitalizations
- Leveraged Buyouts and Management Buyouts
- Joint Ventures

### Private Placements

- Equity Capital
- Debt Capital
  - Senior
  - Mezzanine
  - Sub-Debt

### Advisory

- Reorganizations and Restructurings
- Fairness Opinions
- Valuations
- Strategic Financial Consulting
- Special Committee Advisory



Member FINRA & SIPC | Subsidiary of PlainsCapital | © 2011 FirstSouthwest

# FirstSouthwest – Corporate Finance Transactions

WATERBURY HOSPITAL

WH000487

## Select Healthcare Services Transactions

| Sector | Service | Transaction Description |
|---|---|---|
| Alternate Site Provider | Capital Raise | Minority growth equity financing by a financial sponsor |
| Alternate Site Provider | Recapitalization | Majority recapitalization to a financial sponsor |
| Alternate Site Provider | Capital Raise | Equity capital raise to fund growth initiatives |
| Diagnostic Imaging | Sell-Side Advisory | Sale to a strategic buyer |
| Diagnostic Imaging | Recapitalization | Sale of a controlling interest to a financial sponsor |
| Hospital | Buy-Side Advisory | Purchase of an acute care hospital in a bankruptcy section 363 sale |
| Hospital | Buy-Side Advisory | Purchase of an acute care hospital in a bankruptcy section 363 sale |
| Hospital | Buy-Side Advisory | Purchase of a multi-hospital system and related assets and facilities |
| Hospital | Advisory | Solvency opinion |
| Hospital | Buy-Side Advisory | Purchase of a strategic competitor |
| Physician Practice | Sell-side Advisory | Sale of multiple physician practices |
| Physician Practice | Buy-Side Advisory | Acquisition of multiple physician practices |
| Practice Management | Buy-Side Advisory | Purchase of a strategic competitor |
| Practice Management | Buy-Side Advisory | Purchase of a strategic competitor |
| Practice Management | Buy-Side Advisory | Purchase of a strategic competitor |
| Practice Management | Buy-Side Advisory | Purchase of a strategic competitor |
| Practice Management | Buy-Side Advisory | Purchase of a strategic competitor |
| Practice Management | Advisory | Joint venture between a hospital management company and a physician group |
| Technology Services | Sell-Side Advisory | Sale to a financial sponsor |
| Technology Services | Recapitalization | Sale of a controlling interest to a financial sponsor |



Member FINRA & SIPC | Subsidiary of PlainsCapital | © 2011 FirstSouthwest

# FirstSouthwest – Public Finance Services

WATERBURY HOSPITAL

WH000488

## Public Finance Capabilities

### Financial Advisory

- Set Financing Terms
- Coordinate Related Service Providers
- Prepare Documentation
- Coordinate Rating & Credit Enhancement Process
  - Bond rating strategy
  - Credit enhancement & liquidity facilities
- Conduct Marketing & Sale of Debt

### Financial Planning

- Diagnostic Assessment
  - Market position
  - Efficiency indicators
  - Profitability indicators
  - Liquidity indicators
- Credit Analysis, Debt Capacity & GAP Analysis
- Long-Range Financial Plan

### Ancillary Services

- Arbitrage Rebate
- Continuing Disclosure
- Investment Management
- Structured Products
- Pension & OPEB Actuarial Services



Member FINRA & SIPC | Subsidiary of PlainsCapital | © 2011 FirstSouthwest

# FirstSouthwest – Public Finance Representative Clients

WATERBURY HOSPITAL

WH000489

## Public Healthcare Clients

Dallas County Hospital District
Comache County Hospital Authority
Harris County Hospital District
University of Mississippi Medical Ctr
Stillwater Medical Center
Irving Hospital Authority
Knoxville Medical Center, Univ. of Tenn.
Miami-Dade County Public Health Trust
McAllister Regional Hospital
Tarrant County Hospital District (John Peter Smith Health System)
Norman Regional Hospital
Bexar County Hospital District
Wagoner Hospital Authority
Lubbock County Hospital District
Valley View Hospital Authority
Northeast Hospital Authority
Cleveland Area Hospital
Hopkins County Hospital District
Hunt Memorial Hospital District
Gainesville Hospital District

## Not-For-Profit Clients

St. Luke's Hospital (Ohio)
Baylor College of Medicine (TX)
Freeman Health System (MO)
St. Claire Regional Medical Center (KY)
Hendrick Health System (TX)
The Greater Fairbanks Community Hospital Foundation (AK)
Cook Children's Medical Center (TX)
University Hospital, New Mexico (NM)
Kalispell Regional Medical Center (MT)
McCullough-Hyde Memorial Hosp (OH)
St. Mark's Medical Center (TX)
Kettering Medical Center Network (OH)
Unity Health Center (OK)
Union County General Hospital (NM)
Guadalupe Regional Hospital (TX)
Wake Forest Medical Center (NC)
Clarendon Health System (SC)
Glen Falls Hospital (NY)
Gerald Champion Medical Center (NM)
Hillcrest Health System (TX)

## Not-For-Profit Clients (Cont.)

Valley View Regional Hospital (OK)
Methodist Hospital (KY)
Mission Hospital (TX)
The Regional Medical Center (SC)
St. Vincent Hospital (NM)
Indian Health Care Resource Ctr (OK)
Valley Baptist Health System (TX)
Sandoval Regional Medical Ctr (NM)
Wise Regional Medical Center (TX)
Lexington Medical Center (SC)
Menninger Clinic (TX)
Children's Hospital of Atlanta (GA)


Member FINRA & SIPC | Subsidiary of PlainsCapital | © 2011 FirstSouthwest

# Biographies of Proposed Team Members

WATERBURY HOSPITAL

WH000490

**Stephen C. Johnson - Managing Director**

Mr. Johnson joined First Southwest Company on April 1, 2009 from Aspen Advisors, LP, a boutique investment and merchant banking firm located in Dallas, Texas. Mr. Johnson currently serves as a Managing Director of the Corporate Finance team at First Southwest Company. Mr. Johnson has extensive experience in healthcare transactions both as an investment banker and as an attorney. Prior to his position at Aspen Advisors, he was a partner at the national law firm Gibson, Dunn & Crutcher, partner-in-charge of its Dallas office and a member of its compensation committee. Mr. Johnson specializes in advising healthcare companies and other clients, on a wide variety of issues and transactions. Mr. Johnson has extensive transaction experience in mergers, acquisitions, joint ventures, leases, and divestitures involving hospitals and other facility based healthcare providers, as well as healthcare service providers and physicians. His clients have included community hospitals, for-profit owners and operators of acute care hospitals and related healthcare services, as well as physician groups and providers of ancillary healthcare services

Mr. Johnson graduated from the University of Nebraska with a Bachelor of Arts in economics and a Juris Doctor with distinction, and served as editor of the Nebraska Law Review. Additionally, Mr. Johnson is registered with the Financial Industry Regulatory Authority, licensed as a General Securities Representative (Series 7), a Uniform Securities Agent (Series 63) and an Investment Banking Representative (Series 79).

**Representative Experience:**

- Represented Tenet Healthcare in connection with its joint venture with The Cleveland Clinic Foundation for the construction, ownership and operation of The Cleveland Clinic Florida Hospital
- Represented Wilson N. Jones Memorial Hospital (a Texas non-profit hospital) in the acquisition of a strategic competitor
- Represented Tenet Healthcare in connection with its acquisition of a number of strategic competitors in Florida, Georgia, Missouri, Pennsylvania and Texas through a series of transactions
- Represented Tenet Healthcare in its acquisition of three hospital systems in connection with a 363 bankruptcy sale
- Represented EmCare Inc., in connection with the vast majority of its acquisitions of emergency medical services companies across the United States, including the acquisition of a medical billing business
- Represented Tenet Healthcare in the acquisition and disposition of physician practice groups
- Represented Emerus Hospital Partners in connection with its $30 million growth equity financing and currently advising the company on its joint venture arrangements with a number of major hospital systems as it expands into new markets within Texas and throughout the United States



Member FINRA & SIPC | Subsidiary of PlainsCapital | © 2011 FirstSouthwest

# Biographies of Proposed Team Members (Cont.)

WATERBURY HOSPITAL

WH000491

**Victor J. Schmerbeck - Managing Director**

Mr. Schmerbeck is a Managing Director of the Corporate Finance team at First Southwest. Prior to joining First Southwest in April 2009, Mr. Schmerbeck was a co-founder and Managing Director of Aspen Advisors, LP, a boutique investment and merchant banking firm located in Dallas, Texas, focused on providing merger, acquisition, recapitalization, institutional capital, and restructuring advisory services to private equity, small-middle market owner-operated and family-owned businesses. Prior to co-founding Aspen Advisors in 2000, he served as Senior Vice President and Director of the Corporate Finance group at First Southwest from 1993-2000.

Mr. Schmerbeck's corporate and merchant banking experience includes buy and sell side merger and acquisition advisory, public offerings of equity securities, private placements of equity and debt securities, recapitalizations and restructurings. This experience includes numerous transactions in healthcare, business services and financial services. He has served on various private and public company board of directors as well as numerous charitable organizations. Mr. Schmerbeck graduated with a Bachelor of Business Administration in Finance and Real Estate from Southern Methodist University. Additionally, Mr. Schmerbeck is registered with the Financial Industry Regulatory Authority, licensed as a General Securities Representative (Series 7), a General Securities Principal (Series 24), a Uniform Securities Agent (Series 63) and an Investment Banking Representative (Series 79).

**Liz Alhand, R.N., CPA - Senior Vice President**

Ms. Alhand joined FirstSouthwest in 2009 and has 30 years of experience serving in senior leadership positions for multi-hospital systems nationwide. Ms. Alhand is a specialist in financial and capital planning including: business plans; projections; and merger and acquisition services for health care providers. Ms. Alhand previously served as the Executive Vice President and Chief Financial Officer to the Sisters of Charity of Leavenworth, SSM Health Care, Presbyterian Health System and Harris County Hospital District, Houston, Texas.

Ms. Alhand was Selected by the St. Louis Business Journal as the "Most Influential Business Woman" in 2001 and Selected by Modern Healthcare as an "Up and Comer" in 1995. Ms. Alhand is an active finance committee member of the Catholic Health Initiatives and the St. Joseph Health System, a board member of the Texas Dragon Boat Association and Medical Bridges, a member of the American Institute for Certified Public Accountants and the Healthcare Financial Management Association.

Ms. Alhand earned a Bachelor of Science in Nursing from Indiana University and a Master of Business Administration from the University of Texas. She is a Certified Public Accountant in Texas and Missouri, a Registered Nurse, and a Registered Representative of the Financial Industry Regulatory Authority, licensed as a General Securities Representative (Series 7), a Uniform Securities Agent (Series 63) and an Investment Banking Representative (Series 79).



Member FINRA & SIPC | Subsidiary of PlainsCapital | © 2011 FirstSouthwest

# Biographies of Proposed Team Members (Cont.)

WATERBURY HOSPITAL

WH000492

**Christopher J. Janning - Senior Vice President**

Mr. Janning has been with FirstSouthwest since 1989 and has 19 years of experience in public finance. He represents clients in the areas of tax-exempt healthcare and tax-exempt securities. Mr. Janning has provided services for issuers such as Baylor Health Care System (Dallas, Texas); Cook Childrens' Healthcare System; Tarrant County Hospital District; Miami-Dade County, Florida Public Health Trust; and the Dallas County Hospital District. He provides financial advisory or underwriting services to more than 50 issuers in the issuance of more than $5 billion of tax-exempt securities.

Mr. Janning is an active member of the Texas Hospital Association, Municipal Advisory Council of Texas, Texas Association for Healthcare Financial Administration and the Healthcare Financial Management Association.

Mr. Janning earned a Bachelor of Business Administration in Finance from Southwestern University in Georgetown, Texas and is a Registered Representative of the Financial Industry Regulatory Authority, licensed as a General Securities Representative (Series 7), a Uniform Securities Agent (Series 63), a Municipal Securities Principal (Series 53), and an Investment Banking Representative (Series 79).

**Janette Marcoux - Senior Vice President**

Located in the firm's Glastonbury, CT office, Ms. Marcoux has served as financial advisor to more than 60 Connecticut communities and school districts during the past 27 years and has managed in excess of 750 tax-exempt and taxable financings. Ms. Marcoux is a specialist in the development of debt management programs, credit rating strategies, and the structuring of municipal securities. She has signficant experience in successfully managing sale-leaseback transactions, tax increment financings, and refundings.

Ms. Marcoux assists communities in the areas of project planning, credit analysis, fiscal impact studies, as well as funding techniques. Prior to joining First Southwest, Ms. Marcoux was Senior Vice President and Team Leader of Fleet Securities Hartford Office from 1997 to 2001 and Managing Director at IBIC for five years. She also served as Vice President and Manager of the Government Services Department of the Bank of Boston Connecticut office, where she worked for 14 years.

Ms. Marcoux is an Associate Member of the Connecticut Government Finance Officers Association and the Government Finance Officers Assocation of the U.S. and Canada and is a graduate of Lallier College. She is licensed by the Financial Industry Regulatory Authority as a Municipal Securities Representative (Series 53), a Municipal Securities Principal (Series 53) and a Uniform Securities Agent (Series 63).



Member FINRA & SIPC | Subsidiary of PlainsCapital | © 2011 FirstSouthwest

# Biographies of Proposed Team Members (Cont.)

WATERBURY HOSPITAL

WH000493

### Michael R. Pennington - Associate

Mr. Pennington is an Associate in FirstSouthwest's Corporate Finance Group and has been with the firm since 2006. Mr. Pennington's experience includes merger and acquisition advisory, private placements and various corporate advisory roles across a number of industries, with a focus on the healthcare and financial services sectors. Mr. Pennington has significant experience in advising healthcare services companies, particularly within the provider space.

Prior to joining First Southwest, Michael worked as a consultant at Accenture, a global business consulting firm, in its Financial Services practice. Mr. Pennington received a Bachelor of Business Administration in Finance and Risk Management & Insurance from Baylor University. Additionally, Mr. Pennington is registered with the Financial Industry Regulatory Authority, licensed as a General Securities Representative (Series 7), a Uniform Securities Agent (Series 63) and an Investment Banking Representative (Series 79).

### Ryan M. Mullins - Analyst

Mr. Mullins is an Analyst in FirstSouthwest's Corporate Finance Group and joined the firm in 2011. His responsibilities include valuation analysis, financial modeling, due diligence and strategic evaluation.

Mr. Mullins received a Bachelor of Business Administration in Corporate Finance from the University of Texas.



Member FINRA & SIPC | Subsidiary of PlainsCapital | © 2011 FirstSouthwest

# Diligence Needs

WATERBURY HOSPITAL

WH000494

For purposes of this proposal we have highlighted material diligence items, based on what we know today, that would be necessary to complete the Fairness Evaluation as contemplated. As with any transactional assignment, we would provide more detailed request lists and have follow-up requests potentially based on the review of initially requested materials and discussions with GWHN.

- Historical and projected financial statements including balance sheets, statements of income and cash flows – audited five years historical , unaudited interim, and five years projected (including five-year projections for new facility)
- All strategic and financial analysis regarding the proposal transaction and other transaction/alternatives considered – including competitive and community support analysis and considerations
- All related transactional documents
- Legal entity and governance documents as well as legal analysis regarding the proposal conversion
- Discussions with GWHN management and advisors concerning the business, prospects, the strategic alternative process and considerations including related materials and analysis



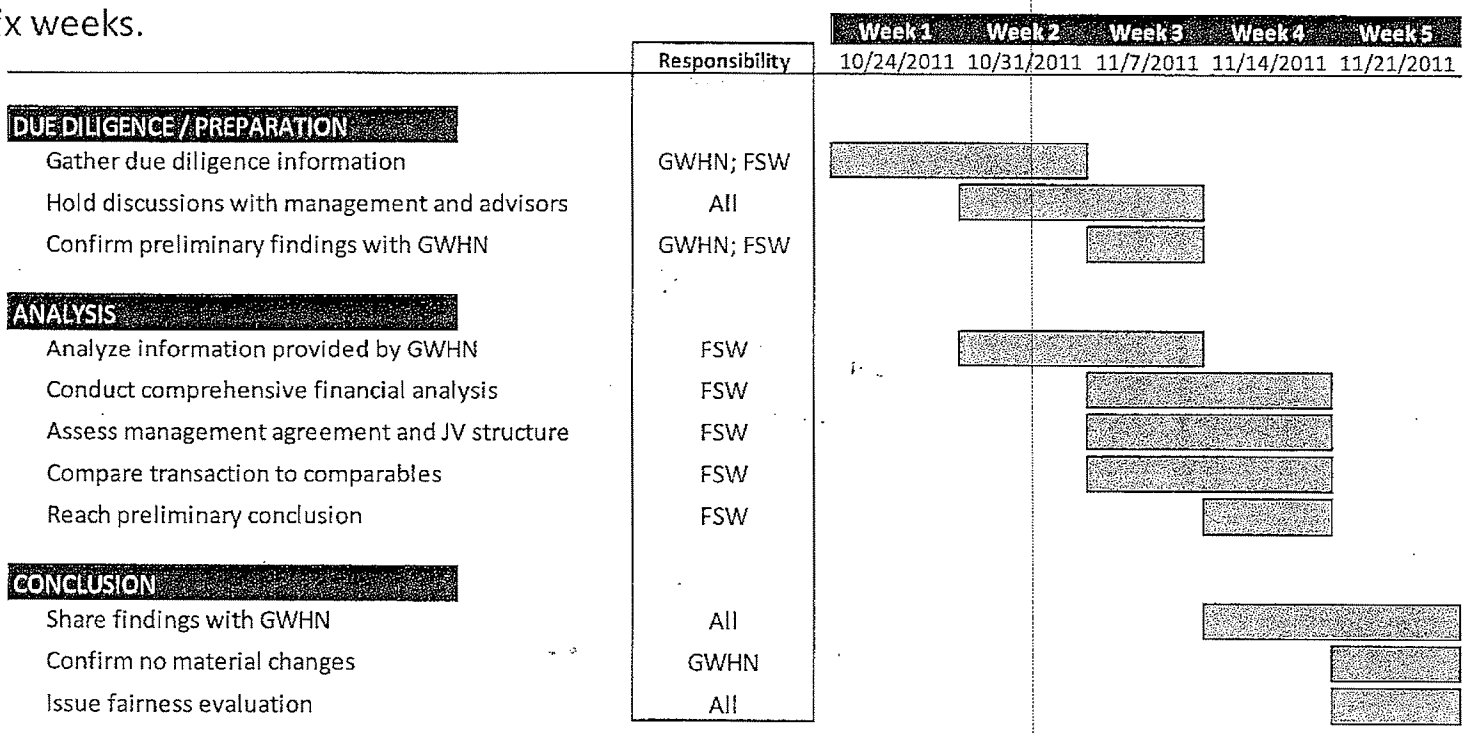
Member FINRA & SIPC | Subsidiary of PlainsCapital | © 2011 FirstSouthwest

# Process Timeline

WATERBURY HOSPITAL

WH000495

Assuming we have timely access to necessary information and time with GWHN management (including advisors), we would expect to complete and deliver the Fairness Evaluation within four to six weeks.




| | Responsibility |
|---|---|
| **DUE DILIGENCE / PREPARATION** | |
| Gather due diligence information | GWHN; FSW |
| Hold discussions with management and advisors | All |
| Confirm preliminary findings with GWHN | GWHN; FSW |
| **ANALYSIS** | |
| Analyze information provided by GWHN | FSW |
| Conduct comprehensive financial analysis | FSW |
| Assess management agreement and JV structure | FSW |
| Compare transaction to comparables | FSW |
| Reach preliminary conclusion | FSW |
| **CONCLUSION** | |
| Share findings with GWHN | All |
| Confirm no material changes | GWHN |
| Issue fairness evaluation | All |

We do not know of any other logistics and coordination matters that would effect completion of the Fairness Evaluation other than access to information and availability of GWHN management and its advisors.



Member FINRA & SIPC | Subsidiary of PlainsCapital | © 2011 FirstSouthwest

# Compensation Structure

WATERBURY HOSPITAL

- Fairness Evaluation including delivery of written report and presentation to management and the Board - [redacted] payable upon delivery of the Fairness Evaluation
- Reimbursement of any direct, reasonable expenses associated with our services (including expenses of legal counsel if required and approval in advance by GWHN)

WH000496



Member FINRA & SIPC | Subsidiary of PlainsCapital | © 2011 FirstSouthwest

# Confirmation of Absence of Any Potential Conflicts of Interest

WATERBURY HOSPITAL

WH000497

FirstSouthwest agrees, if selected, not to perform or be contracted for any investment banking services for LHP Group, Saint Mary's or any patient care organization operating within 35 miles of GWHN for the period commencing at the time of engagement until the delivery of the Fairness Evaluation. For clarity, we do not currently have any conflicts as it relates to the previous sentence.



Member FINRA & SIPC | Subsidiary of PlainsCapital | © 2011 FirstSouthwest

HOULIHAN LOKEY

October 14, 2011

Darlene Stromstad, FACHE
Greater Waterbury Health Network, Inc.
64 Robbins St.
Waterbury, CT 06708

**Re: Fairness Opinion Proposal**

Dear Ms. Stromstad:

We appreciate your interest in Houlihan Lokey Howard & Zukin ("Houlihan Lokey") and our financial advisory and fairness opinion services. We understand that Greater Waterbury Health Network, Inc. (the "Company") is contemplating a transaction in which the Company would enter into a joint venture (the "Joint Venture") with LHP Hospital Group, Inc. ("LHP") and Saint Mary's Health System, Inc. ("Saint Mary's") to build and operate a new hospital (the "Transaction"). Under proposed terms of the Transaction, LHP would fund the construction of the new hospital with a cost of approximately $400 million and both St. Mary's and LHP would close their existing facilities. We understand that the Company would receive a 10% interest in the Joint Venture operating the hospital and receive no cash consideration. We further understand that LHP would receive an 80% interest in the Joint Venture and St. Mary's would receive a 10% interest.

Houlihan Lokey is an international investment banking firm and is generally acknowledged as the leading M&A fairness opinion advisor in the U.S. The firm is uniquely qualified to provide independent financial advisory services to the Company's Board of Directors (the "Board") as it considers the Transaction. This advisory role is one that Houlihan Lokey has played in several other transactions.

This proposal letter introduces you to Houlihan Lokey and outlines our firm's capabilities and fairness opinion services. We have also provided you under separate cover a Presentation of Qualifications describing our experience in greater detail, including our fairness opinion and healthcare industry credentials, and professional biographies of the individuals who will work on this engagement.

## Firm Overview

Houlihan Lokey provides a wide range of advisory services, including mergers and acquisitions, private placements of debt and equity, valuation services including transaction opinions, and financial restructuring. We have over 800 employees located in 14 offices throughout the world, including Los Angeles, New York, Chicago, San Francisco, Dallas, Atlanta, Minneapolis, Washington, D.C., London, Paris, Frankfurt, Hong Kong, Tokyo and Beijing. We annually serve more than 1,000 clients worldwide, ranging from closely held companies to Global 500 corporations. The firm is recognized as one of the leading M&A fairness opinion advisors, consistently ranking as one of the most active firms according to M&A league tables.

## Overview of Fairness Opinion Practice

Houlihan Lokey has developed an outstanding reputation in advising on fairness opinions and analyses to boards of directors of both public and private companies, special or independent committees, partnerships, foundations, interested shareholder groups and trustees. According to *Thomson Reuters*, Houlihan Lokey was ranked as the number one M&A fairness opinion advisor over the past ten years in transactions involving U.S. companies. The firm has rendered fairness opinions in every conceivable change of control transaction, including mergers, sales, divestitures and going private transactions. In other contexts, we have rendered fairness opinions for mergers of equals, exchange offers, private placements of public equity ("PIPEs"), down round financings, recapitalizations, sales of securities, and leveraged purchases.

As a financial advisor, Houlihan Lokey brings a broad array of applicable transaction experience to each client it serves and treats each engagement with the strictest confidentiality, as any breach can have a devastating impact on the ultimate purchase price and success of closure. Houlihan Lokey's clients have come to rely on the firm for its technical expertise, unimpeachable credibility and independent posture in all of its opinions. The accompanying Presentation of Qualifications summarizes our expertise and provides an extensive list of representative fairness opinion engagements. These engagements validate our firm's independence, responsiveness, and expertise at rendering opinions, all of which make us the ideal candidate to advise the Board on the fairness of the Transaction.

In assessing the Transaction, we will conduct a comprehensive investigation of the Company, the local healthcare market, the expected operations of the Joint Venture and the economics and benefits of the Transaction. Our due diligence process is very thorough, consisting of interviews of senior and operating management of the Company, interviews with the Transaction advisors, and analysis and review of information provided by the Company and its advisors. We believe our technical capabilities are unmatched, as we conduct rigorous analysis in connection with each of our fairness engagements. Finally, the analysis and conclusions developed by the engagement team culminate with an internal presentation to our Fairness Review Committee, which consists of several senior officers of Houlihan Lokey (excluding any engagement team members). The Fairness Review Committee conducts an extensive review of the fairness analysis prior to the delivery of a fairness opinion and presentation to the Board.

## Healthcare Expertise

Houlihan Lokey has a dedicated global team of investment bankers who are focused on the healthcare industry with specific expertise in the hospital management space. The team has extensive expertise and experience in advising on M&A transactions, financial restructurings, and providing counsel for strategic decision making. We have numerous longstanding relationships with board members and executives of both quoted and private companies, in addition to contacts with a broad range of associated investors and lenders. We have included a specific section detailing our healthcare expertise in the Presentation of Qualifications.

## Scope of Services and Proposed Fees

The engagement team will interface with the Board and its advisors throughout the engagement, with the Board ultimately receiving a signed fairness opinion, along with a presentation summarizing our analysis and conclusions. The fairness opinion will address the consideration received by the Company in the form of a 10% interest in the Joint Venture. In addition to the fairness opinion, we will address: (1) the

intangible benefit to the Waterbury community of maintaining the mission of the Company and the commitment of a replacement hospital; (2) an assessment of the management agreement to be entered between the Joint Venture and LHP; and (3) a comparison of valuations between for-profit, not-for-profit, academic and community hospital systems.

Although the opinion and analyses are used by the Board to exercise its fiduciary duties and will be included in its filing to the State of Connecticut, we deliver even greater value to the Board in providing the full backing of our firm in the event that there is any subsequent scrutiny by the State Attorney General.

Houlihan Lokey provides its clients with exceptional expertise, senior-level attention and responsive execution. Ben Buettell and Michael DeLuke will be the team leaders for this engagement with significant assistance from Gary Brewster. Ben is a Managing Director and co-head of the firm's Fairness and Solvency Opinion Practice. Michael is a Director in the Financial Advisory Services practice and has significant healthcare experience in the hospital sector. We will be supported by additional professionals from our healthcare practice and others. We believe there is no better-suited engagement team to assist the Board in its deliberations in connection with the Transaction.

Typically, the fees for our services depend upon the nature of the engagement, the perceived risk of the requested opinion, the timing and complexity of the transaction, and the associated staffing requirements. Based on our preliminary understanding of the Transaction, we propose a fee of $300,000. In addition to the professional fees outlined above, Houlihan Lokey would be entitled to the reimbursement of its necessary and reasonable out-of-pocket expenses, including any reasonable fees for outside legal counsel. The fee would be payable by the Company as follows: (i) upon execution of Houlihan Lokey's retainer agreement, a non-refundable payment of [redacted] and (ii) the remainder of the fee upon delivery of our opinion.

**Other Requested Information**

Houlihan Lokey does not have any conflicts with the parties in the Transaction.

We propose a timeline for the delivery of a draft report of three weeks from the receipt of requested materials and have included a preliminary information list as Attachment A. We believe Company management would have ready access to the majority of items on the list but can work with management as needed to complete our information needs. Our proposed timeline is based on the following:

- Week One – Review of information and initial due diligence
- Week Two – Preparation of valuation and other analyses
- Week Three – Preparation of presentation materials and internal review

Our initial due diligence would include a site visit and discussions with the key financial, strategic and operational team of the Company consisting of four to eight hours. We would also request interview(s) with LHP either telephonically or on-site that might last one to two hours. After initial diligence, we would likely have continued follow-up via telephone or e-mail via the key contact points as designated by the Company.

**In Closing**

We trust that this proposal and the accompanying presentation set forth our credentials and demonstrate that Houlihan Lokey is uniquely qualified to assist the Board. We look forward to the opportunity to work with you on this important transaction. Please do not hesitate to contact us at your convenience to discuss this proposal.

Regards,

| Gary Brewster | Ben Buettell | Michael DeLuke |
|---|---|---|
| Managing Director | Managing Director | Director |

cc: Ann H. Zucker, Carmody & Torrance LLP

WH000502

## Attachment A

**Greater Waterbury Health Network**
**Diligence Needs**

While we realize that you may not be able to provide us with all the information that has been listed, this request should serve as guidance for developing the information we will need for the successful completion of the analysis. If you have any questions regarding the items on the list, please contact Michael DeLuke at 214-220-8487.

1. Audited fiscal year financial statements (i.e., balance sheet, income statement, and statement of cash flows) for the prior three years. Please provide historical financials in internal management-style reports formatted to include gross revenues by inpatient/outpatient/etc. and detail behind revenue deductions.

2. Latest interim year-to-date financial information with comparison to the same period last year.

3. Operating and statistical utilization information for the prior three years and interim periods above.

4. Operating budgets for the remainder of 2011 and the next 5 years.

5. Details of any non-recurring income or expense items during the prior 3 years.

6. Hospital's most recent business plan including any long-term financial or operating projections.

7. Estimates of the following (may be included in business plan):
    a. Net revenue growth expected for the next five years
    b. Operating and non-operating expense growth
    c. Any estimates on long-term expected utilization, occupancy, FTE levels, etc.
    d. Expectations of growth or changes in services (outpatient, home health, ER, etc.)
    e. Expectations and impacts of changes in mix of beds, services, etc.

8. Information memorandum or other information prepared by Cain Brothers during the prior sales process.

9. Signed letter of intent and draft formation/operating agreements regarding the joint venture.

10. When available, draft management agreement between the joint venture and LHP.

11. Details and status of any ongoing capital projects at the facilities.

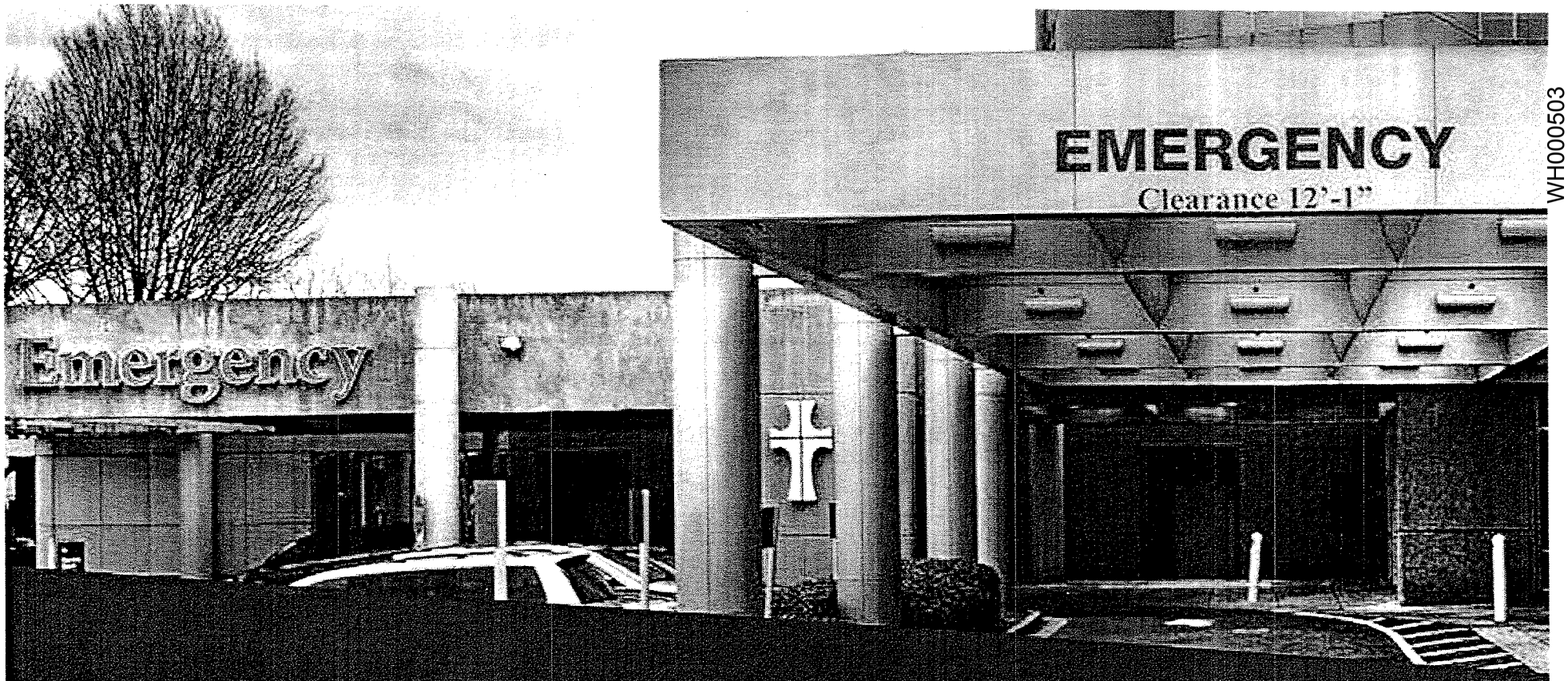
12. Comments on any physical plant limitations or functional constraints on the delivery of services.

13. Most recently compiled economic and demographic information for the market service area.

14. Comments on physician relations, retention, recruitment, etc. (may be included in business plan).

15. Details on any non-operating assets such as restricted cash/securities or undeveloped land.

16. If applicable, a summary of any outstanding contingencies, liabilities, litigation, etc. not described in the financial data provided. This includes detail of any non-normal amounts receivable or payable to Medicare and other fiscal intermediaries.




WH000503

# Greater Waterbury Health Network | October 2011

## Presentation of Qualifications

*Confidential*

HOULIHAN LOKEY

www.HL.com U.S. 800.788.5300 Europe +44.20.7839.3355 Hong Kong +852.3551.2300 Japan +81.3.4577.6000

Los Angeles • New York • Chicago • San Francisco • Minneapolis • Washington, D.C. • Dallas • Atlanta • London • Paris • Frankfurt • Hong Kong • Tokyo • Beijing

# Table of Contents

WH000504


| | Page |
|---|---|
| Houlihan Lokey Overview | 2 |
| Fairness Opinion Services | 7 |
| Overview of Houlihan Lokey / Healthcare Group | 18 |
| Houlihan Execution and Support Team Biographies | 32 |

# Houlihan Lokey Overview

# A Leading Investment Banking Firm

WH000509

HOULIHAN LOKEY

## Corporate Finance

### Mergers and Acquisitions

- Sellside & Buyside Transactions
- Leveraged Transactions
- Minority Equity Transactions

### Capital Markets

- Debt & Equity Private Placements
- High Yield
- PIPEs Financings
- Liabilities Management
- Special Situations Advisory

## Financial Advisory

- Fairness Opinions
- Solvency Opinions
- Valuation Opinions
- Transaction Advisory Services
- Tax & Financial Reporting Valuation
- Portfolio Valuation & Advisory Services
- Derivatives Valuation & Advisory Services
- Dispute Resolution & Financial Expert Opinions

## Financial Restructuring

- Chapter 11 Planning
- Restructuring Debt and Equity
- Debtor-in-Possession ("DIP") Financing
- Exchange Offers
- Plans of Reorganization
- Distressed Mergers and Acquisitions

**Ranked Among Top 10 M&A Advisors for Ten Straight Years**

**2010 M&A Advisory Rankings**
**U.S. Transactions Under $1 Billion**

| Rank | Advisor | Number of Deals |
|---|---|---|
| 1 | **Houlihan Lokey** | **117** |
| 2 | Goldman Sachs & Co | 99 |
| 3 | Lazard | 82 |
| 4 | Bank of America Merrill Lynch | 77 |
| 5 | JP Morgan | 73 |

*Source: Thomson Reuters*

**M&A Advisor's**
**2010 Valuation Firm of the Year**

**M&A Fairness Advisory Rankings**
**Announced or Completed Deals – 2001 to 2010**

| Rank | Advisor | Number of Deals |
|---|---|---|
| 1 | **Houlihan Lokey** | **642** |
| 2 | JP Morgan | 516 |
| 3 | Bank of America Merrill Lynch | 368 |
| 4 | Morgan Stanley | 323 |
| 5 | UBS | 304 |

*Source: Thomson Reuters*

**No. 1 Investment Banking Restructuring Advisor**

**Global Distressed Debt & Bankruptcy Restructuring Rankings 2010**

| Rank | Advisor | Number of Deals |
|---|---|---|
| 1 | **Houlihan Lokey** | **74** |
| 2 | Lazard | 58 |
| 3 | Rothschild | 50 |
| 4 | Moelis & Co. | 28 |
| 5 | Blackstone Group LP | 25 |

*Source: Thomson Reuters, January 2011.*

# Recent Highlights and Accomplishments

WH000507

## Closed More Middle-Market Deals Than Any Other Firm

### 2010

**2010 M&A Advisory Rankings**
**U.S. Transactions Under $1 Billion**

| Rank | Advisor | Number of Deals |
|---|---|---|
| 1 | **Houlihan Lokey** | **117** |
| 2 | Goldman Sachs & Co | 99 |
| 3 | Lazard | 82 |
| 4 | Bank of America Merrill Lynch | 77 |
| 5 | JP Morgan | 73 |
| 6 | Jefferies & Co Inc | 72 |
| 7 | Morgan Stanley | 59 |
| 8 | Credit Suisse | 57 |
| 9 | Barclays Capital | 56 |
| 10 | RBC Capital Markets | 53 |

*Source: Thomson Reuters.*

### 2009

**2009 M&A Advisory Rankings**
**U.S. Transactions Under $1 Billion**

| Rank | Advisor | Number of Deals |
|---|---|---|
| 1 | **Houlihan Lokey** | **71** |
| 2 | Goldman Sachs & Co | 57 |
| 3 | Bank of America Merrill Lynch | 55 |
| 4 | JP Morgan | 53 |
| 5 | Lazard | 51 |
| 6 * | Credit Suisse | 50 |
| 6 * | Morgan Stanley | 50 |
| 8 | UBS | 40 |
| 9 | RBC Capital Markets | 38 |
| 10 * | Citi | 36 |
| 10 * | Deutsche Bank AG | 36 |

** denotes tie.*
*Source: Thomson Reuters.*

### 2008

**2008 M&A Advisory Rankings**
**U.S. Transactions Under $1 Billion**

| Rank | Advisor | Number of Deals |
|---|---|---|
| 1 | **Houlihan Lokey** | **112** |
| 2 | Goldman Sachs & Co | 87 |
| 3 | JP Morgan | 85 |
| 4 | Credit Suisse | 78 |
| 5 | Merrill Lynch | 62 |
| 6 | Morgan Stanley | 61 |
| 7 * | Lazard | 59 |
| 7 * | UBS | 59 |
| 9 | Citi | 57 |
| 10 | Jefferies & Co Inc | 56 |

** denotes tie.*
*Source: Thomson Reuters.*

### 2007

**2007 M&A Advisory Rankings**
**U.S. Deals Under $1 Billion**

| Rank | Advisor | Number of Deals |
|---|---|---|
| 1 | **Houlihan Lokey** | **122** |
| 2 | Credit Suisse | 112 |
| 3 * | Goldman Sachs & Co | 102 |
| 3 * | Citi | 102 |
| 5 | Jefferies & Co Inc | 92 |
| 6 | UBS | 88 |
| 7 * | Lehman Brothers | 87 |
| 7 * | JP Morgan | 87 |
| 9 | Morgan Stanley | 74 |
| 10 | RBC Capital Markets | 71 |

** denotes tie.*
*Source: Thomson Financial.*

## Winner of Numerous Industry Awards

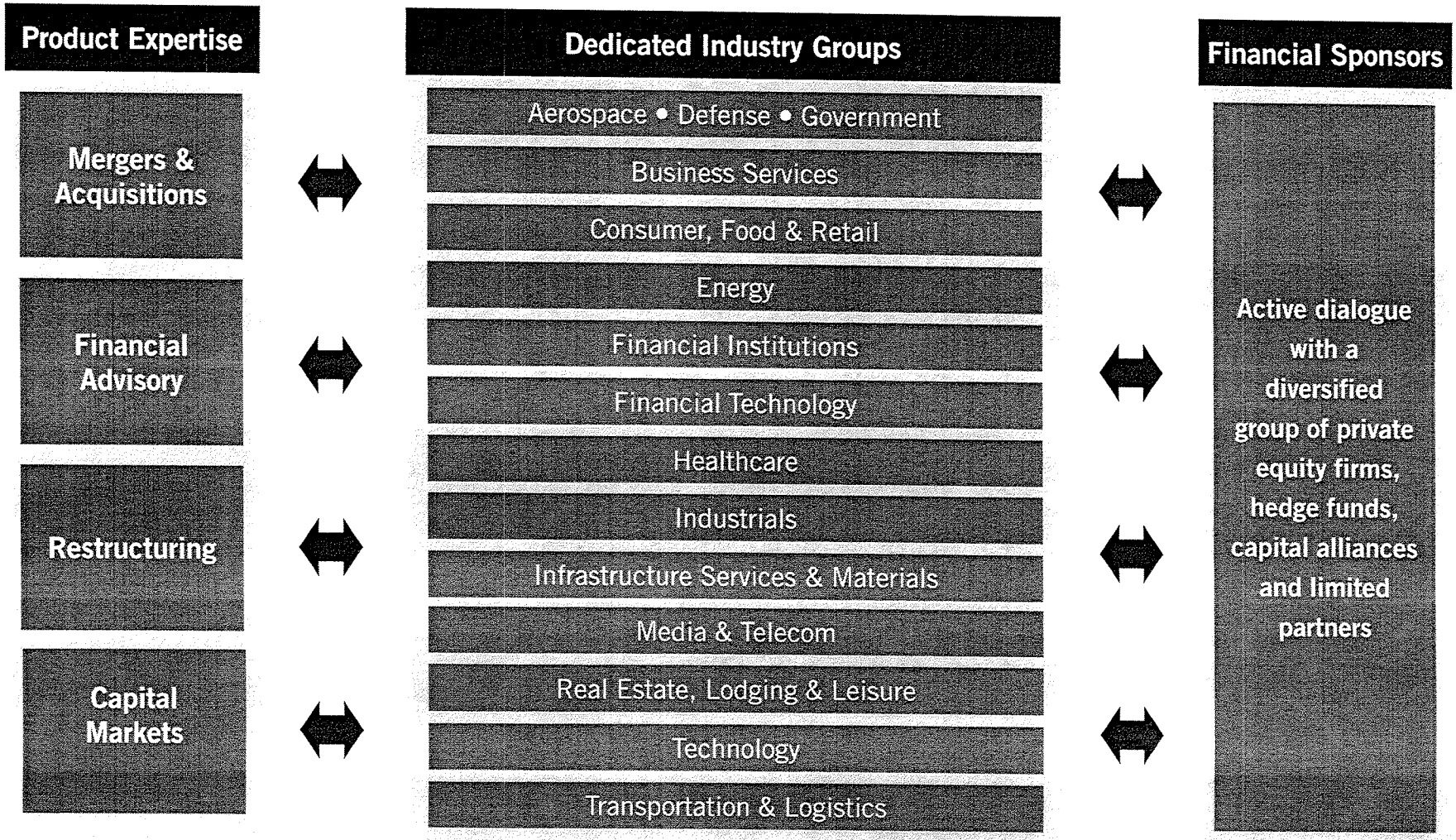
- 2010 Mid Market Bank of the Year
  Investment Dealers' Digest
  - Awarded by Investor's Dealers Digest on January 28, 2011

- 2010 Mid-market Financial Advisor of the Year – United States
  - Awarded by Financial Times and Mergermarket on December 13, 2010

- 2010 Investment Bank of the Year – North America
  - Awarded by InterContinental Finance Magazine on September 20, 2010

- 2009 Investment Banking Firm of the Year
  - Awarded by M&A Advisor on December 14, 2009

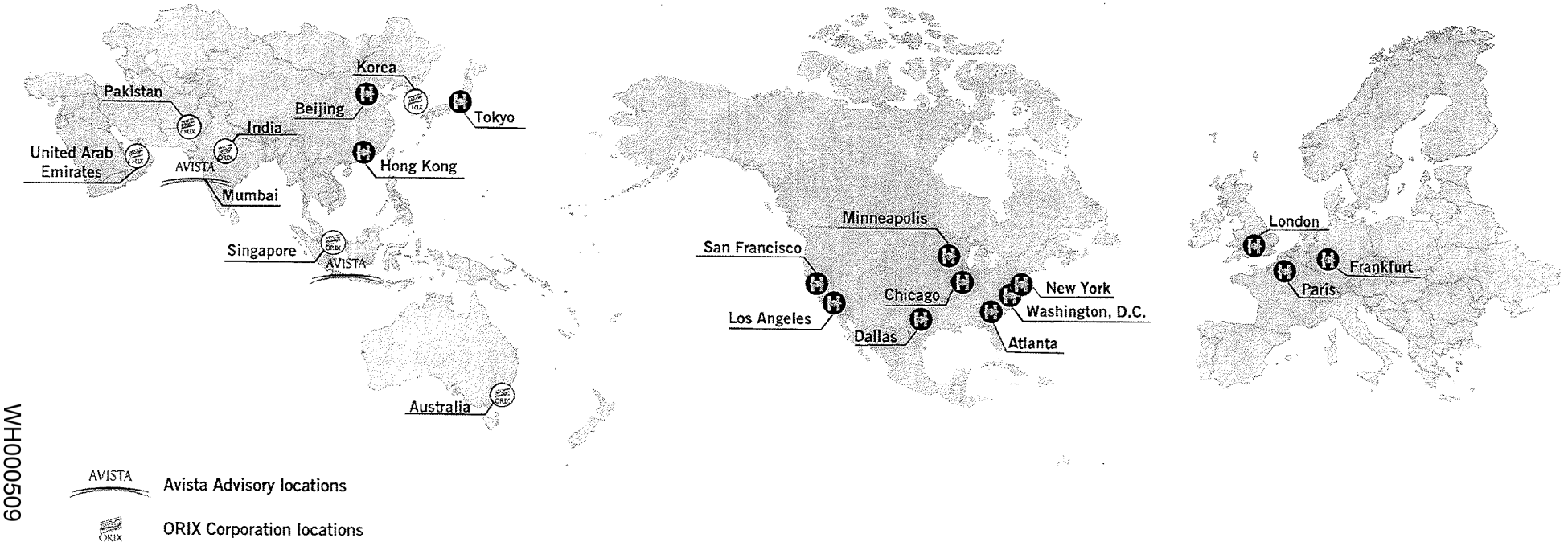
# Fully Integrated Industry, Product and Private Equity Capabilities




WH000508

# Strategic Global Presence

- Houlihan Lokey has over 800 employees in 14 offices worldwide
- With three offices in Europe and three offices in Asia, Houlihan Lokey has the global reach and local country presence to support international transactions
- In 2005, Houlihan Lokey partnered with ORIX Corporation (NYSE:IX), a leading integrated financial services group, headquartered in Tokyo, Japan
- In 2010, Houlihan Lokey expanded its presence into India and Singapore through a strategic minority investment in the Avista Advisory Group, a 25-person investment banking firm headquartered in Mumbai




WH0005609

# Fairness Opinion Services

WH000510

# Uniquely Qualified

WH00511

## Experience

*No. 1 M&A Fairness Opinion Advisor*

### Attributes of Large Firm

- Global reach – presence in United States, Europe and Asia
- Dedicated industry groups and product specialists
- Credibility with and access to acquisition candidates
- Financing markets expertise – understanding of public and private financing alternatives

**M&A Fairness Advisory Rankings**
**Announced or Completed Deals – 2001 to 2010**

| Rank | Advisor | Number of Deals |
|---|---|---|
| 1 | **Houlihan Lokey** | **642** |
| 2 | JP Morgan | 516 |
| 3 | Bank of America Merrill Lynch | 368 |
| 4 | Morgan Stanley | 323 |
| 5 | UBS | 304 |
| 6 | Goldman Sachs & Co | 287 |
| 7 | Duff and Phelps | 267 |
| 8 | Credit Suisse | 220 |
| 9 | Citi | 183 |
| 10 | Somerley Ltd | 181 |

*Source: Thomson Reuters*

### Attributes of Mid-Size Firm

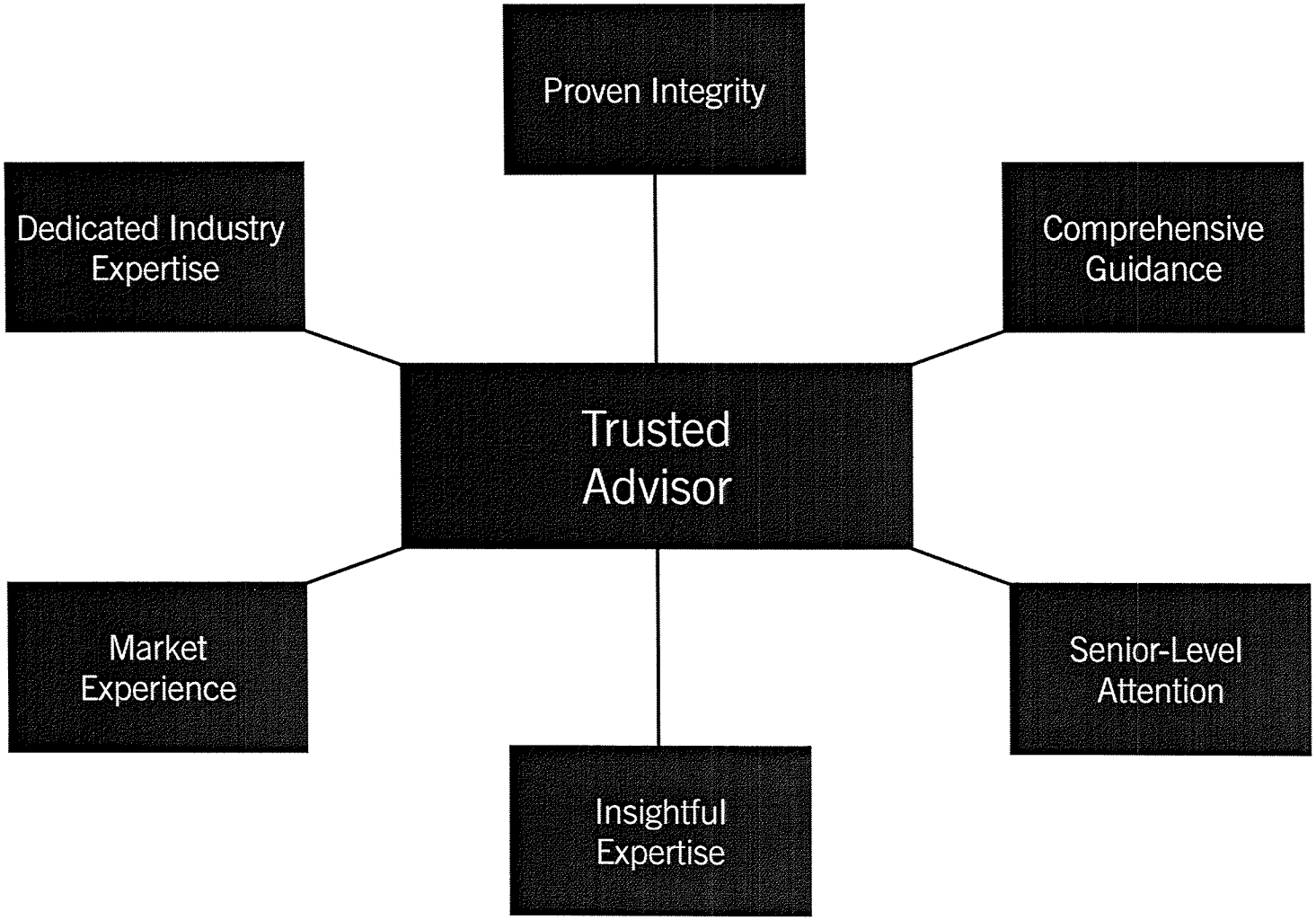
- Proven integrity – private advisory firm with no investment research, underwriting or equity positions
- Comprehensive guidance – creativity and analytical depth; routinely structure complex transactions and achieve compelling results
- Senior level attention – experienced, senior bankers lead all engagements

**More Boards and Special Committees rely on Houlihan Lokey than any other advisor**

Fairness Opinion Services

# Expert Advisors. Expert Opinions.

WH00513Z



Fairness Opinion Services

# Serving Companies Across a Broad Spectrum of Industries

WH000513

## Aerospace, Defense & Government

- Schafer has been acquired by Metalmark Capital — Sellside Advisor & Fairness Opinion
- INSITU has been acquired by BOEING — Sellside Advisor & Fairness Opinion

## Business Services

- DANKA — Danka Office Imaging Company has been acquired by KONICA MINOLTA — Fairness Opinion
- Booz | Allen | Hamilton has sold a majority stake in its U.S. Government Business to The Carlyle Group — Fairness Opinion

## Consumer, Food & Retail

- kraft foods has acquired Cadbury — Fairness Opinion
- Steiner Leisure Limited has acquired bliss from STARWOOD — Fairness Opinion

## Energy

- DUNCAN ENERGY PARTNERS L.P. has acquired interests in three midstream energy companies from Enterprise Products Partners L.P. — Fairness Opinion
- McMoRan — McMoRan Exploration Co. has completed a private placement of convertible preferred securities — Fairness Opinion

## Financial Institutions

- Thomas Weisel Partners has merged with STIFEL FINANCIAL — Fairness Opinion
- euronext — Euronext N.V. has merged with NYSE — NYSE Group, Inc. — Fairness Opinion

## Healthcare

- CRYO-CORD has been acquired by Boston Scientific — Fairness Opinion
- CORNERSTONE THERAPEUTICS INC has completed a strategic transaction with Chiesi — Fairness Opinion

## Industrials

- Harbin Tech Full Electric Co. Ltd. has acquired SIMO — Xi'an Simo Motor Incorporation (Group) — Fairness Opinion
- Jackson Safety — a portfolio company of The CapStreet Group and TCW Shared Opportunity Funds has been acquired by Kimberly-Clark — Sellside Advisor & Fairness Opinion

## Infrastructure Services & Materials

- TRC — TRC Companies, Inc. has completed a private placement of Series A Convertible Preferred Stock — Fairness Opinion
- MALCOLM PIRNIE has merged with ARCADIS — Fairness Opinion

## Media & Telecom

- The Gores Group and SIEMENS have formed a joint venture creating SIEMENS Siemens Enterprise Communications — Fairness Opinion
- technicolor — formerly known as THOMSON has completed the restructuring of €2.8 billion of debt — Financial Opinion

## Real Estate, Lodging & Leisure

- Harrah's has agreed to an equity investment involving Paulson & Co. Inc., Apollo Management VI, L.P. and TPG Capital, L.P. — Fairness Opinion
- CNL Hotels & Resorts, Inc. has been acquired by Ashford and Morgan Stanley Real Estate — Fairness Opinion

## Technology

- FOUNDRY NETWORKS has been acquired by BROCADE — Fairness Opinion
- ADC has been acquired by Tyco Electronics — Fairness Opinion

## Transportation & Logistics

- Todd Shipyards Corporation has been acquired by VIGOR Industrial LLC — Fairness Opinion
- has been acquired by FORTRESS — Fortress Investment Group LLC — Fairness Opinion

Fairness Opinion Services

# Additional Selected Recent Fairness Opinion Engagements

WH000514

FORUM ENERGY TECHNOLOGIES
GLOBAL FLOW TECHNOLOGIES
each a portfolio company of SCF Partners
have combined to form
FORUM
Forum Energy Technologies
**Fairness Opinions**

CLAXSON
The controlling shareholders have acquired all outstanding Class A common shares of the Company
**Sellside Advisor & Fairness Opinion**

Ahold
has sold
US FOODSERVICE
to Clayton Dubilier & Rice, Inc. and Kohlberg Kravis Roberts & Co. L.P
**Fairness Opinion**

ViaSat
has acquired
WILDBLUE Satellite Speed Internet
**Fairness Opinion**

FLORIDA PUBLIC UTILITIES
has merged with
CHESAPEAKE
**Financial Advisor & Fairness Opinion**

macrovision
has acquired
GEMSTAR TV GUIDE
**Fairness Opinion**

Business Objects
has been acquired by
SAP
**Fairness Opinion**

BancIntelligence.com
has been acquired by
Fiserv
**Fairness Opinion**

DOBSON COMMUNICATIONS CORPORATION
has been acquired by
at&t
**Sellside Advisor & Fairness Opinion**

ORBITZ
has agreed to a debt-for-equity exchange with
PAR Investment Partners, LP
and has issued equity securities to
Travelport
**Financial Advisor & Fairness Opinion**

ezgov europe
has been acquired by
a subsidiary of
CACI
**Sellside Advisor & Fairness Opinion**

CSKAUTO
has been acquired by
O'Reilly
**Fairness Opinion**

kraft foods
has agreed to sell the assets of its North American pizza business to
Nestlé
**Fairness Opinion**

Harbinger Group Inc.
has acquired a majority interest in
Spectrum BRANDS
**Due Diligence and Fairness Opinion**

ACR Group, Inc
has been acquired by
watsco
Watsco, Inc.
**Sellside Advisor & Fairness Opinion**

INTL
International Assets Holding Corporation
has merged with
FCStone
**Fairness Opinion**

The International Life Reinsurance Segment of
Scottish Re
has been acquired by
PACIFIC LIFE
**Fairness Opinion**

DEERE & COMPANY
has been acquired by
GMCR
**Sellside Advisor & Fairness Opinion**

# Selected Recent Special Committee Fairness Opinions

WHOOSIS

| | | | | | |
|---|---|---|---|---|---|
| SPORT SUPPLY GROUP has been acquired by ONCAP. ONCAP II, L.P. — Sellside Advisor & Fairness Opinion | CLAXSON. The controlling shareholders have acquired all outstanding Class A common shares of the Company — Sellside Advisor & Fairness Opinion | DOMINION IT'S YOUR HOME has been acquired by ANGELO, GORDON & CO. / SILVER POINT. BRC PROPERTIES INC. REAL ESTATE INVESTMENT AND MANAGEMENT — Fairness Opinion | ORBITZ has agreed to a debt-for-equity exchange with PAR Investment Partners, LP and has issued equity securities to Travelport — Financial Advisor & Fairness Opinion | McMoRan. McMoRan Exploration Co. has completed a private placement of convertible preferred securities — Fairness Opinion | PRINTRONIX has been acquired by VECTOR CAPITAL — Sellside Advisor & Fairness Opinion |
| STANDARD PACIFIC has raised $187.5 million through the exercise of an amended warrant owned by MatlinPatterson — Fairness Opinion | FEATHERLITE has merged with a subsidiary of UNIVERSAL TRAILER. a portfolio company of DUBIN CLARK & COMPANY INC. — Fairness Opinion | BOYKIN LODGING COMPANY has been acquired by Caisse de dépôt et placement du Québec — Fairness Opinion | DOBSON COMMUNICATIONS CORPORATION has been acquired by at&t — Sellside Advisor & Fairness Opinion | STATION CASINOS has been acquired by management and an affiliate of ColonyCapital — Fairness Opinion | SSI global forward faster has been acquired by INFOR — Sellside Advisor & Fairness Opinion |
| ACCREDITED HOME LENDERS has been acquired by LONE STAR FUNDS — Special Board Committee Advisor | MERHAV מרחב has been acquired by GADOT a subsidiary of Ampal — Financial Advisor | TODD SHIPYARDS CORPORATION has been acquired by VIGOR Industrial LLC — Fairness Opinion | Harbinger Group Inc. has acquired a majority interest in Spectrum BRANDS — Due Diligence and Fairness Opinion | pomeroy has been acquired by Platinum Equity — Sellside Advisor & Fairness Opinion | GRIDPOINT has acquired STANDARD — Fairness Opinion |

Fairness Opinion Services

# Selected Recent Buyside Fairness Opinion Engagements

WH000519

FORTUNE BRANDS
has acquired a portfolio of spirits and wine brands included in Pernod Ricard S.A.'s acquisition of
ALLIED DOMECQ
Fairness Opinion

kraft foods
has acquired
Cadbury
Fairness Opinion

ViaSat
has acquired
WILDBLUE
Satellite Speed Internet
Fairness Opinion

macrovision
has acquired
GEMSTAR TV GUIDE
Fairness Opinion

Ispat International N.V.
has acquired
LMN Holdings N.V.
to form
MITTAL
Mittal Steel Company N.V.
for approximately $13.3 billion
Fairness Opinion

SUCAMPO PHARMACEUTICALS, INC.
has acquired
SUCAMPO AG
Fairness Opinion

Santander
has acquired the Puerto Rican assets of
island finance
Fairness Opinion

GRIDPOINT
has acquired
STANDARD
Fairness Opinion

Steiner
SKINCARE · SPAS · EDUCATION
Steiner Leisure Limited
has acquired
bliss
from
STARWOOD
Fairness Opinion

HARBIN ELECTRIC
Harbin Tech Full Electric Co. Ltd.
has acquired
SIMO
Xi'an Simo Motor Incorporation (Group)
Fairness Opinion

INTL
International Assets Holding Corporation
has merged with
FCStone
Fairness Opinion

DUNCAN
ENERGY PARTNERS L.P.
has acquired interests in three midstream energy companies from
Enterprise Products Partners L.P.
Fairness Opinion

SeaChange
has acquired
eventis
Fairness Opinion

ADC
ADC Telecommunications Inc.
has acquired
FONS
Fiber Optic Network Solutions
Fairness Opinion

SXC Health Solutions, Inc.
has acquired
NMHC
Total Healthcare Solutions
Buyside Advisor

PERICOM
Enabling Serial Connectivity
has acquired
PT Pericom Technology Inc
Buyside Advisor & Fairness Opinion

Harbinger Group Inc.
has acquired a majority interest in
Spectrum BRANDS
Due Diligence and Fairness Opinion

מרחב אגן
MERHAV AGRO
has been acquired by
GADOT
a subsidiary of
Ampal
Financial Advisor

Fairness Opinion Services

# Selected "Second" Fairness Opinion Engagements

WH000517

GEODIS
has been acquired by
SNCF PARTICIPATIONS
Fairness Opinion

BOYKIN LODGING COMPANY
has been acquired by
Caisse de dépôt et placement du Québec
Fairness Opinion

SEEBEYOND
has been acquired by
Sun microsystems
Fairness Opinion

PACTIV
Advanced Packaging Solutions
has sold substantially all of its North American and European protective and flexible packaging businesses to an affiliate of
AEA
AEA Investors LLC
Fairness Opinion

FORTUNE BRANDS
has acquired a portfolio of spirits and wine brands included in Pernod Ricard S.A.'s acquisition of
ALLIED DOMECQ
Fairness Opinion

FOUNDRY NETWORKS
has been acquired by
BROCADE
Fairness Opinion

NES Rentals
has been acquired by
DIAMOND CASTLE
Fairness Opinion

waterpik Technologies, Inc
has been acquired by
THE CARLYLE GROUP
and
ZODIAC
Fairness Opinion

Albertsons
has been acquired by a consortium of investors consisting of
SUPERVALU
CERBERUS CAPITAL MANAGEMENT, L.P.
CVS/pharmacy
Sellside Advisor & Fairness Opinion

ARDEN REALTY, INC
has been acquired in a transaction involving
GE Real Estate
TRIZEC
Fairness Opinion

DOMINION
IT'S YOUR HOME
has been acquired by
ANGELO, GORDON & CO.
SILVER POINT CAPITAL
BRC PROPERTIES INC.
REAL ESTATE INVESTMENT AND MANAGEMENT
Fairness Opinion

GTECH CORPORATION
has merged with
LOTTOMATICA
a portfolio company of
DE AGOSTINI
Fairness Opinion

Fairness Opinion Services

# Selected Related Party Fairness Opinion Engagements

WH00518

each a portfolio company of SCF Partners

have combined to form

Forum Energy Technologies

**Fairness Opinions**

completed certain transactions including the acquisition of $180 million Series C Senior Subordinated Limited Partnership units from its affiliate, Crosstex Energy, L.P., and the sale of 156,070 shares of its common stock to an affiliated party.

**Fairness Opinion**

Virbac Corporation

has been acquired by

Virbac S.A.

**Sellside Advisor & Fairness Opinion**

$15,000,000
Senior Secured
Convertible Notes

**Fairness Opinion**

has sold certain intellectual property and related assets to

32 Mott Street Acquisition I and
32 Mott Street Acquisition II

**Sellside Advisor & Fairness Opinion**

Harbinger Group Inc.

has acquired a majority interest in

Spectrum BRANDS

**Due Diligence and Fairness Opinion**

has been acquired by

A Private Investor

**Fairness Opinion**

has acquired
all the outstanding shares
of its common stock not held by

The Development Alternatives, Inc.
Employee Stock Ownership Plan

**Financial Advisor & Fairness Opinion**

From Science to Solutions

has converted its Class A and Class B common shares into Class A preferred shares of the newly formed SAIC, Inc. in a merger transaction

**Financial Opinion**

V&S Vin & Sprit AB

has acquired the remaining shares of

CRUZAN
INTERNATIONAL, INC

**Fairness Opinion**

Fairness Opinion Services

# Selected 13e-3 Going Private Fairness Opinion Engagements

WH00519

Morton Industrial Group, Inc.

has been recapitalized by management and

Brazos Private Equity Partners, LLC

Fairness Opinion

has been acquired by management in a going private transaction

Fairness Opinion

Packaged Ice, Inc.

has been acquired by a corporation controlled by

Trimaran Capital Partners and Bear Stearns Merchant Fund Corp.

Fairness Opinion

has been acquired by an investor group led by

ACI Capital Co.

Fairness Opinion

has been acquired by

Mustang Group LLC

in a going private transaction

Fairness Opinion

The controlling shareholders have acquired all outstanding Class A common shares of the Company

Sellside Advisor & Fairness Opinion

has been acquired by corporation controlled by

Hako-Werke International, Inc.

Fairness Opinion

has completed a going-private transaction via a reverse stock split

Fairness Opinion

has been taken private by

TAS Holdings, Inc.

and

Owl Creek Management, LP

Fairness Opinion

Tarrant Apparel Group

has been acquired by management in a going private transaction

Financial Advisor & Fairness Opinion

has been acquired by its Chairman & CEO in a going private transaction

Fairness Opinion

Cap Rock Energy Corporation

has been acquired by

Fairness Opinion

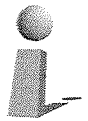
Fairness Opinion Services

# Selected Exchange/Restructuring Fairness Opinion Engagements

WH0005520

has completed a debt to equity conversion

Fairness Opinion



Paxson Communications Corporation

has restructured approximately $703.6 million of Series B Convertible Exchangeable Preferred Stock and associated Warrants

Fairness Opinion

has completed a debt and equity recapitalization and merged with GMEC Recapitalization Corporation, a newly-formed company

Fairness Opinion

has agreed to an equity investment involving

Paulson & Co. Inc., Apollo Management VI, L.P. and TPG Capital, L.P.

Fairness Opinion

has completed a stock recapitalization to eliminate its dual class structure and provide all shareholders with voting rights proportionate to their economic interest in the Company

Fairness Opinion

has completed an equity offering and a debt exchange transaction

Fairness Opinions

# Overview of Houlihan Lokey / Healthcare Group

WH000521

# Leading Healthcare Investment Bank

WH000522

## Capabilities

- #1 advisor in U.S. sellside middle-market (<$1 billion) healthcare transactions over the last three years
- Extensive transaction experience - completed over 125 M&A, fairness opinion and restructuring transactions
- Dedicated M&A professionals exclusively covering the Healthcare Marketplace
- Long-term relationship driven approach toward clients and transactions

## Market Leading Healthcare Advisor

**No. 1 Healthcare Investment Banking Advisor**
**U.S. Sellside Transactions Under $1 Billion**
**2008-2010**

| Rank | Advisor | Number of Deals |
|---|---|---|
| **1** | **Houlihan Lokey** | **31** |
| 2 * | Goldman Sachs & Co | 27 |
| 2 * | Cain Brothers Co. | 27 |
| 2 * | JP Morgan | 27 |
| 5 | Lazard | 21 |
| 6 | Piper Jaffray Cos | 20 |
| 7 | Bank of America Merrill Lynch | 19 |
| 8 * | Jefferies & Co Inc | 14 |
| 8 * | UBS | 14 |
| 10 | BC Ziegler | 11 |

** denotes tie.*
*Source: Thomson Reuters*

**2008 M&A Advisory Rankings**
**All U.S. Healthcare Transactions**

| Rank | Advisor | Number of Deals |
|---|---|---|
| **1** | **Houlihan Lokey** | **18** |
| 2 | JP Morgan | 17 |
| 3 * | UBS | 15 |
| 3 * | Goldman Sachs & Co | 15 |
| 5 * | The Braff Group | 14 |
| 5 * | Morgan Stanley | 14 |
| 7 | Piper Jaffray Cos | 13 |
| 8 | Lazard | 12 |
| 9 * | Credit Suisse | 11 |
| 9 * | Merrill Lynch | 11 |

** denotes tie.*
*Source: Thomson Reuters.*

**2007 M&A Advisory Rankings**
**U.S. Sellside Healthcare Deals Under $750 Million**

| Rank | Advisor | Number of Deals |
|---|---|---|
| **1** | **Houlihan Lokey** | **12** |
| 2 | UBS | 11 |
| 3 * | Goldman Sachs & Co | 9 |
| 3 * | William Blair & Co | 9 |
| 5 | JP Morgan | 8 |
| 6 | Wachovia Corp | 7 |
| 7 * | Lazard | 6 |
| 7 * | Morgan Stanley | 6 |
| 7 * | Banc of America Securities LLC | 6 |
| 10 * | Robert W Baird & Co Inc | 5 |
| 10 * | Cain Brothers Co. | 5 |
| 10 * | Jefferies & Co Inc | 5 |

** denotes tie.*
*Source: Thomson Financial*

**2006 M&A Advisory Rankings**
**U.S. Healthcare Deals Under $1 Billion**

| Rank | Advisor | Number of Deals |
|---|---|---|
| 1 | UBS | 18 |
| **2** | **Houlihan Lokey** | **16** |
| 3 | JP Morgan | 14 |
| 4 * | Banc of America Securities LLC | 12 |
| 4 * | Citigroup | 12 |
| 6 * | Goldman Sachs & Co | 10 |
| 6 * | Piper Jaffray Cos | 10 |
| 8 | Merrill Lynch & Co Inc | 8 |
| 9 * | Duff and Phelps | 7 |
| 9 * | Jefferies & Co Inc | 7 |

** denotes tie.*
*Source: Thomson Financial*

# Extensive Experience in All Major Healthcare Sectors

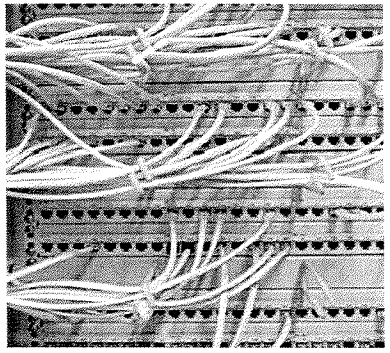
WH000523

## Healthcare Services

- Hospitals
- ASC / Specialty Hospitals
- Long-term Care
- Behavioral Health
- Diagnostic Imaging
- Distribution
- Home Nursing / Hospice
- Institutional Pharmacy
- Laboratories
- Outpatient Facilities
- Physician Services/PPMs/DPMs
- Rehabilitation
- Staffing

## Med Tech / Life Sciences

- Medical Technology
  - Med Devices
  - Med Supplies
  - Capital Equipment
  - Diagnostics
- Pharmaceuticals
  - Contract Manufacturers
  - Sterile Production
  - Contract Sales
  - Drug Delivery
  - Generics
  - Specialty Pharma
- Biotechnology
  - Emerging
  - Large Cap



## Healthcare Information Technology

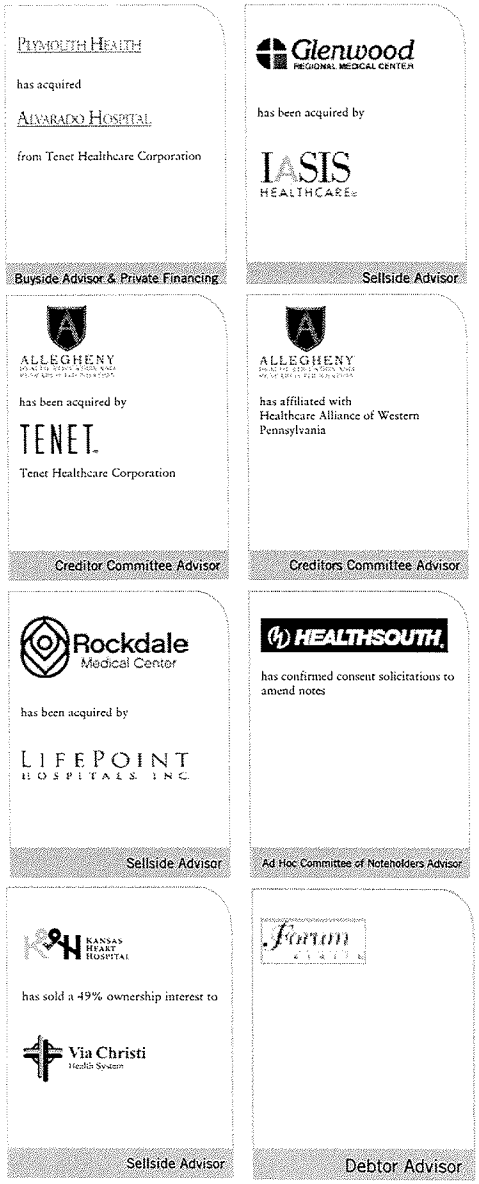
- Software/Connectivity
- IT Outsourcing/ASP
- Clearing House
- Consulting and Data Analytics
- Web Portals
- Electronic Health Record
- Decision Support
- Electronic Prescribing
- Billing and Collections
- Coding

## Managed Care

- Health Maintenance Organization
- Preferred Provider Organization
- Diversified
- Third Party Administrator
- Outsourced Service Provider

# Extensive Hospital Transaction Experience

WH000524




- Houlihan Lokey is a leader in the hospital industry with selected clients that include:
  - Adventist Health Services
  - Allegheny Health Education and Research
  - Ardent Health Services
  - Arizona Heart Hospital
  - Avera McKennan Hospital
  - Baylor Healthcare System
  - Bossier Medical Center
  - Dayton Heart Hospital
  - Delaware Valley Medical Center
  - East Texas Medical Center
  - Forum Health
  - Fresno Heart Hospital
  - Glenwood Regional Medical Center
  - HCA
  - Health Management Associates
  - HealthSouth
  - Heart Hospital of Lafayette
  - Heart Hospital of South Dakota
  - Henry Mayo Newhall Memorial Hospital
  - Hillcrest Baptist Medical
  - Kansas Heart Hospital
  - LifePoint Hospitals
  - Louisiana Heart Hospital
  - MedCath
  - Oklahoma Heart Hospitals
  - Plymouth Health
  - Porter Memorial Hospital
  - Psychiatric Solutions
  - Rockdale Medical Center
  - Sequoia Hospital District
  - Saint Anthony's
  - Saint Vincent Catholic Medical Centers of New York
  - Selby General Hospital
  - Tenet Healthcare
  - Triad Hospital
  - Triumph HealthCare
  - Universal Health Services
  - Valley Baptist Medical Center
  - Vanguard Health Systems

# Not-For-Profit Experience

WH000525

*Houlihan Lokey has advised in a variety of not-for-profit situations including: sellside and buyside transactions, financings, stock valuations and restructurings. Additionally, we have advised state's attorney generals in their review of transactions and conversions. Notable engagements include:*

- Serving as the investment banker to Forum Health leading the system's restructuring and sale processes while in Chapter 11
- Served as the financial advisor to the Official Committee of Unsecured Creditors and also served as the transaction broker to the National Benevolent Association for the sale of 11 owned senior care facilities
- Served as the financial advisor to the Official Unsecured Creditor's Committee of Allegheny Health Education and Research Foundation's ("AHERF") Philadelphia operations
  - In addition, Houlihan Lokey helped market and sell AHERF's Pittsburgh operations to The Healthcare Alliance of Western Pennsylvania
- Advised the Attorney General of New Mexico on the acquisition of BlueCross BlueShield of New Mexico by Health Care Service Corporation
- Served as the financial advisor to the Official Committee of Unsecured Creditors of Saint Vincent Catholic Medical Centers of New York
- Advised the Attorney General of California on:
  - The acquisition of Daniel Freeman Hospitals by Tenet Healthcare Corporation and
  - The fair market value of Watsonville Community Hospital
- Advised BlueCross BlueShield of Maine in connection with a planned conversion
- Other selected not-for-profit clients include:
  - Firelands Regional Medical Center
  - Glenwood Regional Medical Center
  - Oklahoma Heart Hospital
  - Rockdale Medical Center

# Select Transaction Experience

WH000526

## Hospitals & Outpatient Surgery:

| | | | | | | |
|---|---|---|---|---|---|---|
| SURGIS, INC. has been acquired by United Surgical Partners International — Fairness Opinion | Triumph HealthCare has been acquired by TAAssociates — Sellside Advisor | Plymouth Health has acquired Alvarado Hospital from Tenet Healthcare Corporation — Buyside Advisor & Private Financing | Forum Health has sold substantially all its healthcare operations, pursuant to Section 363 of the U.S. Bankruptcy Code to CHS/Community Health Systems, Inc. CHS Community Health Systems — Debtor Advisor | Specialty Surgical Center has sold certain ownership interests in the companies to SYMBION — Sellside Advisor | Community Health has been acquired by Kindred — Sellside Advisor | Kansas Heart Hospital has sold a 49% ownership interest to Via Christi — Sellside Advisor |
| Rockdale Medical Center has been acquired by LifePoint Hospitals, Inc. — Sellside Advisor | Glenwood Regional Medical Center has been acquired by IASIS Healthcare — Sellside Advisor | Allegheny has been acquired by Tenet Tenet Healthcare Corporation — Creditor Committee Advisor | Saint Vincent Catholic Medical Centers has confirmed a Chapter 11 Plan of Reorganization — Creditors Committee Advisor | Delaware Valley Medical Center has been acquired by Frankford Hospital a wholly owned subsidiary of Jefferson Health System — Creditors Committee Advisor | Sequoia Hospital District has affiliated with Catholic Healthcare West CHW — Financial Advisor | Allegheny has affiliated with Healthcare Alliance of Western Pennsylvania — Creditors Committee Advisor |

## Long-Term Care Providers:

| | | | | | | |
|---|---|---|---|---|---|---|
| Brandywine has been acquired by an affiliate of Warburg Pincus — Sellside Advisor | Nine Senior Living Communities in Florida, Texas and Oklahoma have been acquired by Senior Lifestyle — Sellside Advisor | Community Health has been acquired by Kindred — Sellside Advisor | National Benevolent Association has been acquired by Fortress — Sellside Broker and Creditor Committee Advisor | Brandywine Pennsylvania Skilled Nursing Facilities have been acquired by Extendicare — Sellside Advisor | Erickson Retirement Communities Erickson Retirement Communities, LLC — $365,000,000 | bei Beverly Enterprises, Inc. has been acquired by an affiliate of FHP — Financial Opinion |

# Select Transaction Experience (cont.)

WH000527

## Home Care:

[redacted] and certain subsidiaries have been acquired by GENTIVA
Sellside Advisor

Harden Healthcare has acquired GIRLING
Buyside Advisor & Private Financing

ACCUMED a portfolio company of Parthenon Capital has been acquired by Kindred Healthcare a portfolio company of Arcapita Inc.
Sellside Advisor

AUXI HEALTH has been acquired by Harden Healthcare
Sellside Advisor

INTEGRICARE has been acquired by Amedisys
Sellside Advisor

VITAS Innovative Hospice Care has been acquired by ROTO-ROOTER Plumbers
Sellside Advisor

Physicians Home Health Care has been acquired by GENTIVA
Sellside Advisor

## Rehab:

Accelerated Rehabilitation has been recapitalized by Gryphon Investors
Sellside Advisor

Select Rehabilitation Select Rehabilitation, Inc. $34,500,000 Senior Subordinated Notes
Private Financing

HEALTHSOUTH has confirmed consent solicitations to amend notes
Ad Hoc Committee of Noteholders Advisor

## Life Sciences:

genzyme Genzyme Corporation has exchanged shares of Genzyme General for shares of Genzyme Biosurgery and Genzyme Molecular Oncology
Fairness Opinion

KOS Pharmaceuticals, Inc. has committed to purchase up to $8 million of Series F Preferred Stock of Triad Pharmaceuticals, Inc.
Fairness Opinion

DOV Pharmaceutical Inc. has successfully completed an exchange offer of $70 million par value of convertible subordinated debentures for convertible preferred stock and cash
Company Advisor

iti Intranasal Therapeutics, Inc. has secured a commitment of $39,100,000 Series A Preferred Stock
Private Financing

## Specialty / Pharmacy Benefit Management:

SCHRAFT'S has been acquired by Walgreens Specialty Pharmacy
Sellside Advisor

SXC Health Solutions, Inc. has acquired NMHC Total Health Care Solutions
Buyside Advisor

HospiScript has been acquired by HEALTHEXTRAS
Sellside Advisor

## Institutional & Retail Pharmacy:

Kindred AmerisourceBergen Kindred Healthcare, Inc. and AmerisourceBergen Corporation have merged their respective institutional pharmacy businesses to create PharMerica PharMerica Corporation
Financial Opinion

PharMaster, L.P. has been acquired by PharMerica
Sellside Advisor

AP Advanced Pharmacy has completed a $28,000,000 debt and equity financing
Private Financing

RITE AID
$122,500,000 HiMEDS™ Series E Mandatory Convertible Preferred Stock
$113,100,000 Series F Cumulative Convertible Pay-in-Kind Preferred Stock
$113,100,000 Series G Cumulative Convertible Pay-in-Kind Preferred Stock
$113,100,000 Series H Cumulative Convertible Pay-in-Kind Preferred Stock
Fairness Opinion

# Select Transaction Experience (cont.)

WH000528

## Managed Care:

MHNet
has been acquired by
COVENTRY
Sellside Advisor

The Employees of
CareMore Medical Enterprises
have acquired a 35.9% ownership interest through a newly formed Employee Stock Ownership Trust
The financing consisted of a $70,000,000 Senior Credit Facility
Private Financing

MMM Healthcare, Inc.
has been acquired by
The Straus Group
Sellside Advisor

PersonalCare
PersonalCare Health Management, Inc.
has been acquired by
COVENTRY Health Care
Sellside Advisor

American Medical Security Group
has been acquired by
PacifiCare
Fairness Opinion

Magellan
has confirmed a Chapter 11 Plan of Reorganization
Creditors Committee Advisor

MAMSI
Mid Atlantic Medical Services, Inc.
has been acquired by
UnitedHealth Group
Fairness Opinion

## Disease Management / Wellness:

SKINCEUTICALS
has been acquired by
L'ORÉAL
Sellside Advisor

BALLY TOTAL FITNESS
has confirmed a "pre-packaged" Chapter 11 Plan of Reorganization
Bondholder Committee Advisor

Vitamin Shoppe
has merged with and into
Vitamin Shoppe Industries Inc.
Fairness Opinion

## Distribution

SourceOne
a portfolio company of
Platinum Equity
has been acquired by
MXR
Merry X-Ray Corporation
Sellside Advisor

MSD Medical Specialties Distributors, Inc
has been acquired by
MBF
Sellside Advisor

CareFusion
has been acquired by
CardinalHealth
Sellside Advisor

has been acquired by
AROUSE CAPITAL
Sellside Advisor

## Contract Manufacturing:

HOLOPACK
Holopack International Corp.
has been acquired by
OLYMPUS PARTNERS
Sellside Advisor

Albuquerque sterile injectables manufacturing business of
Catalent
has been acquired by
ALTARIS
and Oso Biopharmaceuticals Manufacturing, LLC
Sellside Advisor

LEINER HEALTH PRODUCTS
has been acquired by
NBTY
Debtor Advisor

## Dental:

JDC Healthcare
has been recapitalized by
BLACK CANYON CAPITAL
Financial Advisor

HEARTLAND DENTAL CARE
$105,000,000 Senior Credit Facility
$32,500,000 Subordinated Notes
ESOP Advisor & Private Financing

INTERDENT
has sold the stock of its Dental Care Alliance subsidiary and certain other assets to
MON Acquisition Corp.
Fairness Opinion

DISCUS DENTAL
has acquired the Professional Teeth Whitening Business of
BRITE SMILE
$25,000,000 Revolving Credit Facility
$40,000,000 Term Loan A
Buyside Advisor & Private Financing

Overview of Houlihan Lokey / Healthcare Group

# Select Transaction Experience (cont.)

WH000529

## Med Tech and Devices:

| | | | | | | |
|---|---|---|---|---|---|---|
| DenMat. has completed a recapitalization transaction including an equity investment from DLJ Merchant Banking — Company Advisor | Celsis has acquired VITRO — Buyside Advisor | STRATAGENE has been acquired by Agilent Technologies — Fairness Opinion | WEST Pharmaceutical Services has sold the assets of the Company's GFI Clinical Services Division to COVANCE — Sellside Advisor | CRYO COR has been acquired by Boston Scientific — Fairness Opinion | American Capital has invested $66,000,000 in AVALON LABORATORIES, INC. — Company Advisor | DADE BEHRING has confirmed a "prepackaged" Chapter 11 Plan of Reorganization — Company Advisor |

## HCIT:

| | | | | | | |
|---|---|---|---|---|---|---|
| ReedGroup has been acquired by Audax Group — Sellside Advisor | Achieve has been acquired by Logibec — Sellside Advisor | Avega Avega Health Systems has been acquired by MedAssets — Sellside Advisor | SDI has acquired VERISPAN — Private Financing/Buyside Advisor | Trover Solutions, Inc. has been acquired by TAILWIND CAPITAL PARTNERS — Sellside Advisor | rims Resource Information Management Systems has been acquired by TRIZETTO — Sellside Advisor | Patriot Technologies has been acquired by HARRIS — Sellside Advisor |

## Clinical Lab / Diagnostic Screening Services:

| | | | | | | |
|---|---|---|---|---|---|---|
| Clinical Laboratories of Hawaii, LLP has been acquired by SONIC HEALTHCARE — Sellside Advisor | Clinical Laboratories of Colorado has been acquired by Quest Diagnostics — Sellside Advisor | Pan Pacific Pathologists, Inc. has been acquired by SONIC HEALTHCARE — Sellside Advisor | LabOne *has been recapitalized by* Welsh, Carson, Anderson & Stowe — Sellside Advisor | invitrogen *has merged with* NOVEX — Fairness Opinion | LabOne *has acquired* OSBORN GROUP, INC. *from* CytoCare — Buyside Advisor | WYLE has been acquired in a management-led buyout $30,000,000 Senior Secured Credit Facility $12,400,000 Senior Secured Mortgage Notes $4,000,000 Common Stock — Sellside Advisor & Private Financing |

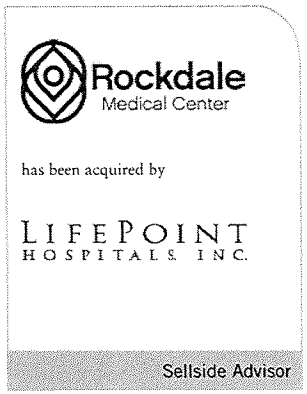
# Overview of Houlihan Lokey / Healthcare Group

## Select Houlihan Healthcare Transaction Case Studies

WHO00530

# Selected Houlihan Healthcare Case Study – Rockdale Medical Center, Inc.

WH000531

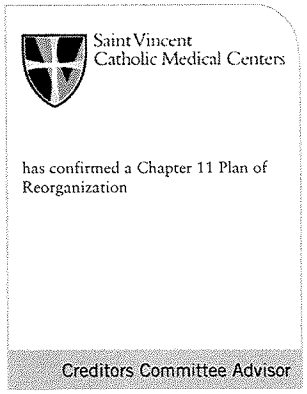



- *Client Profile* – Rockdale Medical Center ("RMC") is a JCAHO accredited 138 licensed bed, not-for-profit hospital that provides acute care, diagnostic services, emergency services and outpatient services throughout the local community. RMC is located in Conyers, Georgia, approximately 25 miles east of Atlanta and is the only hospital in Rockdale County. In 2002, RMC began a significant expansion and renovation project that caused the facility to borrow in excess of $90.0 million. As a result of this increased debt level, RMC began to experience significant difficulties in meeting its debt service, and ultimately went into covenant default. In accordance with the bond documents, RMC engaged several consulting firms to assist with performance improvement plans.
- *Houlihan Lokey's Role* – After being engaged as RMC's exclusive financial advisor, Houlihan Lokey conducted a comprehensive strategic review in conjunction with management and the board. We reviewed the following alternatives with the board: a physician syndication, a guarantee by the lead lender, a guarantee by the county, a joint venture and a sale of the hospital. After multiple avenues had been exhausted, it became apparent that the best option for the ongoing viability of the hospital and the provision of comprehensive healthcare services in Rockdale County was to sell the facility to a strategic party. As such, Houlihan Lokey conducted a comprehensive marketing process and negotiated the sale of RMC.
- *Transaction Snapshot* – Houlihan Lokey structured a sale of the assets to LifePoint Hospitals. Houlihan Lokey's highly competitive process resulted in LifePoint Hospitals emerging as the lead bidder with a premium purchase price, a commitment to fund a minimum of $30.0 million in future capital expenditures and favorable transaction terms.

Select Houlihan Healthcare Transaction Case Studies

# Selected Houlihan Healthcare Case Study – Saint Vincent Catholic Medical Centers of New York

WH000532




- ***Client Profile*** – Saint Vincent Catholic Medical Centers ("SVCMC") is a comprehensive healthcare system which as of its July 5, 2005 bankruptcy filing employed over 2,500 physicians and in the calendar year prior to filing recorded more than 600,000 outpatient visits, 640,000 home care visits and 92,000 inpatient discharges. At filing, SVCMC operated seven hospitals located in four boroughs of New York City and in Westchester County. SVCMC also operated three nursing homes, a hospice, a home health business, a health maintenance organization and two captive insurance companies. SVCMC's flagship hospital was Saint Vincent Manhattan a 758-bed hospital located in Greenwich Village.
- ***Houlihan Lokey's Role*** – Houlihan Lokey served as financial advisor to the Official Committee of Unsecured Creditors in connection with SVCMC's Chapter 11 filing in the Southern District of New York.
- ***Transaction Snapshot*** – At the outset of the case the debtors suffered from a lack of liquidity and were struggling to close / monetize non-core assets. The Houlihan Lokey team immersed ourselves in many key initiatives to provide the direction and coordination that previously had been lacking and created critical alliances with the DOH, DASNY, HUD and the U.S. Trustee to ensure that creditors' interests were addressed and that SVCMC's operations were stabilized. Among the many issues in which Houlihan Lokey played a significant role working on behalf of creditors was obtaining permanent DIP financing, selection of interim senior management (CEO and CRO), closing non-core asset sales, assessing and implementing various real estate monetization options, selection of a real estate consultant given SVCMC's extensive real estate assets, testing and finalizing a long-term business plan and developing and negotiating alternative plan structures and methods of creditor repayment. Throughout the case Houlihan Lokey worked constructively with all constituents including the PBGC, the Tort Claimants' Committee, the Ad Hoc Committee of Secondary Claims Traders and SVCMC's management and advisors which helped facilitate a successful plan of reorganization which provides unsecured creditors with a 100% recovery.

# Houlihan Execution and Support Team Biographies

WH000533

WH00034

## Ben A. Buettell

Mr. Buettell is a Managing Director in Houlihan Lokey's Chicago office and a senior member of the firm's Financial Advisory Services business. He serves as co-head of the firm's Fairness Opinion practice and is the head of the firm's Solvency Opinion practice.

Mr. Buettell has more than two decades of experience providing financial advisory services to public and private clients in connection with mergers, acquisitions, leveraged buyouts, spinoffs, recapitalizations, going-private transactions and strategic alternative assessments. He also renders fairness, solvency and transaction-related opinions to companies, boards of directors, special committees, financial institutions and independent fiduciaries.

Before joining Houlihan Lokey, Mr. Buettell worked for a Chicago-based financial institution as a commercial loan officer, serving privately held middle-market companies.

Mr. Buettell served on the board of directors of Euclid Beverage from August 2006 to August 2009. He also serves on the board of directors of the Boys and Girls Clubs of Chicago.

Mr. Buettell earned his B.A. in economics from Northwestern University and a master of management degree in finance and management policy from Northwestern University's Kellogg School of Management. He is registered with FINRA as a General Securities Principal (Series 7, 24 and 63) and a Limited Representative – Investment Banking (Series 79).

WH000535

## Gary D. Brewster

Mr. Brewster is a Managing Director in Houlihan Lokey's New York office, where he is a member of the Financial Advisory Services business and the Healthcare Group. He has provided financial advisory services for mergers, acquisitions, joint ventures and alliances, strategic investments, and financings. He has also provided valuation opinions for private disputes and for regulatory agencies. He has served a number of healthcare industry sectors, including pharmaceutical, medical device, biotechnology, healthcare services, and information technology.

Before joining Houlihan Lokey, Mr. Brewster worked for Standard & Poor's, PricewaterhouseCoopers and IBM.

Mr. Brewster has spoken at numerous industry and technical conferences. He has been a long-time supporter of the educational programs of Inner City Scholarship Fund and Carnegie Hall.

Mr. Brewster received a B.S. in industrial engineering from Stanford University and earned his M.B.A. from the Wharton School. He is registered with FINRA as a General Securities Representative (Series 7 and 63) and a Limited Representative – Investment Banking (Series 79).

WH000536

## Mark Francis

Mr. Francis is a Managing Director in Houlihan Lokey's Dallas office, where he is Co-Head of the Healthcare Group. He has nearly two decades of experience in mergers and acquisitions and financial operations in the healthcare industry, and he has managed a wide variety of projects, from acquisitions, divestitures, financings and financial restructurings to joint ventures and strategic-alliance formation.

Before joining Houlihan Lokey, Mr. Francis directed a national team of acquisition professionals as vice president of M&A for the home health division of HCA. He speaks frequently on mergers and acquisitions and finance in the healthcare industry.

Mr. Francis earned a B.B.A. in finance from Baylor University. He is a Certified Public Accountant and is registered with FINRA as a General Securities Principal (Series 7, 24 and 63) and a Limited Representative – Investment Banking (Series 79).

WH000537

## Sam W. Clark

Mr. Clark is a Managing Director in Houlihan Lokey's Dallas office, where he heads the firm's Financial Advisory Services effort in the Southwest and is the global leader of the Tax and Financial

Reporting and Transaction Advisory Services practices. He has over 25 years of experience advising clients on mergers and acquisitions, valuations, financings, and assessing strategic alternatives in such industries as healthcare, technology, manufacturing, real estate and energy.

Before joining Houlihan Lokey, Mr. Clark was a managing director and the founder of Standard & Poor's Southwest Valuation practice, formerly the PricewaterhouseCoopers Southwest Regional Valuation practice. Before that, he was the managing director of PricewaterhouseCoopers Southwest Regional Valuation and Corporate Finance practice.

Mr. Clark earned a B.B.A. in finance from Texas A&M University and an M.B.A. in finance from the University of North Texas. He completed an executive development program at Northwestern University and valuation coursework at Harvard University. He is a Certified Public Accountant accredited in business valuation, a senior member of the American Society of Appraisers, a licensed real estate broker and a state-certified general real estate appraiser. He is registered with FINRA as a General Securities Representative (Series 7 and 63) and a Limited Representative – Investment Banking (Series 79).

WH00[illegible]

## Michael DeLuke

Mr. DeLuke is a Director in Houlihan Lokey's Dallas office. He has more than a decade of professional services and valuation experience in the healthcare, financial services, manufacturing and energy industries.

Before joining Houlihan Lokey, Mr. DeLuke was a manager in PricewaterhouseCoopers' Standard & Poor's corporate value consulting practice, where his valuation assignments addressed acquisitions, divestitures, fairness opinions, corporate planning, purchase price allocations, and financial advisory. Earlier, he worked for several years at another accounting firm, performing business valuations and providing tax and audit services.

Mr. DeLuke has a B.B.A. in accounting from Baylor University, a master's degree in taxation from Baylor University, and an M.B.A. in finance from the University of Texas. He is a member of the American Institute of Certified Public Accountants and the Texas Society of Certified Public Accountants. He is also a member of the Financial Accounting Standard Board's Valuation Resource Group, which identifies and resolves fair-value measurement issues. He is registered with FINRA as a General Securities Representative (Series 7 and 63) and a Limited Representative – Investment Banking (Series 79).

# RESPONSE TO RFP

FOR

# FAIRNESS EVALUATION FOR CONVERSION OF GREATER WATERBURY HEALTH NETWORK, INC.

SUBMITTED TO:
GREATER WATERBURY HEALTH NETWORK, INC.
ATTENTION: MS. DARLENE STROMSTAD, FACHE
PRESIDENT/CEO
64 ROBBINS STREET
WATERBURY, CONNECTICUT 06708

Principle Valuation, LLC

PEOPLE AND VALUES YOU CAN TRUST

October 13, 2011

Greater Waterbury Health Network, Inc.
64 Robbins Street
Waterbury, Connecticut 06708

Attention: Ms. Darlene Stromstad, FACHE
President/CEO

Re: Fairness Evaluation for Conversion of Greater Waterbury Health Network, Inc.

This letter serves as our proposal to provide the Board of Directors of Greater Waterbury Heath Network, Inc ("Board", or "GWHN") a Fairness Evaluation in conjunction with its announced three-way joint venture (the "Transaction") with St. Mary's Health System, Inc. and LHP Hospital Group, Inc.

**PURPOSE AND BACKGROUND**

We understand that the purpose of our analysis will be to provide the Board a fairness evaluation of the Transaction in order for the Board to fulfill its fiduciary duties and obligations under the State of Connecticut's General Statute t19a-486 et seq. ("Conversion Statute").

**SCOPE**

In determining whether the consideration is fair from a financial point of view, we will specifically address the following valuation issues and considerations:

- Assess the "Fair Market Value" of the assets to be transferred by GWHN
- Assess the intangible value to the Greater Waterbury community of maintaining the of GWHN
- Assess the value from a financial point of view of the commitment to build a replacement facility
- Assess from a financial point of view the value of the management agreement that the joint venture will enter into with an LHP affiliate to manage the hospital's operations

In conducting these assessments the following considerations will be made:

- Review the terms associated with the Transaction

- Conduct a site visit to the Hospital to accurately describe and assess the condition of the assets to be transferred
- Review the historical and earning potential of the operating assets that GWHN intends to transfer
- Review and analyze the terms associated with the Management Agreement to be entered into with an affiliate of LHP
- Review the plans, budgets, and financial projections associated with the replacement facility
- Consider the overall market potential of the Waterbury Hospital and the combined joint venture separately and as combined
- Review and analyze other pertinent and necessary information necessary to arrive at our final opinions
- Review and extrapolate transactions that involved for-profit versus non-for-profit organizations and academic hospital systems versus community hospital systems

Fair Market Value for the purposes of this analysis will be defined as follows:

> The most likely price that the assets would bring in a sale in a competitive and open market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably and in their own best interest, and with a reasonable time being allowed for exposure in the open market.

**PRINCIPLE VALUATION FIRM OVERVIEW, RELEVANT EXPERIENCE, AND TEAM MEMBERS**

In 2007, Timothy Baker and David Felsenthal combined their 75 years of healthcare appraisal experience to form Principle Valuation, a firm dedicated to service the specialized needs of the healthcare community. In 2009, Patrick Simers joined as a Principal in the firm and added to the strength of the overall hospital valuation core with more than 25 years in the appraisal of Healthcare properties. All of the Principals of Principle Valuation,("PV" and "Principle"), have served as Presidents and Vice Presidents of many of the major healthcare valuation and healthcare consulting providers including Huron Consulting, American Appraisal, CBIZ, and Valuation Counselors, a valuation firm that Mr. Felsenthal had previously founded which was once recognized as the premier healthcare valuation firm in the industry. From inception our staff has continued to expand and we now have more than seventeen professional employees dedicated to the valuation of healthcare related entities.

Our business is generally segmented into three primary sectors; Hospital and Healthcare Enterprise Related Services, Healthcare Advisory Services; and Senior Housing Related Services.

In the Hospital and Healthcare Related services group, the primary emphasis is to prepare valuations to meet the regulatory guidelines associated with hospital transactions including Stark compliance, State Regulatory Requirements and Purchase Accounting. Valuations conducted in this sector generally include the valuation of hospitals and hospital systems, medical practices, joint ventures valuations, service agreements and other types of healthcare business arrangements. Another major focus of this group is the valuation of tangible and intangible assets associated with purchase accounting for Acute and Specialty Hospitals. Professionals in this group have real estate, medical equipment, and business enterprise expertise.

The Healthcare Advisory Services group is primarily responsible for the preparation of cost segregation studies, facility live analysis, and asset inventory and reconciliation reports. This group's personnel consists of staff members with engineering and tax expertise that assist our clients in reducing their overall tax liability and developing accurate property records that help our clients increase their overall bond ratings. Our Senior Housing Group focuses on the service needs of the senior housing industry. This group prepares market studies and valuations of nursing homes and assisted living residences. Their work is generally presented for financing and utilized to obtain conventional financing and through the HUD 232 program. Professionals in this group include real estate professionals who have detailed knowledge of the regulatory rules and reimbursement policies that dictate the seniors housing industry.

Particularly relevant engagements include fairness reviews and appraisals presented to comply with the Attorney General requirements in Georgia, Mississippi, Louisiana, Florida, Pennsylvania, and New Jersey. Direct hospital transfer assessments included Banks-Jackson-Commerce Hospital in Georgia; Baptist Memorial Hospital – North Mississippi in Mississippi; Ville Platte Medical Center and West Carroll Memorial Hospital in Louisiana; South Shore Hospital in Miami, Florida; and UPMC in Pittsburgh, Pennsylvania. We also recently assessed a hospital management agreement for Meadowlands Hospital Medical Center in New Jersey.

The primary parties that will be active in this engagement include Tim Baker, Patrick Simers, John Leary, and Mary Jo Duffy. As demonstrated by their Qualifications, each member of the team has more than 25 years in the valuation of healthcare enterprises and includes individuals with General Appraiser State Certifications, CFA's, and CPA's. These qualifications are included in the Addenda of this proposal.

**DUE DILIGENCE DATA REQUIREMENTS**

The following information will be initially and primarily required in order to complete the assignment:

- A Central Contact that is familiar with the overall operations and contemplated transaction. This person will serve as our primary contact and should be able to discuss the financial, and market environment for the assets under consideration. Further this person should have the ability to coordinate site visits with our staff with the Hospital
- Audited Financial Statements of GWHN and its primary operating units for the past three years along with the current year-to-date operations and budgets.
- Forecasted operations for the next three-five year period for Waterbury Hospital operations
- A current Balance Sheet of the Organization and an explanation of which assets are anticipated to transfer
- A copy of the current fixed asset ledger of the Hospital and its associated entities in an excel format
- A listing of all real estate property anticipated to transfer with the transaction; including the address of the property, a brief description of the improvements including its size and use, its associated tax parcel number, and the size of the underlying land parcel
- A copy of any Board Minutes that discussed the contemplated Transaction
- A copy of any reports or presentations that Cain Brother's prepared in making its overall recommendations to the Board
- A copy of the Medicare Cost Reports for the prior two fiscal periods
- A non-redacted version of the CON Application that St. Mary's and LHP provided to the State
- The Current Plans, Budgets, and Forecasted Financials for the Replacement Facility
- A copy of the Management Agreement anticipated between GWHN and LHP
- A Contact at LHP that we can discuss their overall business operations, history, capital resources, financials, etc.
- The Management and Organizational Structure associated with the Joint Venture
- Any Demographic, Market Research, or Competitive Surveys that were conducted to support the overall merger
- A brief write-up of the subject's current ownership and operational history
- Any other data that you feel is necessary that enhances our understanding of the Transaction

## PROCESS TIMELINE, LOGISTICS, AND COORDINATION

We would anticipate the following general time line which would lead to an overall engagement completion by November 30, 2011.

| | |
|---|---|
| • First Week (Oct. 21) | Award of contract and receipt of data requested |
| • Second Week (Oct. 28) | In-house review of data received and prepare plan for on-site visit to be conducted in the third week |
| • Third Week (Nov. 4) | Conduct on site visit October 31-November 3 This will primarily consist of a time spent verifying asset lists and getting descriptive data on improvements |
| • Fourth Week (Nov. 11) | In-Office Pricing, Research, and Development of Preliminary Estimates |
| • Fifth Week (Nov. 17) | Presentation of Preliminary Findings and Draft Report Development |
| • Sixth Week (Nov. 25) | Client Review of Draft Report (Thanksgiving Week) |
| • Seventh Week (Nov. 30) | Adjustments and Development of Final Report |

We believe that this time line is reasonable based upon the overall effort and personnel that would be involved in this analysis. Should a tighter time frame be needed, we may be able to accommodate. All time estimates assume that all data requests are promptly received on an ongoing basis throughout the engagement process. We would immediately notify you should any delays in the receipt of information or other items beyond our control would push back these delivery timelines.

## CONFIRMATION OF ABSENCE OF ANY CONFLICTS OF INTEREST

Neither Principle Valuation nor its staff members have any known conflict of interest with the parties to this Transaction or to the Transaction itself.

## COMPENSATION STRUCTURE

Our fee for this engagement will be [redacted] inclusive of all expenses. We ask that a retainer of [redacted] be issued upon acceptance of this letter. We will subsequently bill [redacted] upon presentation of our initial findings and draft report. We anticipate all payments to be current prior to issuing our final report. Our final invoice, [redacted] will accompany our final report; or if no final report is desired, upon your indication that no final report is required. Our fee is in no way contingent upon the outcome of our conclusions. This fee is based on our estimate of professional services to be furnished, according to our understanding of your requirements; should the scope of these requirements change, Principle Valuation and Greater Waterbury Health Network, Inc. will mutually revise the fee to reflect those changes in services.

Fees include professional time for planning and executing the work through, and including, our final report. Should you require additional consultation based on your reviews of our work or those of your external auditors or your tax or other advisors, or any public presentation, testimony and appearance in front of any tribunal, agency or other body, subsequent payment will be required and we will bill for those services at our prevailing hourly rate for the personnel involved.

We reserve the right to withhold delivery of our preliminary conclusions or final report(s) if, when either of these is ready for delivery, any previously issued invoice remains unpaid. We reserve the right to issue interim or final invoices, as appropriate, should you delay the project and/or in the event that our preliminary or draft report has been in your possession for more than 30 days.

You have the right to terminate this assignment at any time, in which case there will be no further obligation on the part of either party to continue. In such event, you will be obligated to pay only for the actual time and charges accumulated through the date of cessation.

GWHN agrees to indemnify and hold harmless Principle Valuation, its employees, and representatives, collectively ("Principle") from and against any and all losses, claims, damages, or liabilities, joint or several, including all reasonable out-of-pocket expenses, fees, and disbursements of counsel incurred by Principle in defending any claim, action, or proceeding whether or not resulting in a liability to Principle to which they may become subject, caused by, arising out of or in connection with this engagement, including but not limited to, losses, claims, damages or liabilities caused by or arising out of any untrue statements of material fact contained in the information provided to Principle by GWHN or its advisors in connection with our engagement, or any omission to state any therein any material fact required or necessary to make the information not misleading in light of circumstances under which given, or any violation of the federal securities laws or the securities laws of any state, or otherwise arising out of our engagement hereunder except in respect to any matter as to which Principle shall have been adjudicated to have acted with gross negligence or willful malfeasance.

**ACKNOWLEDGEMENT**

We appreciate this opportunity to provide our recommendations for valuation-consulting services. We are uniquely qualified to perform this assignment, by virtue of our independence, experience, reputation, and expertise. We are committed to completing the work in an efficient and timely manner.

Due to the complexity of the assignment; if any of the terms, as highlighted, need to be discussed or refined please do not hesitate to call us as we would appreciate the opportunity to work with you on this important assignment.
But, if the content of this document correctly reflects your understanding of our agreement, please sign below and return the executed document and return the enclosed copy. This agreement shall remain open and valid for signature for 90 days from the issue date; however, any significant delay in executing this agreement could adversely impact our ability to meet the delivery commitments described herein. Please note we will be unable to start this engagement until we are in receipt of this signed acknowledgment. To avoid any delays in delivery, please

fax the signed acknowledgment to (312) 422-1515. Thereafter, please forward the original to us.

If you have any questions or comments, please call me at (770) 924-8811.

Respectfully submitted,

PRINCIPLE VALUATION, LLC

Patrick J. Simers
PJS/ms

CLIENT: GREATER WATERBURY HEALTH NETWORK, INC.

SIGNATURE(S): _____

NAME (PRINT OR TYPE): _____

TITLE: _____

DATE: _____

PHONE: _____

# EXHIBITS

**TIMOTHY H. BAKER**
**PRESIDENT**

***EXPERIENCE***

Mr. Baker has been in the appraisal industry since 1981 with a concentration on healthcare and senior living properties. His valuation experience includes valuing the business enterprise, real estate, and personal property. Valuations have been performed on a national and international basis. Consulting engagements include market and financial feasibility studies.

Mr. Baker has experience in the valuation of numerous healthcare facilities including acute care, behavioral health, and rehabilitation hospitals. Senior living properties include nursing homes, assisted living facilities, and retirement centers. Other related operations include research facilities, healthcare leasing companies, physician practices, and medical office buildings. Mr. Baker has also provided consultations on market assessment, demand analysis, reimbursement issues, development of fixed asset records, and provided analysis of strategic opportunities. Valuation reports prepared by Mr. Baker have been used for several purposes including public offerings, litigation support, HUD 232 and 242 mortgage insurance programs, acquisition/divestitures, property tax purposes, state reimbursement, estate planning, and for internal management decision making.

***PROFESSIONAL HISTORY***

- 2007 to present – President, Principle Valuation, LLC.
- 2001 to 2007 - Senior Vice President, Wellspring Valuation, Ltd.
- 1997 to 2001 - Vice President, Marshall & Stevens National Healthcare Practice.
- 1992 to 1997 - Senior Manager, Capital Valuation Group, specializing in the valuation of the business and real estate of senior living and healthcare related facilities.
- 1981 to 1992 – Manager, Valuation Counselors where he was responsible for performing a multitude of appraisal and consulting services for clients specializing in business enterprise, real estate, and machinery and equipment.

***PROFESSIONAL AFFILIATIONS***

- Advisory Committee Member American Senior Housing Association
- Healthcare Financial Management Association
- American Health Lawyers Association
- Associate Member Appraisal Institute

***EDUCATION LICENSES, AND DESIGNATIONS***

- 1980 graduate of Bucknell University with a Bachelor of Science in Business Administration
- Certified General Real Estate Appraiser Maryland and New Jersey

***TESTIMONY***

- Testified as expert witness in California, Colorado, Connecticut, New Hampshire, New Jersey and Pennsylvania

**PATRICK J. SIMERS**
**EXECUTIVE VICE PRESIDENT**

***EXPERIENCE***

Mr. Simers has extensive experience in serving the valuation needs of the health-care industry. He has valued all tangible and intangible assets associated with health-care enterprises, including the capital stock of majority and minority share holdings; medical specialty and physician joint ventures; fee simple, leased fee, and leasehold interests in real estate for hospital systems, stand-alone hospital campuses, and medical office buildings; major and minor movable equipment; certificates of need; contractual agreements; and preferred provider arrangements.

Specific healthcare enterprises appraised include acute care hospital facilities, LTACH hospitals, psychiatric hospitals, rehab hospital facilities, single physician practices, multi-specialty practices, cath labs, diagnostic centers, cardiac care practices, home health agencies, nursing homes, assisted living facilities, and medical office buildings.

Mr. Simers has performed fair market value studies for purchase, sale, or financing; merger and acquisition consulting; negotiation of purchase price; fairness opinions; purchase price allocations; financial reporting; SEC reporting; Medicare regulatory requirements; Safe Harbor requirements; and 501(c)(3) private placement offerings.

***PROFESSIONAL HISTORY***

Mr. Simers began his appraisal career with Valuation Counselors in 1982 and held various consulting, business development, and management roles, including four years as president of Valuation Counselors, leading up to its merger with CBIZ Inc. Most recently, Mr. Simers has served as the National Director for Healthcare services for American Appraisal Associates where he spear-headed the development of healthcare services for this international appraisal firm.

Patrick J. Simers is Executive Vice President for Principle Valuation. He is responsible for the development and overall business plan for Principle's consulting and appraisal services to for-profit, nonprofit, and public health-care providers. Mr. Simers is located in Principle Valuation's Atlanta office.

***PROFESSIONAL AFFILIATIONS***

- American Health Lawyers Association
- Healthcare Financial Management Association

***EDUCATION LICENSES, AND DESIGNATIONS***

- Graduate of Northern Illinois University with a Bachelor of Science in Finance and Economics
- Graduate of Moraine Valley College with a Associate in Arts in Business Administration
- Certified General Real Estate Appraiser in Georgia

## JOHN L. LEARY, CFA

***EXPERIENCE***

Mr. Leary's hospital transaction experience consists of valuations for hospital acquisition and financing transactions in excess of $1 billion, SFAS 144 impairment studies for acute care hospitals, valuations for relative contributions of hospital operations to newly organized joint ventures, and valuations of certificate of need for new hospital construction.

His ambulatory surgery and diagnostic imaging center experience consists of valuation of surgery centers for hospital physician syndications, initial capitalization of joint venture between major metropolitan medical center and physician owned outpatient surgery center, and recapitalization of a multi-modality diagnostic imaging center owned by a partnership consisting of two medical centers and a radiology group.

Mr. Leary also has managed care experience that consists of an equity valuation of Medicaid Provider Service Network serving 50,000 Medicaid members, a SFAS 141 valuation of tangible and intangible assets for a managed care organization with a market capitalization of approximately $1.3 billion, and a purchase price allocation specialty pharmacy and pharmacy benefit management company totaling $1.5 billion.

Mr. Leary has also performed valuations of dialysis, home health, durable medical equipment, respiratory and infusion therapy operations, and physician practices

***PROFESSIONAL HISTORY***

- 1989 to 2011 - CBIZ Valuation Group, LLC — Atlanta, GA
  *Southeastern Director of Financial Valuation Services*
- 1987 – 1989 - Carnegie Securities Corporation — Atlanta, GA
  *Vice President*
- 1980 – 1987 - Storer Cable Communications — Atlanta, GA
  *Regional Controller*

***EDUCATION AND ACCREDITATIONS***

- 1978 – 1980 - Georgia State University — Atlanta, GA
  *Masters of Business Administration with a concentration in finance*
- 1974 – 1978 - Emory University — Atlanta, GA
  *Bachelor of Arts with majors in Economics and Political Science*
- Chartered Financial Analyst and Certified Public Accountant (inactive license)

**MARY JO DUFFY**

***EXPERIENCE***

Ms. Duffy brings 25 years of accounting, auditing, business valuation, business consulting and financial management to her clients. She has testified as an expert witness in deposition and trial, and advised clients on strategy, transactions and general business issues in addition to valuation issues

Ms. Duffy began her career with KPMG as an accountant and auditor. As CEO of Valuation Counselors, a national valuation firm, she provided valuation services to entities as diverse as boat manufacturers, grocery chains, technology ventures and healthcare providers. She served as a partner in a national CPA firm, responsible for appraisal and valuation services nationwide and was a member of the firm's Management Council.

As National Director of Financial Services to the healthcare industry for Coopers & Lybrand L.L.P., a predecessor firm of PricewaterhouseCoopers, Ms. Duffy was responsible for litigation, valuation, merger & acquisition, reorganization and other services to healthcare entities and assisted healthcare clients with matters involving providers, payers and related organizations. She later joined Ernst & Young's Healthcare Consulting practice specializing in physician networks, operations improvement, M&A strategy and post-merger integration. Her expertise in the healthcare arena includes advising providers on strategic options, negotiating transactions and assisting a Debtor in Possession in disposing of the assets, preparing a physician organization for doubling in size and an IPO, and developing integrated networks in academic medical centers and community delivery systems. She has also been the CFO of multi-specialty, multi-site healthcare provider.

***PROFESSIONAL HISTORY***

- Director, Acuitas, Inc.
- National Director of Financial Services, Coopers & Lybrand
- CEO, Valuation Counselors
- Consultant, Ernst & Young Healthcare Consulting
- Certified Public Accountant and Auditor, KPMG.

***PROFESSIONAL AFFILIATIONS***

- Leadership Team Member Healthcare Task Force of GSCPAS
- Serves as Board Member for: Turning Point Women's Healthcare, The Childhood Autism Foundation and Emory Austin Resource Center
- Member, Illinois CPA Society
- Officer, Georgia Society of CPAS – Atlanta Chapter

***EDUCATION LICENSES, AND DESIGNATIONS***

- Graduate of Georgetown University School of Business
- Certified Public Accountant

***HONORABLE DESIGNATIONS***

- Honored by Atlanta Magazine as one of Atlanta's outstanding business women.

# HEALTHCARE SYSTEMS AND HOSPITALS
# OUR PROFESSIONALS HAVE SERVICED SINCE 2000

| HEALTHCARE SYSTEMS: | CITY | ST |
|---|---|---|
| Advocate Health Care | Oak Brook | IL |
| Ascension Health | St. Louis | MO |
| Aurora Health Care | Milwaukee | WI |
| Banner Health Systems | Phoenix | AZ |
| Baptist Health South Florida | Coral Gables | FL |
| Baylor Health Care System | Dallas | TX |
| Benefis Health System | Great Falls | MT |
| Capella Healthcare | Franklin | TN |
| Catholic Health East | Newtown Square | PA |
| Centura Health | Englewood | CO |
| CHRISTUS Health | Irving | TX |
| Community Health Systems, Inc. | Brentwood | TN |
| Community Memorial Health System | Ventura | CA |
| Daughters of Charity Health System | Los Altos Hills | CA |
| Elmhurst Memorial Healthcare | Elmhurst | IL |
| Envision Corp. | Scottsdale | AZ |
| Essent Healthcare Inc. | Nashville | TN |
| Gulf States Health Services | Baton Rouge | LA |
| Health Care REIT, Inc. | Toledo | OH |
| Health East | Minneapolis | MN |
| Health Management Associates | Naples | FL |
| Holistic Health Care, Inc. | Birmingham | AL |
| Hospital Sisters Health System | Springfield | IL |
| Ingalls Health System | Harvey | IL |
| Jewish Hospital & St. Mary's Healthcare | Louisville | KY |
| Landmark Hospitals | Cape Girardeau | MO |
| LifeCare Management Service | Plano | TX |
| LifePoint Hospitals, Inc. | Brentwood | TN |
| Memorial Healthcare System | Hollywood | FL |
| NorthShore University Health System | Evanston | IL |
| Presbyterian Healthcare Services | Albuquerque | NM |
| Provena Health | Chicago | IL |
| Rapid City Regional Hospital | Rapid City | SD |
| Renaissance Healthcare Systems | Houston | TX |
| Resurrection Health Care | Chicago | IL |
| Saint Barnabas Health System | Livingston | NJ |

| HEALTHCARE SYSTEMS: | CITY | ST |
|---|---|---|
| Saint Thomas Health Services | Nashville | TN |
| Sarasota Memorial Healthcare System | Sarasota | FL |
| Seton Family of Hospitals | Austin | TX |
| Sisters of St. Francis Health Services | Mishawaka | IN |
| Specialty Hospitals of America, LLC | Portsmouth | NH |
| SSM Regional Health Services/St Mary's Health Center | Jefferson City | MO |
| St. Anthony Memorial Health Centers | Michigan City | IN |
| St. Francis Health System | Pittsburgh | PA |
| St. Vincent's Health System | Birmingham | AL |
| Summa Health Systems | Akron | OH |
| Trinity Health | Novi | MI |
| Universal Health Services | King of Prussia | PA |
| University Hospital Health System - Cleveland | Cleveland | OH |
| University Hospital Health System - San Antonio | San Antonio | TX |
| Vanguard Health Systems | Nashville | TN |
| Vibra Healthcare | Mechanicsburg | PA |

| HOSPITALS: | CITY | ST |
|---|---|---|
| Carraway Burdick West Medical Center | Haleyville | AL |
| Carraway Northwest Medical Center | Winfield | AL |
| Crestwood Medical Center | Huntsville | AL |
| Hartselle Medical Center | Hartselle | AL |
| Parkway Medical Center | Decatur | AL |
| Russellville Hospital | Russellville | AL |
| Southern Cancer Center | Mobile | AL |
| Harris Hospital | Newport | AR |
| Helena Regional Medical Center | Helena | AR |
| National Park Medical Center | Hot Springs | AR |
| North Metro Medical Center | Jacksonville | AR |
| Siloam Springs Memorial Hospital | Siloam Springs | AR |
| St. Mary's Regional Medical Center | Russellville | AR |
| Holy Cross Hospital | Nogales | AZ |
| Plaza del Rio Campus | Sun City | AZ |
| St. Joseph Hospital | Tucson | AZ |
| St. Mary's Hospital | Tucson | AZ |
| Sun Health Del E. Webb Campus | Sun City West | AZ |
| Tuscan Medical Center | Tucson | AZ |
| William O. Boswell Hospital | Sun City | AZ |
| Cedars Sinai Medical Center | Los Angeles | CA |

| HOSPITALS: | CITY | ST |
|---|---|---|
| Community Hospital of the Monterey Peninsula | Monterey | CA |
| Downey Regional Medical Center | Downey | CA |
| Hemet Valley Medical Center | Hemet | CA |
| Hollywood Presbyterian Medical Center | Los Angeles | CA |
| Kentfield Rehabilitation & Specialty Hospital | Kentfield | CA |
| Lancaster General Hospital | Lancaster | CA |
| Menifee Valley Medical Center | Sun City | CA |
| Norris Comprehensive Cancer Center & Hospital | Los Angeles | CA |
| Parkview Community Hospital | Riverside | CA |
| Physicians' Hospital of Rancho California | Murrieta | CA |
| Robert H. Ballard Rehabilitation Hospital | San Bernardino | CA |
| San Joaquin Valley Rehabilitation Hospital | Fresno | CA |
| USC University Hospital | Los Angeles | CA |
| Ventura Hospital | Ventura | CA |
| Lutheran Campus ASC LLC | Wheat Ridge | CO |
| OrthoColorado Hospital | Lakewood | CO |
| Penrose Hospital | Colorado Springs | CO |
| St. Anthony North Hospital | Westminster | CO |
| St. Mary-Corwin Medical Center | Pueblo | CO |
| St. Thomas More Hospital | Canon City | CO |
| Capital Hills Hospital | Sharon | CT |
| Greenwich Hospital | Greenwich | CT |
| Sharon Hospital | Sharon | CT |
| Greater Southeast Community Hospital | Washington | DC |
| Providence Hospital | Washington | DC |
| Specialty Hospital of Washington-Hadley | Washington | DC |
| Boca Raton Community Hospital | Miami | FL |
| Baptist Hospitals of Miami | Miami | FL |
| Bonita Community Health Center | Boca Raton | FL |
| East Point Hospital | Bonita Springs | FL |
| Fishermen's Hospital | Marathon | FL |
| Health Central Hospital | Ocoee | FL |
| HealthSouth Ridgelake Hospital | Sarasota | FL |
| Holy Cross Hospital | Marathon | FL |
| Homestead Hospital | Fort Lauderdale | FL |
| Jacksonville Medical Center | Homestead | FL |
| Mercy Hospital | Miami | FL |
| Memorial Hospital Pembroke | Jacksonville | FL |
| Memorial Hospital of South Broward | Pembroke Pines | FL |

| HOSPITALS: | CITY | ST |
|---|---|---|
| Memorial Regional Hospital | Hollywood | FL |
| Northwest Florida Community Hospital | Chipley | FL |
| Park Royal Hospital | Ft. Myers | FL |
| Santa Rosa Medical Center | Milton | FL |
| Shands Lake Shore | Lake City | FL |
| Shands Live Oak | Live Oak | FL |
| Shands Starke | Starke | FL |
| West Kendell Baptist Hospital | Kendell | FL |
| Wuesthoff Medical Center-Rockledge | Rockledge | FL |
| Wuesthoff Medical Center-Melbourne | Melbourne | FL |
| Athens Long-Term Acute Care Hospital | Athens | GA |
| Banks-Jackson-Commerce Hospital and Nursing Home | Atlanta | GA |
| Grady Memorial Hospital | Atlanta | GA |
| Hamilton Medical Center | Dalton | GA |
| Complex Care Hospital of Idaho | Meridian | ID |
| Advocate Bethany Hospital | Chicago | IL |
| Advocate BroMenn Regional Medical Center | Normal | IL |
| Advocate Christ Medical Center | Oak Lawn | IL |
| Advocate Condell Medical Center | Libertyville | IL |
| Advocate Good Samaritan Center | Downers Grove | IL |
| Advocate Illinois Masonic Medical Center | Chicago | IL |
| Advocate Lutheran General Hospital | Park Ridge | IL |
| Advocate South Suburban Hospital | Hazel Crest | IL |
| Elmhurst Memorial Hospital | Elmhurst | IL |
| Evanston Northwestern Health Care | Evanston | IL |
| Good Shepherd Hospital | Barrington | IL |
| Gottlieb Memorial Hospital | Melrose Park | IL |
| Holy Family Medical Center | Des Plaines | IL |
| Marshall Browning Hospital | DuQuoin | IL |
| Mercy Hospital & Medical Center | Chicago | IL |
| Northwest Community Hospital | Arlington Heights | IL |
| Our Lady of Resurrection Medical Center | Chicago | IL |
| Palos Community Hospital | Palos Heights | IL |
| Provena St. Joseph Hospital | Elgin | IL |
| Provena St. Mary Hospital | Aurora | IL |
| Resurrection Medical Center | Chicago | IL |
| Rockford Memorial Hospital | Rockford | IL |
| Rush-Copley Medical Center | Aurora | IL |
| Rush University Medical Center | Chicago | IL |

| HOSPITALS: | CITY | ST |
|---|---|---|
| Saint Anthony Hospital | Chicago | IL |
| Saint Joseph's Medical Center | Joliet | IL |
| Sherman Hospital | Elgin | IL |
| St. Anthony's Memorial Hospital | Effingham | IL |
| St. Elizabeth Hospital | Chicago | IL |
| St. Elizabeth Medical Center | Granite City | IL |
| St. Francis Hospital | Evanston | IL |
| St. James Hospital & Health Center | Chicago Heights | IL |
| St. John's Hospital | Springfield | IL |
| St. Joseph Hospital | Chicago | IL |
| St. Mary's Hospital | Decatur | IL |
| St. Mary's Hospital | Kankakee | IL |
| St. Mary's Hospital | Streator | IL |
| St. Mary of Nazareth Hospital | Chicago | IL |
| Swedish American Hospital | Rockford | IL |
| The Hospital for Specialty Care | Chicago | IL |
| Bluffton Regional Medical Center | Bluffton | IN |
| Dukes Memorial Hospital | Peru | IN |
| DuPont Hospital | Fort Wayne | IN |
| Elkhart General Hospital | Elkhart | IN |
| Franciscan Point Saint Anthony Health Complex | Crown Point | IN |
| Franciscan Physician Hospital | Munster | IN |
| Heartland Memorial Hospital | Munster | IN |
| Kosciusko Community Hospital | Warsaw | IN |
| Lutheran Hospital of Indiana | Fort Wayne | IN |
| Monroe Hospital | Bloomington | IN |
| Morgan Hospital and Medical Center | Martinsville | IN |
| OP Pavilion | Dyer | IN |
| Pinnacle Hospital | Crown Point | IN |
| Pulaski Memorial Hospital | Winamac | IN |
| Rehabilitation Hospital of Fort Wayne | Fort Wayne | IN |
| Starke Memorial Hospital | Knox | IN |
| St. Anthony Memorial | Michigan City | IN |
| St. Francis Hospital - Mooresville | Mooresville | IN |
| St. Francis Hospitals & Health Centers - South Campus | Indianapolis | IN |
| St. Joseph Hospital | Fort Wayne | IN |
| St. Joseph Regional Medical Center | Mishawaka | IN |
| St. Margaret Mercy Hospital | Hammond | IN |
| St. Vincent Indianapolis Hospital | Indianapolis | IN |

| HOSPITALS: | CITY | ST |
|---|---|---|
| Shawnee Mission Medical Center | Shawnee Mission | KS |
| Western Plaines Medical Complex | Dodge City | KS |
| Jewish Hospital | Louisville | KY |
| Jewish Hospital Shelbyville | Shelbyville | KY |
| Southern Kentucky Rehabilitation Hospital | Bowling Green | KY |
| Avoyelles Hospital | Marksville | LA |
| Baton Rouge General Medical Center | Baton Rouge | LA |
| CHRISTUS Coushatta Health Care Center | Coushatta | LA |
| CHRISTUS Schumpert Highland | Shreveport | LA |
| CHRISTUS Schumpert St. Mary Place | Shreveport | LA |
| CHRISTUS St. Francis Cabrini Hospital | Alexandria | LA |
| CHRISTUS St. Patrick Hospital | Lake Charles | LA |
| HealthSouth Specialty Hospital of North Louisiana | Ruston | LA |
| Oakdale Community Hospital | Oakdale | LA |
| Presbyterian Intercommunity Hospital | Lafayette | LA |
| River West Medical Center | Plaquemine | LA |
| Sabine Medical Center | Many | LA |
| Merrimack Valley Hospital | Haverhill | MA |
| New Bedford Rehabilitation Hospital | New Bedford | MA |
| Hillsdale Community Health Center | Hillsdale | MI |
| St. Joseph Mercy Hospital | Ypsilanti | MI |
| Truvista Surgery Center | Troy | MI |
| St. Joseph's Hospital | St. Paul | MN |
| Cape Girardeau Long-Term Acute Care Hospital | Cape Girardeau | MO |
| Crossroads Regional Hospital | Wentzville | MO |
| Franciscan Sisters of Our Lady of Perpetual Help of Ohio | St. Louis | MO |
| Joplin Long-Term Acute Care Hospital | Joplin | MO |
| Mineral Area Regional Medical Center | Farmington | MO |
| Northcrest Regional Medical Center | Kirksville | MO |
| North Kansas City Hospital | North Kansas City | MO |
| SSM Regional Health Services | Jefferson City | MO |
| St. Alexius Hospital - Broadway Campus | St. Louis | MO |
| St. Alexius Hospital - Jefferson Campus | St. Louis | MO |
| St. Anthony's Medical Center | St. Louis | MO |
| St. Mary's Health Center | Jefferson City | MO |
| St. Mary's Hospital of Blue Springs | Blue Springs | MO |
| Oxford Lafayette Medical Center | Oxford | MS |
| Marlton Rehabilitation Hospital | Marlton | NJ |
| Meadowlands Hospital Medical Center | Secaucus | NJ |

| HOSPITALS: | CITY | ST |
|---|---|---|
| Memorial Hospital of Salem County | Salem | NJ |
| Mountainside Hospital | Montclair | NJ |
| Muhlenberg Medical Center | Plainfield | NJ |
| St. Michael's Medical Center | Newark | NJ |
| Presbyterian Hospital | Albuquerque | NM |
| Presbyterian North Side Hospital | Albuquerque | NM |
| HealthSouth Hospital at Tenaya | Las Vegas | NV |
| Deaconess Center | Buffalo | NY |
| St. Mary's Hospital | Amsterdam | NY |
| Brown County Regional Hospital | Georgetown | OH |
| Conneaut Medical Center | Conneaut | OH |
| Geneva Medical Center | Geneva | OH |
| Hillside Rehabilitation Hospital | Warren | OH |
| Mahoning Valley Hospital | Warren | OH |
| Mahoning Valley Hospital LTAC | Boardman | OH |
| Select Specialty Hospital | Akron | OH |
| St. Thomas Hospital | Akron | OH |
| Summa Health | Akron | OH |
| Logan Medical Center | Guthrie | OK |
| Willamette Valley Medical Center | McMinnville | OR |
| Chestnut Hill Healthcare | Philadelphia | PA |
| HealthSouth Hospital of Pittsburgh | Monroeville | PA |
| HealthSouth Regional Specialty Hospital | Mechanicsburg | PA |
| Lock Haven Hospital | Lock Haven | PA |
| Memorial Hospital | Towanda | PA |
| Mercy Hospital | Scranton | PA |
| Mercy Special Care Hospital – Nanticoke | Nanticoke | PA |
| Mercy Tyler Hospital | Tunkhannock | PA |
| Moses Taylor Hospital | Scranton | PA |
| Southwest Regional Medical Center | Waynesburg | PA |
| St. Francis Hospital Cranberry | Cranberry | PA |
| St. Francis Hospital of New Castle | New Castle | PA |
| St. Francis Medical Center | Pittsburgh | PA |
| Lookout Memorial Hospital | Spearfish | SD |
| Sturgis Community Health Care Center | Sturgis | SD |
| Baptist Hospital of Cocke County | Newport | TN |
| Fentress County General Hospital | Jamestown | TN |
| Gateway Medical Center | Clarksville | TN |
| Haywood Park Community Hospital | Brownsville | TN |

| HOSPITALS: | CITY | ST |
|---|---|---|
| McKenzie Regional Hospital | McKenzie | TN |
| Mercy Medical Center North | Powell | TN |
| Mercy Medical Center St. Mary's | Knoxville | TN |
| Mercy Medical Center West | Knoxville | TN |
| Methodist Healthcare McNairy | Selmer | TN |
| Methodist Healthcare Volunteer Hospital | Martin | TN |
| Methodist Healthcare-Brownsville | Brownsville | TN |
| Methodist Healthcare-Dyersburg | Dyersburg | TN |
| Methodist Healthcare-Jackson | Jackson | TN |
| Methodist Healthcare-McKenzie | McKenzie | TN |
| Methodist Healthcare-Lexington | Lexington | TN |
| Middle Tennessee Medical Center | Murphysboro | TN |
| North Coast Medical Center | Springfield | TN |
| St. Mary's Jefferson Memorial Hospital | Jefferson City | TN |
| St. Mary's Medical Center of Campbell County | LaFollette | TN |
| St. Mary's Medical Center of Scott County | Oneida | TN |
| White County Community Hospital | Sparta | TN |
| Baptist Medical Center | San Antonio | TX |
| CHRISTUS Santa Rosa Children's Hospital | San Antonio | TX |
| CHRISTUS Santa Rosa Hospital-City Centre | San Antonio | TX |
| CHRISTUS Santa Rosa Hospital-Medical Center | San Antonio | TX |
| CHRISTUS Santa Rosa Hospital-New Braunfels | New Braunfels | TX |
| CHRISTUS Santa Rosa Hospital-Westover Hills | San Antonio | TX |
| CHRISTUS Spohn Hospital Alice | Alice | TX |
| CHRISTUS Spohn Hospital Corpus Christi Memorial | Corpus Christi | TX |
| CHRISTUS Spohn Hospital Corpus Christi South | Corpus Christi | TX |
| CHRISTUS Spohn Hospital Kleberg | Kingsville | TX |
| Dell Children's Medical Center | Austin | TX |
| East El Paso Physicians' Medical Center | El Paso | TX |
| Gulf Coast Medical Center | Wharton | TX |
| HealthSouth Hospital of Houston | Houston | TX |
| Highland Medical Center | Lubbock | TX |
| LifeCare Hospitals of Ft. Worth | Ft. Worth | TX |
| LifeCare Hospitals of Plano | Plano | TX |
| LifeCare Hospitals of San Antonio | San Antonio | TX |
| Longview Regional Medical Center | Longview | TX |
| Medical Center of Mesquite | Mesquite | TX |
| North Central Baptist Hospital | San Antonio | TX |
| Northeast Baptist Hospital | San Antonio | TX |

| HOSPITALS: | CITY | ST |
|---|---|---|
| Renaissance Hospital of Groves | Groves | TX |
| Renaissance Hospital of Dallas | Dallas | TX |
| Renaissance Hospital of Houston | Houston | TX |
| San Angelo Community Medical Center | San Angelo | TX |
| Seton Medical Center Williamson | Round Rock | TX |
| Southeast Baptist Hospital | San Antonio | TX |
| South Texas Spine & Surgical Hospital | San Antonio | TX |
| St. Luke's Baptist Hospital | San Antonio | TX |
| Texas Specialty Hospital | Houston | TX |
| Trinity Community Medical Center of Brenham | Brenham | TX |
| Trinity Medical Center | Carrollton | TX |
| Jordan Valley | West Jordan | UT |
| Rocky Mountain Medical Center | Salt Lake City | UT |
| Lee Community Hospital | Pennington Gap | VA |
| St. Mary's Hospital | Norton | VA |
| Empire Health Services | Spokane | WA |
| Lourdes Medical Center | Pasco | WA |
| St. Joseph Regional Medical Center | Lewiston | WA |
| Valley Medical Center | Renton | WA |
| LifeCare Hospitals of Wisconsin | Pewaukee | WI |
| Aurora Medical Center Grafton | Grafton | WI |
| Aurora Medical Center Oshkosh | Oshkosh | WI |
| Aurora Medical Center Summit | Summit | WI |
| Sacred Heart Hospital | Eau Claire | WI |
| St. Joseph's Hospital | Chippewa Falls | WI |
| St. Mary's Hospital Medical Center | Green Bay | WI |
| St. Nicolas Hospital | Sheboygan | WI |
| St. Vincent Hospital | Green Bay | WI |
| Bluefield Regional Medical Center | Bluefield | WV |
| Charleston Area Medical Center | Charleston | WV |
| Thomas Memorial Hospital | South Charleston | WV |

NAVIGANT
CAPITAL·ADVISORS

# Fairness Opinion
# Proposal and Qualifications

## Greater Waterbury Health Network, Inc.

LHP Hospital Group, Inc./Saint Mary's Hospital Joint Venture


Michael Lane
Managing Director
312.583.2132

Gregory Hagood
Managing Director
404.504.2017


September 28, 2011

WH000561

# Table of Contents


| | | | Page |
|---|---|---|---|
| | Section 1 » | Professional Fees/Timeline | 3 |
| | Section 2 » | Navigant Capital Advisors Overview | 6 |
| | Section 3 » | Benefits of Fairness Opinion | 18 |
| | Section 4 » | Market Overview | 25 |
| | Section 5 » | Healthcare Solutions Leadership Team | 30 |


WH000562

NAVIGANT
CAPITAL·ADVISORS

Section 1

# Professional Fees/Timeline

WIT000563

# Navigant Capital Advisors

*Proposed Professional Fees*

- Proposed Fixed Professional Fees: [redacted]
  - NCA professional fees are not contingent on the outcome of the opinion
  - Out of pocket expenses will be invoiced separately
- Fairness opinion will be delivered within 45 days of signing an NCA engagement letter containing standard indemnification provisions, and;
  - Will opine on the "fairness", from a financial point of view, of the consideration received in the Transaction which includes the management agreement with an LHP affiliate
  - Will require cooperation from and close working relationship with management
  - Be filed as part of the conversion process application by management
- NCA will NOT opine on, the underlying decision by the Board, relative merits of the transaction, tax or legal aspects of the transaction, solvency or fair value of the Company or any participant to the transaction, the fairness of any portion or aspect of the transaction not expressly addressed in the opinion, or the validity of the information provided in reaching our conclusions.
- Upon signing the engagement letter, NCA will promptly submit a due diligence request list to management requesting certain financial, operational and transactional data and information.
- NCA will comply with the Terms of Engagement as outlined in the request for proposal.

***We have conducted our conflict of interest review and have identified <u>NO</u> conflicts to this proposed transaction precluding Navigant Capital Advisors, LLC from rendering a Fairness Opinion***

WH000564

NAVIGANT
CAPITAL·ADVISORS

# Navigant Capital Advisors

*Proposed Timeline*

- Week 1: Sign Engagement Letter and submit due diligence request list to Management.
- Week 2: Meet with Board and Management on site for interviews/due diligence/analysis
- Week 3: Conduct due diligence/analysis
- Week 4: Conduct due diligence/analysis/meetings with Management
- Week 5: Complete analysis and presentation and review with Management/Board
  - ➢ Historical Timeline and Overview of the Hospital
    - ✓ Identification of key events
    - ✓ Statistical and operational summary
    - ✓ Payor analysis and summary
    - ✓ Market, demographics and competition
    - ✓ Financial analysis/earnings normalization
  - ➢ Update market and valuation metrics and key considerations
  - ➢ Analysis of Transaction terms and conditions
  - ➢ Summarize results/findings in presentation format
- Week 6: Finalize analysis and Render Fairness Opinion

WH000565

NAVIGANT
CAPITAL·ADVISORS

Section 2

# Navigant Capital Advisors Overview

WH000566

# Navigant Consulting
*Our Parent*

*Navigant Consulting, Inc. ("NCI") is the parent company of Navigant Capital Advisors, LLC ("NCA")*

## Business Description

Navigant Consulting, Inc. is a specialized, independent advisory firm that supports companies, lenders, institutional investors, legal counsel, and government agencies. The company focuses on entities and industries facing the challenges of uncertainty, risk, distress and significant change, and on the issues driving these transformations.

| | |
|---|---|
| Ticker | NCI (NYSE) |
| 2010 Revenue | $703.7 million |
| Professionals | 1,900+ |
| Headquarters | Chicago, IL |

## Senior Management

- William M. Goodyear, CEO and Chairman, NCI
- Edward R. Casas, Senior Managing Director, Head of NCA
- Michael lane, Managing Director Healthcare Restructuring
- Greg Hagood, Managing Director, Head of Investment Banking
- David P. Zito, Managing Director, Head of Healthcare Consulting

**NCI's 1,900+ professionals maintain presence in 45 cities internationally throughout North America, as well as Europe and Asia.**

WH000567

NAVIGANT CAPITAL·ADVISORS

# Navigant Consulting, Inc.

*Business Segment Overview*

***Our ability to integrate proven advisory skills with industry expertise creates a compelling proposition for our clientele***

## Navigant Consulting, Inc.

### Business Advisory Services

Business advisory services with dominant positions in highly regulated industries including healthcare, energy, construction and insurance and claims.

- Strategic Advisory
- Performance improvement
- Interim Management
- Markets & Transactions
- Technology Strategy & Management
- Financial and Compliance Advisory
- Operations Advisory
- Project Advisory
- Claims Management
- Clinical Improvement
- Insurance Coverage Analysis & Support
- Data & Information Management
- Operations & Systems Consulting / Outsourcing
- Business Process Assessment & Management

### Financial Advisory Services (Navigant Capital Advisors)

Full spectrum of financial advisory services with wide industry specialization including: healthcare, manufacturing and distribution, financial services, specialty retail and consumer, business services, energy and construction / real estate.

- Restructuring
  - Capital
  - Operating
- Investment Banking
  - Sell Side
  - Buy Side
  - Private Placement
- Valuation
  - Enterprise Valuations
  - Intangible Assets
- Economic Advisory
  - Anti-trust & Competition
  - Securities Litigation
  - Complex Securities Asset Pricing
  - Detailed Market Analysis

### Disputes & Investigations

Litigation, fraud, forensic accounting, investigations, discovery services and government contract dispute services.

- Impact Analysis
- Fact Finding
- SEC Investigations
- Discovery Assistance
- Deposition Support
- Expert Testimony
- Quantifying Losses due to Fraud
- White Collar Criminal Defense
- Electronic Records Management
- Consultation on Financial Reporting Matters
- Special Investigations
- Emerging Contractor Services

WH000568

NAVIGANT CAPITAL·ADVISORS

# Navigant Consulting, Inc.

*A Full Spectrum of Healthcare Services*

## *Navigant offers a full spectrum of operational and financial advisory services for healthcare organizations*

### Strategic Advisory

Navigant provides healthcare executives with objective, practical, results-oriented assistance to address the business challenges facing their organizations.

- Enterprise-wide strategic plans
- Business plan development and validation
- Program and service line analysis
- Portfolio analysis and planning
- Market research, analysis and forecasting
- Product planning, launch and life cycle strategies
- Pricing and reimbursement strategy, design and implementation
- Public policy evaluation and design
- Physician collaboration and integration planning

### Operations Advisory and Management

Navigant has extensive experience and a successful track record in helping healthcare organizations improve their financial, operational and quality performance.

- Comprehensive operational assessment, performance improvement plan development and execution support
- Revenue cycle performance improvement
- Supply chain management and procurement assistance
- Clinical throughput and capacity management
- Quality improvement
- Physician services and medical staff development
- Contract monitoring and oversight
- Federal reporting requirements

### Financial Advisory

Navigant offers a full range of financial services and assist healthcare organizations in confronting challenges, identifying solutions and achieving results within a short timeframe.

- Due diligence reviews and enterprise valuation
- Financial forecasting of policy and program changes
- Rehabilitation and performance improvement plan forecasting
- Strategic alternatives assessment
- Merger, acquisition and divestiture services
- Dept capacity analysis and capital restructuring
- Recapitalization and rescue financing
- Bankruptcy advisory support
- Intra-capital structure constituent negotiations

WH000569

NAVIGANT
CAPITAL·ADVISORS

# Navigant Consulting, Inc.

*A Full Spectrum of Healthcare Services (cont.)*

## *Navigant offers a full spectrum of operational and financial advisory services for healthcare organizations*

### Interim Management

Navigant provides interim leaders to manage healthcare organizations during challenging times, such as transitioning to a new executive, responding to an unexpected departure or absence, managing a turnaround or implementing a merger. Our professionals have the skills, experience and a track record of rapidly achieving desired results.

- Chief Restructuring Officer
- Chief Executive Officer
- Chief Implementation Officer
- Chief Financial Officer
- Chief Operating Officer
- Chief Information Officer
- Chief Nursing Officer
- Vice President Medical Affairs
- Other key operational positions

### Risk Mitigation and Compliance

Navigant offers solutions that enable our clients to function more efficiently and effectively in the ever changing regulatory framework of the healthcare industry.

- Compliance plan design and implementation
- Compliance effectiveness reviews
- Regulatory and operating compliance assessment, risk analysis and quantification
- Statistical sampling plans for evaluating over/under payments
- Billing and reimbursement audits
- Voluntary disclosures
- Corporate integrity agreement design and implementation
- Independent Review Organization ("IRO") services

### Dispute Resolution and Avoidance

Navigant offers support services that draw upon both our litigation experience and our wealth of healthcare industry knowledge.

- Document and electronic data discovery efforts, including preparing discovery requests and accumulating, managing and researching document populations
- Electronic data warehousing and analysis
- Class certification issues
- Liability and damage issues
- Deposition and trial preparation
- Econometric models to identify risk areas and estimate potential damages
- Expert testimony in depositions and at trial

WH000570

# Navigant Capital Advisors

*A Full Spectrum of Financial Services to the Healthcare Industry*

| Investment Banking | Valuations & Fairness Opinions | Restructuring |
|---|---|---|

**Multidisciplinary Team**

NCA team members bring significant transactional, operational, financial and legal experience to all engagements and have broad experience in a wide range of industries.

**Market Insight**

Through a network of industry, private equity and financing contacts, as well as proprietary data sources, NCA keeps abreast of rapidly changing market environments and industry trends affecting its clients and presenting opportunities and challenges to its stakeholders.

**Depth/Breadth of Services**

- **Merger and Acquisition Advisory**
  - Exclusive Sale
  - Buy Side Advisory
  - Distressed Asset sale
  - Recapitalizations
  - Corporate Divestiture
- **Private Placements**
  - Institutional Debt
  - Institutional Equity
- **Capital Markets Advisory Services**
- **Corporate Development Services**

- **Fairness Opinions**
- **Financial Reporting**
  - Business valuations
  - SFAS 123 (r), 141, 142, 144
  - Derivatives
  - Intangible Asset Valuations
- **Tax**
  - Section 409A
  - Change in Control Section 382
  - Gift and Estate Tax valuations
  - IRC Section 338

- **Financial & Operational restructuring**
- **Creditor Rights Advisory**
- **Interim and Crisis Management**
- **Bankruptcy Planning and Reorganization**
- **Distressed Real Estate Advisory**

WH000571

NAVIGANT CAPITAL·ADVISORS

# Navigant Capital Advisors

## *Consistently Ranked as Top Distressed Financial Advisors in The Deal League Tables*

**Second Quarter 2011**

| Rank | Adviser | Investment Bank | Active Cases |
|---|---|---|---|
| 1 | Casas, Edward | Navigant Capital Advisors LLC | 12 |
| 1 | Barrow, J. Gregory | General Capital Partners LLC | 12 |
| 2 | Luria, Neil | Navigant Capital Advisors LLC | 10 |
| 3 | Manning, Jeffrey | BDO Capital Advisors LLC | 9 |
| 4 | Huber, Jack | Navigant Capital Advisors LLC | 8 |
| 4 | Williams, Brent | Duff & Phelps Corp. | 8 |
| 5 | Wu, Christopher | Carl Marks Advisory Group | 7 |
| 6 | Owsley, Henry | Gordian Group LLC | 6 |
| 7 | Caldwell, Patricia | Gordian Group LLC | 5 |
| 7 | Hardie, William | Houlihan Lokey Inc. | 5 |
| 7 | Kaufman, Peter | Gordian Group LLC | 5 |
| 7 | Kurtz, David | Lazard | 5 |
| 7 | Madden, John | Duff & Phelps Corp. | 5 |
| 7 | Murphy, Brendan | Duff & Phelps Corp. | 5 |
| 8 | Decker, James | Morgan Joseph TriArtisan Group | 4 |
| 8 | Feltman, James S. | Mesirow Financial Holdings Inc. | 4 |
| 8 | Geer, Bradley | Houlihan Lokey Inc. | 4 |
| 8 | Henkin, Michael | Jefferies & Co. | 4 |
| 8 | Lattig, Larry H. | Mesirow Financial Holdings Inc. | 4 |

*(continued)*

**2010**

| Rank | Adviser | Investment Bank | Active Cases |
|---|---|---|---|
| 1 | Victor, J. Scott | SSG Capital Advisors LLC | 13 |
| 2 | Casas, Edward | Navigant Capital Advisors LLC | 12 |
| 2 | Barrow, J. Gregory | General Capital Partners LLC | 12 |
| 2 | Madden, John | Duff & Phelps Corp. | 12 |
| 2 | Williams, Brent | Duff & Phelps Corp. | 12 |
| 3 | Luria, Neil | Navigant Capital Advisors LLC | 10 |
| 4 | O'Connor, Tim | Broadpoint Gleacher Securities | 9 |
| 5 | Augustine, Neil | Rothschild | 8 |
| 5 | Owsley, Henry | Gordian Group LLC | 8 |
| 6 | Kaufman, Peter | Gordian Group LLC | 7 |
| 6 | Lattig, Larry H. | Mesirow Financial Holdings Inc. | 7 |
| 6 | Murphy, Brendan | Duff & Phelps Corp. | 7 |
| 6 | Ridings, Barry | Lazard | 7 |
| 7 | Belinsky, Russel | Duff & Phelps Corp. | 6 |
| 7 | Derrough, William | Moelis & Co. LLC | 6 |
| 7 | Henkin, Michael | Jefferies & Co. | 6 |
| 7 | Herman, David | Gordian Group LLC | 6 |
| 7 | Huffard, Paul | Blackstone Group LP | 6 |
| 7 | Merola, Frank | Jefferies & Co. | 6 |

*(continued)*

**2009**

| Rank | Adviser | Investment Bank | Active Cases |
|---|---|---|---|
| 1 | Madden, John | Chanin Capital / Duff & Phelps | 15 |
| 2 | Murphy, Brendan | Chanin Capital / Duff & Phelps | 12 |
| 2 | Williams, Brent | Chanin Capital / Duff & Phelps | 12 |
| 3 | Lattig, Larry H. | Mesirow Financial Holdings Inc. | 11 |
| 4 | Casas, Edward | Navigant Capital Advisors LLC | 9 |
| 4 | Luria, Neil | Navigant Capital Advisors LLC | 9 |
| 4 | Belinsky, Russel | Chanin Capital / Duff & Phelps | 9 |
| 4 | Kaufman, Peter | Gordian Group LLC | 9 |
| 5 | Barrow, J. Gregory | General Capital Partners LLC | 8 |
| 5 | Carlson, Thomas | Jefferies & Co. | 8 |
| 5 | Herman, David | Gordian Group LLC | 8 |
| 5 | Manning, Jeffrey R. | Trenwith Group LLC | 8 |
| 6 | Derrough, William | Moelis & Co. LLC | 7 |
| 6 | Feltman, James S. | Mesirow Financial Holdings Inc. | 7 |
| 6 | Hardie, William | Houlihan Lokey | 7 |
| 6 | Owsley, Henry | Gordian Group LLC | 7 |
| 6 | Pickering, Ben | Mesirow Financial Holdings Inc. | 7 |
| 6 | Strom, Steve | Jefferies & Co. | 7 |
| 6 | Victor, J. Scott | SSG Capital Advisors LLC | 7 |

*(continued)*

**2008**

| Rank | Adviser | Investment Bank | Active Cases |
|---|---|---|---|
| 1 | Casas, Edward | Navigant Capital Advisors LLC | 16 |
| 2 | Luria, Neil | Navigant Capital Advisors LLC | 12 |
| 2 | Feltman, James | Mesirow Financial Holdings Inc. | 12 |
| 3 | Lattig, Larry | Mesirow Financial Holdings Inc. | 10 |
| 4 | Barrow, J. Gregory | General Capital Partners LLC | 9 |
| 4 | Hilty, David | Houlihan Lokey | 9 |
| 4 | Murphy, Brendan | Chanin Capital Partners LLC | 9 |
| 5 | Madden, John | Chanin Capital Partners LLC | 8 |
| 6 | Kaufman, Peter | Gordian Group LLC | 7 |
| 6 | Owsley, Henry | Gordian Group LLC | 7 |
| 7 | Belinsky, Russel | Chanin Capital Partners LLC | 6 |
| 7 | Victor, J. Scott | National City Corp. | 6 |
| 8 | Augustine, Neil | Rothschild | 5 |
| 8 | Burian, Saul | Houlihan, Lokey, Howard & | 5 |
| 8 | Derrough, William | Moelis & Co. LLC | 5 |
| 8 | DiMauro, Chris | Houlihan, Lokey, Howard & | 5 |
| 8 | Manning, Jeffrey R. | Trenwith Group | 5 |
| 8 | Miller, Henry S. | Miller Buckfire & Co. LLC | 5 |
| 8 | Siegert, Eric | Houlihan, Lokey, Howard & | 5 |

*(continued)*

*Source: The Deal.com Bankruptcy League Tables.* Rankings include all debtor, creditor and other assignments within active bankruptcy cases.

WH000572

NAVIGANT CAPITAL·ADVISORS

# Navigant Capital Advisors

*Acute Care Hospital Experience*

- NCA has orchestrated multiple competitive bidding auction processes for the sale of acute care hospitals and related assets associated with healthcare delivery systems

- Extensive experience with sales of not-for-profit hospitals
  - In-depth knowledge of various affiliation arrangements, capital structures , and regulatory issues, including conversions

- Relevant Experience:
  - Identifying and advising Hospital Boards with regard to strategic options
  - Positioning hospital assets for sale
  - Working with physicians, employees and other stakeholders to identify and manage needs and concerns
  - Identification of conflicts and regulatory issues
  - Oversight of competitive auction processes
  - Identification of industry and market dynamics

WH000573

# Navigant Capital Advisors

## *NCA Recent Not-for-Profit Hospital Transactions*

| Healthcare System | Description | Transaction | NCA Role |
|---|---|---|---|
| Caritas Christi Healthcare System | Owner of six 501(c)3 Catholic hospitals in Eastern MA | Sale of non-profit hospitals to Cerberus Capital Management and conversion to for-profit status. | Financial advisor engaged to review transaction terms and conditions and issue a Fairness Opinion. Navigant was initially retained to provide a strategic review and assessment related to identifying capital alternatives for this non-profit organization |
| Sumner Regional Healthcare System | Three 501(c)3 hospital healthcare organization serving eleven counties in middle Tennessee | Sale of non-profit hospitals to Lifepoint Hospital Corporation pursuant to Section 363 under Chapter 11 of the U.S. Bankruptcy Code and conversion to for-profit status. | Financial advisor in bankruptcy and in connection with exploring strategic alternatives; also served as interim management. NCA led a competitive sale process whereby numerous offers were obtained and negotiated with a wide array of national and regionally-focused hospital companies. |
| Twin City Hospital System | A twenty-five bed, not-for-profit 501(c)3, critical access hospital located in Dennison, Ohio | Sale to hospital Franciscan Services Corp. pursuant to section 363 under Chapter 11 of the U.S. Bankruptcy Code. | Financial advisor in connection with exploring strategic alternative and managing auction process. |
| Morton Hospital and Medical Center | 154-bed not-for-profit 501(c)3 acute care hospital offering a full spectrum of medical and surgical services located in Taunton, MA | Sale of non-profit hospital to Steward Health Systems and conversion to for-profit status. | Financial advisor in connection with exploring strategic alternatives including identifying a capital or affiliation partner. Navigant was initially retained to provide a strategic review and assessment related to identifying capital alternatives. Structured transaction and worked through issues with the Attorney General. |
| Tomball Regional Medical Center | Municipal hospital in Tomball, Texas with 358 licensed beds and a medical staff of over 360 physicians | Sale of non-profit hospital to Community Health Systems (NYSE: CYH) and conversion to for-profit status. | Financial advisor for managing a competitive process to identify strategic alternatives including the sale of the hospital and other non-core assets and worked through conversion process. |
| Quincy Medical Center ("QMC") | Not-for-profit 501(c)3 acute care community hospital located in Quincy, MA with 196 licensed beds and over 340 physicians | Sale of non-profit hospital to Steward Medical Holdings (pending) pursuant to Section 363 under Chapter 11 of the U.S. Bankruptcy Code, and conversion to for-profit status. | Financial advisor for i) managing a competitive process to identify strategic alternatives including the sale of the hospital and other non-core assets, ii) negotiating with QMC's bondholders and other creditors regarding financial restructuring matters. |

WH000574

# Navigant Capital Advisors

*Leading Investment Bankers for Healthcare – recent transactions*

**$830,000,000**

Caritas

*has been acquired by*

CERBERUS

Financial Advisor

---

$48,000,000

Morton Hospital & Medical Center

*Is being acquired by*

Steward Medical Holdings

Pending

Sell Side Advisor

---

$156,000,000

SUMNER Regional Health Systems, Inc.

Financial Advisor,
Chief Executive Officer
Chief Restructuring Officer

---

$38,000,000

QUINCY MEDICAL CENTER

*is being acquired by*

Steward Medical Holdings

Pending

Sell Side Advisor

---

MedCath

MedCath Corporation
(Nasdaq: MDTH)

Financial Advisor

---

$76,250,000

TEXSAN HEART HOSPITAL

*has been acquired by*

Methodist Healthcare
System of San Antonio

Sell Side Advisor

---

TOMBALL REGIONAL MEDICAL CENTER

*Is being acquired by*

Community Health Systems

Pending

Sell Side Advisor

---

$32,000,000

ARIZONA HEART HOSPITAL

*has been acquired by*

Vanguard Health Systems

Sell Side Advisor

---

NORTH CAMPUS
RIVERVIEW
Regional Medical Center

*has been acquired by*

LifePoint Hospitals

Sell Side Advisor

---

$7,000,000

*An equity interest in*

*Southwest Arizona Heart and Vascular Center, LLC*

*has been acquired by*
its physician partners

Sell Side Advisor

---

BROTHMAN Medical Center

Financial Advisor,
Chief Executive Officer and
Chief Restructuring Officer

---

$20,000,000

*An equity interest in*

Avera Heart Hospital of South Dakota

*has been acquired by*
Avera McKennan

Sell Side Advisor

---

TROUSDALE MEDICAL CENTER
SUMNER REGIONAL HEALTH SYSTEMS, INC.

*has been acquired by*
LifePoint Hospitals

Sell Side Advisor

---

$83,800,000

HEART HOSPITAL of AUSTIN

*has been acquired by*
St. David's Healthcare
Partnership, L.P.

Sell Side Advisor

---

$939,000,000

BCM
Baylor College of Medicine

Financial Advisor

---

WH000575

NAVIGANT
CAPITAL·ADVISORS

# Navigant Capital Advisors

*Key Qualifications*

- NCA has developed its fairness opinion practice based on "best practices" and decades of experience:
  - NCA professionals have extensive experience advising Boards of Directors and independent/special committees
  - Truly independent financial advisor
  - Procedures and documentation incorporate existing and proposed rules and regulations
  - Rigorous review of prospective projects
  - Deliberate assignment of each execution team based on skill set
  - Independent stature of Fairness Opinion Operating Committee—approvals and reviews
  - Members of the execution team and Fairness Opinion Operating Committee have both technical and transaction experience

# Navigant Capital Advisors

*Fairness Opinion Capabilities*

| | |
|---|---|
| *Fairness Opinion Practice* | As part of Navigant's Valuation Services practice, we have a fully integrated Fairness Opinion practice. Our practice conforms to applicable FINRA standards for independence and internal reviews to assure a rigorous, well-researched conclusion for our clients. |
| *Level of Sophistication* | We have significant experience executing transactions for publicly traded companies including cross-border acquisitions, divestitures, reverse mergers and complex second lien financings. |
| *Senior Level Attention* | Navigant Capital Advisor's Senior Professionals are well seasoned with significant transactional experience who will manage your transaction from initiation to close. |
| *Full Service Advisory Firm* | We provide a comprehensive and integrated suite of advisory services including sell-side representation, capital sourcing of debt and equity, corporate assessments, strategic advisory, financial restructuring, fairness opinions and due diligence services. |
| *Financial Strength* | With an enterprise value exceeding $700 million and a market capitalization of approximately $500 million, NCI has the financial strength to stand with its clients even years from now. |

WH000577

NAVIGANT
CAPITAL·ADVISORS

Section 3

# Benefits of Fairness Opinion

WH0005278

# Benefits of a Fairness Opinion

## *When Does a Fiduciary Need a Fairness Opinion?*

- Fairness opinions are not required by any statute or regulation, but they have become a regular feature of corporate transactions since 1985 when the Delaware Supreme Court issued its Opinion in Smith v. Van Gorkum.
- The Court found that a corporate board breached its fiduciary duty of care by approving a merger without *adequate information on the transaction,* including information on *the value of company* and *the fairness of the offering price.*
- It was not the price itself that was questioned, only that *there was no independent evidence* that that the price was fair.
- Fairness Opinions serve two main purposes:
  - Provide boards of directors or trustee with information which to evaluate a transaction; and;
  - Serve as evidence in litigation that the board of directors used reasonable business judgment in approving the transaction

# Benefits of a Fairness Opinion

## *When Does a Fiduciary Need a Fairness Opinion?*

- Corporate boards of directors or trustees frequently obtain an independent opinion to assess the fairness of certain contemplated transactions having a significant impact on an organization's value.
- Fairness opinions are generally rendered for the following transactions:
  - Mergers and acquisitions
  - Employee Stock Ownership Plans (ESOP)
  - Going private transactions with Equity private placements
  - **Not-For–Profit Conversions**
- Issues for which Fairness Opinions are generally recommended include:
  - A fiduciary wants an independent advisor to support its actions
  - Tender offer, sale or merger is conducted without an auction
  - Minority shareholders are being bought out
  - Significant change in capital structure
  - Prospects of dilution
  - Management, board members, or controlling holders benefit from the transaction
  - Multiple constituencies or shareholders

WH000580

NAVIGANT
CAPITAL·ADVISORS

# Benefits of a Fairness Opinion

## *What is included in a Fairness Opinion?*

- Fairness opinions historically have been delivered in the form of a letter addressed to:
  - A company's Board of Directors
  - A special committee of independent directors formed to consider a proposed transaction
  - Trustees or other fiduciaries responsible for evaluating a corporate transaction
- The opinion is backed by a supporting presentation detailing the methods used and the analysis leading to the conclusion.
- Fairness Opinions typically include the following
  - Description of the proposed transaction;
  - Summary of the financial advisor's due diligence investigation;
  - Statement of any limitations on use;
  - Statement of conclusion (example, that the proposed transaction or consideration received is fair, from a financial point of view).

# Benefits of a Fairness Opinion

## *What is included in a Fairness Opinion?*

- A Fairness opinions is:
  - A financial advisor's opinion that states whether or not the financial terms of a proposed transaction are within a range of fairness;
  - Expressed from a financial point of view to one or more specific parties of the proposed transaction as of a specific date.
- A Fairness opinions Is NOT:
  - An opinion that the proposed transaction is fair from a legal point of view;
  - A recommendation for the proposed transaction;
  - An evaluation of the business rationale to proceed with a transaction.

# Benefits of a Fairness Opinion

## *What is Considered in Rendering a Fairness Opinion?*

- In preparing a fairness opinion, financial advisors must:
  - Utilize proven valuation techniques;
  - Implement thorough industry analysis and extensive due diligence
  - Include a rigorous analysis of the available alternatives to the proposed transaction
- Key question is "Are the shareholders or beneficiaries better off with or without the proposed Transaction?"
- In a cash transaction, an advisor should analyze whether the consideration to be paid falls within the fairness range and what alternatives exist.
- In a transaction involving a non-cash exchange, an advisor should consider the relative benefits to the selling organization's stakeholders owning the buyer's stock.
- The following are NOT a consideration:
  - Is a better deal available?
  - Are there Anti-Trust concerns?

# Benefits of a Fairness Opinion

## *What is Considered in Rendering a Fairness Opinion?*

- All types of consideration must be valued, including management contract fees, contingent payments and percentage ownership in a joint venture.
- A financial advisor must analyze:
  - The relative consideration received by various parties;
  - *Other financial terms of the transaction*
  - Any financial alternatives that may be available to the shareholders or beneficiaries
- High level of due diligence are required for:
  - History of the transaction
  - Marketing of the deal
  - Projections
- No formal standard of value exists for the preparation of Fairness Opinions.
- It is necessary to consider all the material facts and circumstances of the proposed transaction when determining the standard of value.

Section 4

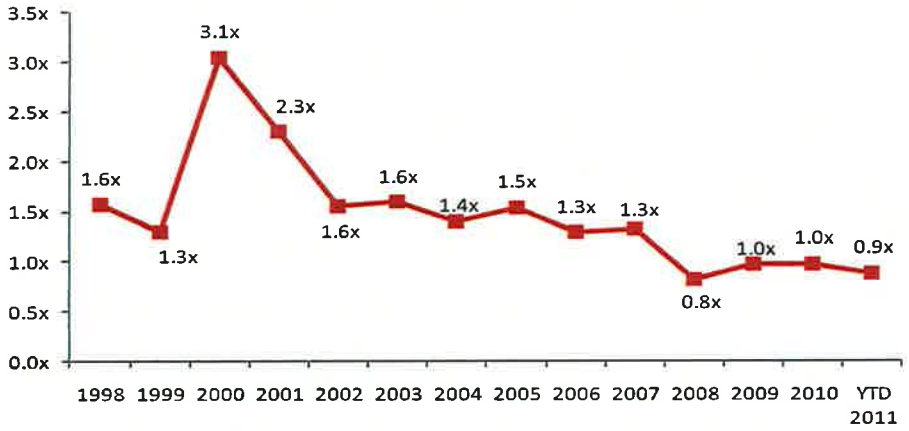
# Market Overview

VHH000585

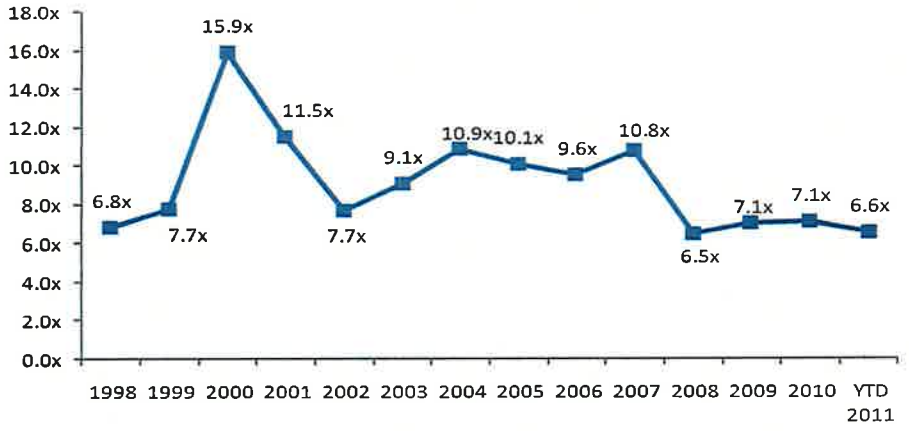
# Current Hospital Valuation Trends

*Valuation Trends for Publicly Traded Hospital Companies*

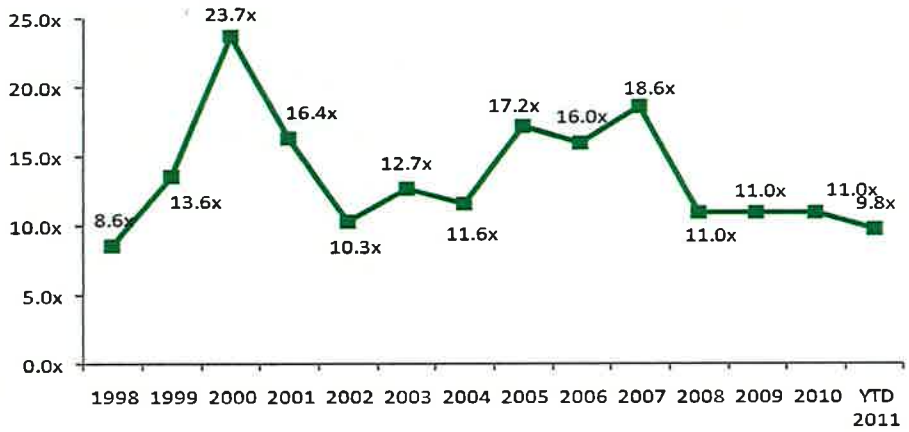
## Enterprise Value / Revenue



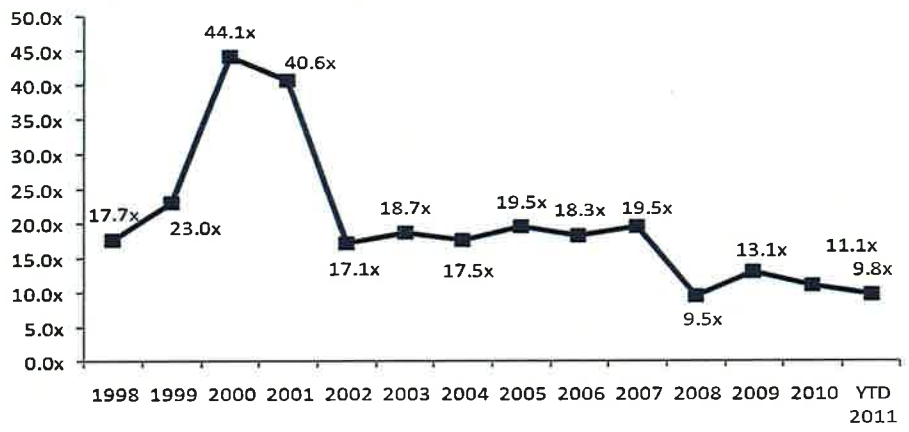

## Enterprise Value / EBITDA




## Enterprise Value / EBIT




## Price to Earnings




WH000586

NAVIGANT CAPITAL·ADVISORS

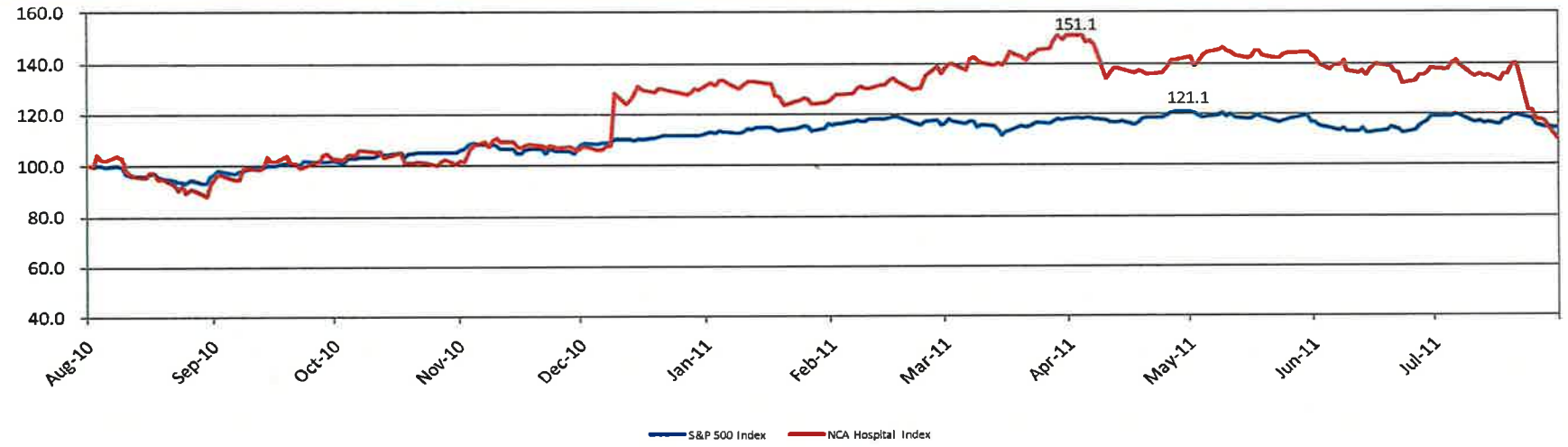
*Note: The graphs are representative of the companies within the "NCA Hospital Index" which includes CYH, HMA, LPNT, THC, and UHS. Source: Capital IQ*

# Current Hospital Valuation Trends

*Comparable Companies Publicly Traded*

- Publicly Traded Hospitals currently trade at a median multiple of 0.9x revenue and 6.6x EBITDA

## S&P 500 Index vs. NCA Hospital Index (August 2, 2010 – July 31, 2011)




| *($ in millions, except per share data)* | | Stock Price | % of 52 Wk | Enterprise | Latest Twelve Months (LTM) | | | Cal Year 2011 | | Enterprise Value/ LTM | | Enterprise Value/ CY 2011 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Company Name | Ticker | 8/1/11 | High | Value | Revenue | EBITDA | EBITDA % | Revenue | EBITDA | Revenue | EBITDA | Revenue | EBITDA |
| Community Health Systems, Inc. | CYH | $24.36 | 57% | $11,666 | $13,625 | $1,710 | 12.5% | $14,755 | $1,929 | 0.9x | 6.8x | 0.8x | 6.0x |
| HCA Holdings, Inc. | HCA | $24.94 | 71% | 38,788 | 31,501 | 5,566 | 17.7% | 34,318 | 6,336 | 1.2x | 7.0x | 1.1x | 6.1x |
| Health Management Associates Inc. | HMA | $8.96 | 76% | 5,023 | 5,442 | 781 | 14.4% | 6,219 | 884 | 0.9x | 6.4x | 0.8x | 5.7x |
| Lifepoint Hospitals Inc. | LPNT | $35.57 | 82% | 3,178 | 3,452 | 541 | 15.7% | 3,789 | 574 | 0.9x | 5.9x | 0.8x | 5.5x |
| Tenet Healthcare Corp. | THC | $5.44 | 71% | 6,881 | 9,443 | 1,140 | 12.1% | 10,137 | 1,295 | 0.7x | 6.0x | 0.7x | 5.3x |
| Vanguard Health Systems Inc. | VHS | $16.33 | 88% | 3,054 | 4,896 | 404 | 8.2% | 6,530 | 569 | 0.6x | 7.6x | 0.5x | 5.4x |
| **High:** | | | | | | | | | | **1.2x** | **7.6x** | **1.1x** | **6.1x** |
| **Low:** | | | | | | | | | | **0.6x** | **5.9x** | **0.5x** | **5.3x** |
| **Mean:** | | | | | | | | | | **0.9x** | **6.6x** | **0.8x** | **5.7x** |
| **Median:** | | | | | | | | | | **0.9x** | **6.6x** | **0.8x** | **5.6x** |

*Source: Capital IQ*

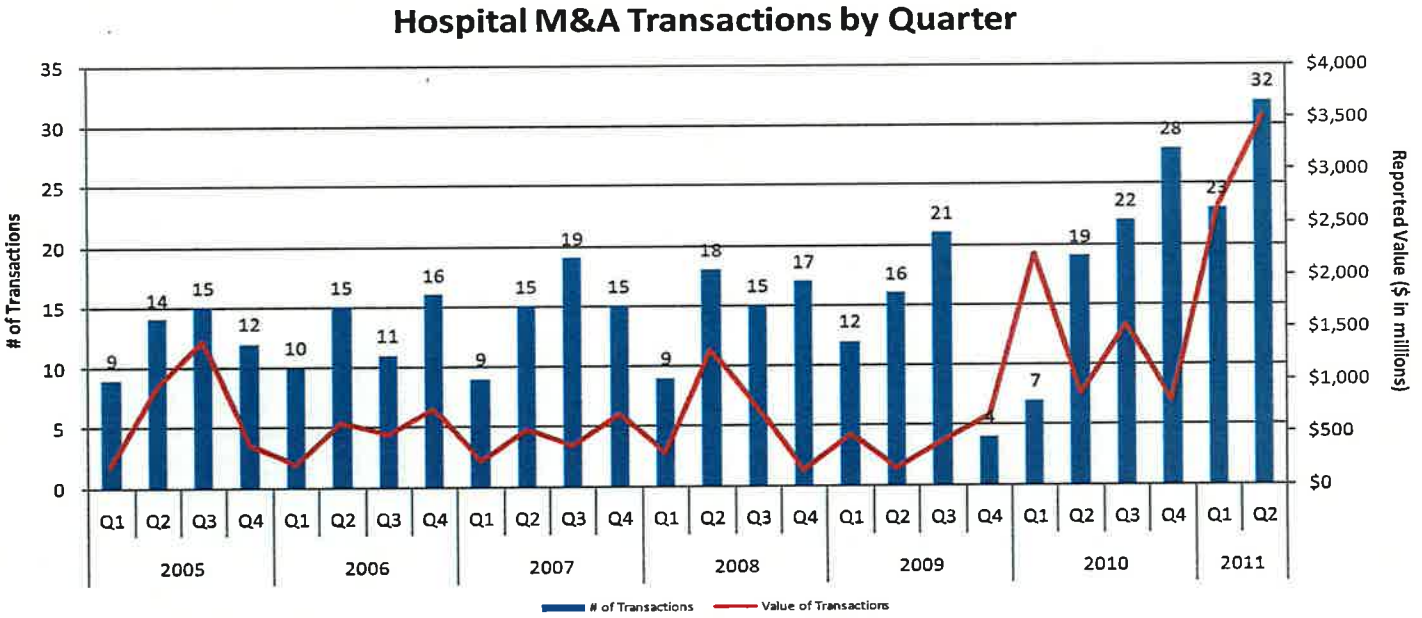
WH00058?

NAVIGANT CAPITAL·ADVISORS

# Current Hospital Valuation Trends

*Recent Hospital M&A Activity*

- Hospital M&A Activity has increased over past year due to:
  - Recessionary impact on community owned hospitals
  - Increasing capital investment required to remain competitive
  - Favorable valuations




Notable Transactions:

[1] In Q3 2006, the privatization of HCA, Inc. by a private equity consortium affected 176 acute-care hospitals. The acquisition was the largest healthcare transaction ever announced at approximately $33.0 billion. This acquisition is not included above.

[2] In Q1 2007, Triad Hospitals, Inc. was acquired by Community Health Systems, Inc. (NYSE: CYH) for approximately $6.8 billion. This acquisition is not included above.

[3] Q1 2010 value includes the acquisition of Detroit Medical Center by Vanguard Health Systems, Inc. for approximately $1.267 billion.

[4] Q4 2010 value does not include the acquisition of Tenet Healthcare by Community Health Systems for approximately $7.3 billion.

*Source: Irving Levin Associates, Inc.*

WH000588

NAVIGANT CAPITAL·ADVISORS

# Current Hospital Valuation Trends

## *Comparable Precedent Transactions*

- Based upon 41 publicly disclosed hospital acquisitions from 2010 and 2011, acquisition multiples imply median values of 0.68x revenue and 6.7x EBIDA, respectively.

| *($ in millions, except price per bed)* | | | Whole Company Transactions Method Multiples | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Target | | | | | Transaction | Transaction Value[2] / | | |
| Date | Buyer | Target | ST | Status | Revenue | EBIDA [1] | Beds | Value | Revenue | EBIDA | Bed |
| 08/26/11 | Kingman Regional Medical Center | Hualapai Mountain Medical Center | AZ | For Profit | NA | NA | 70.0 | 31.0 | NA | NA | 442,857 |
| 07/25/11 | Duke LifePoint Healthcare, LLC | Maria Parham Medical Center | NC | For Profit | 97.8 | 11.9 | 102 | 76.6 | 0.8x | 6.4x | 750,980 |
| 07/01/11 | Health Management Associates, Inc. | Mercy Health Partners, Inc. | TN | Nonprofit | 600.0 | NA | 833.0 | 525.0 | 0.9x | NA | 630,252 |
| 06/15/11 | HCA, Inc. | Remaining interest in HealthONE | CO | For Profit | NA | NA | 1,500 | 1,450.0 | NA | NA | 966,667 |
| 06/07/11 | Steward Health Care System | Landmark Medical Center | RI | Non-profit | NA | NA | 203.0 | 76.6 | NA | NA | 377,340 |
| 05/25/11 | University of Maryland Medical System | Civista Health System | MY | Non-profit | 103.8 | NA | 130 | 16.5 | 0.2x | NA | 126,923 |
| 05/18/11 | LifeCare Holdings, Inc. | Six long-term acute care hospitals | AL | For Profit | 121.7 | 17.5 | 414.0 | 120.0 | 1.0x | 6.9x | 289,855 |
| 05/13/11 | South Georgia Medical Center | Smith Northview Hospital | GA | For Profit | 41.4 | 6.1 | 45 | 40.0 | 1.0x | 6.6x | 888,889 |
| 05/10/11 | Franciscan Services Corp. | Twin City Hospital | OH | Non-profit | 15.8 | NA | 25.0 | 4.9 | 0.3x | NA | 196,000 |
| 05/09/11 | AR-MED, LLC | Arkansas Heart Hospital | AK | For Profit | 117.5 | 17.4 | 112 | 60.0 | 0.5x | 3.4x | 535,714 |
| 04/25/11 | HUMC Holdco | Hoboken University Medical Center | NJ | Non-profit | 115.3 | NA | 230.0 | 91.7 | 0.8x | NA | 398,696 |
| 04/20/11 | Health Management Associates, Inc. | Tri-Lakes Medical Center | MS | For Profit | 30.3 | NA | 112 | 39.0 | 1.3x | NA | 348,214 |
| 04/18/11 | Adventist Health | Sierra Kings District Hospital | CA | Non-profit | 22.1 | NA | 44.0 | 24.8 | 1.1x | NA | 563,636 |
| 03/31/11 | Sabra Health Care REIT | Texas Regiona Medical Center | TX | For Profit | NA | NA | 70 | 62.7 | NA | NA | 895,714 |
| 03/25/11 | Yale-New Haven Hospital | Hospital of Saint Raphael | CT | Non-profit | 450.3 | 15.4 | 511.0 | 135.0 | 0.3x | 8.8x | 264,188 |
| 03/18/11 | lasis Healthcare | St. Joseph's Medical Center | TX | Non-profit | 245.0 | NA | 792 | 156.8 | 0.6x | NA | 197,980 |
| 03/09/11 | Fransican Services Corp. | Twin City Hospital | OH | For Profit | 15.8 | NA | 25.0 | 4.9 | 0.3x | NA | 194,000 |
| 03/04/11 | Trinity Health Corporation | Loyal University Health System | IL | Non-profit | 1,100.0 | NA | 820 | 475.0 | 0.4x | NA | 579,268 |
| 02/23/11 | Steward Health Care System | Jackson Health System | FL | Non-profit | NA | NA | 2,482.0 | 1,100.0 | NA | NA | 443,191 |
| 02/10/11 | Community Health Systems, Inc. | Mercy Health Partners | PA | Non-profit | 183.9 | NA | 313 | 150.0 | 0.8x | NA | 479,233 |
| 02/01/11 | UPMC Health System | Harnot Medical Center | PA | Non-profit | 315.2 | 33.0 | 351.0 | 300.0 | 1.0x | 9.1x | 854,701 |
| 01/17/11 | Sisters of Mercy Health System | Johnston Memorial Hospital | OK | Non-profit | 3.8 | NA | 15 | 1.6 | 0.4x | NA | 106,667 |
| 12/21/10 | Hospital Authority of Albany-Dougherty | Palmyra Park Hospital | GA | For profit | 166.5 | NA | 248.0 | 195.0 | 1.2x | NA | 786,290 |
| 12/21/10 | Medical Properties Trust Inc. | Three Long-Term Acute Care Hospital Facilities | Various | For Profit | NA | NA | 220 | 99.5 | NA | NA | 452,273 |
| 12/20/10 | Healthcare Trust of America, Inc. | Multi-state Portfolio | Various | For profit | NA | NA | 209.0 | 102.0 | NA | NA | 488,254 |
| 12/10/10 | Grubb & Ellis Healthcare REIT II, Inc. | Humble Surgical Hospital, LLC | TX | For profit | NA | NA | NA | 13.1 | NA | NA | NA |
| 11/17/10 | Prime Healthcare Services, Inc. | Alvarado Hospital Medical Center, Inc. | CA | For profit | 176.4 | 6.1 | 2,437.0 | 40.0 | 0.2x | 6.6x | 16,414 |
| 10/26/10 | Vibra Healthcare, LLC | Two Indiana LT Acute Care Hospitals | IN | For Profit | NA | NA | NA | 21.0 | NA | NA | NA |
| 10/26/10 | Vibra Healthcare, LLC | Two Ohio LT Acute Care Hospitals | OH | For Profit | NA | NA | NA | 21.0 | NA | NA | NA |
| 10/12/10 | ThedaCare | Shawano Medical Center | WI | Non-profit | NA | NA | 25 | 4.3 | NA | NA | 172,000 |
| 10/11/10 | SUNY Downstate Medical Center | Long Island College Hospital | NY | For profit | NA | NA | 506.0 | 110.0 | NA | NA | 217,391 |
| 10/01/10 | New Directions Health Systems, LLC | Pike County Memorial Hospital | AR | Non-profit | 3.5 | 0.2 | 32 | 2.0 | 0.6x | 8.1x | 62,500 |
| 09/10/10 | lasis Healthcare | Brim Holdings | TN | For profit | NA | NA | 165.0 | 95.0 | NA | NA | 575,758 |
| 09/02/10 | Adventist Health Systems, Inc. | University Community Health, Inc. | FL | Non-profit | 502.5 | NA | NA | 353.0 | 0.7x | NA | NA |
| 09/01/10 | Health Management Associates, Inc. | Wuesthoff Health System | FL | Non-profit | 290.0 | NA | 406.0 | 151.5 | 0.5x | NA | 373,153 |
| 08/30/10 | Avera MacKennan | Avera Heart Hospital | SD | For profit | NA | NA | 55 | 36.0 | NA | NA | 654,545 |
| 08/24/10 | Kindred Healthcare Inc. | Five Long Term Acute Care Hospitals | CA | For profit | 150.0 | 27.0 | 250.0 | 178.0 | 1.2x | 6.6x | 712,000 |
| 08/16/10 | Management | Prospect Medical Holdings, Inc. | CA | For profit | 468.0 | 54.0 | 759 | 363.0 | 0.8x | 6.7x | 478,261 |
| 08/09/10 | Vanguard Health Systems, Inc. | Arizona Heart Hospital | AZ | For profit | NA | NA | 59.0 | 32.4 | NA | NA | 549,153 |
| 08/06/10 | Community Health Systems, Inc. | Forum Health | OH | Non-profit | 300.4 | NA | 625 | 200.0 | 0.7x | NA | 320,000 |
| 08/06/10 | MHA, LLC | Meadowlands Hospital | NJ | Non-profit | 61.6 | NA | 230.0 | 16.0 | 0.3x | NA | 69,565 |

| | | | |
|---|---|---|---|
| High | 1.29x | 9.09x | $966,667 |
| Low | 0.16x | 3.45x | $16,414 |
| Mean | 0.68x | 6.91x | $444,825 |
| Median | 0.68x | 6.66x | $443,191 |

Notes:

[1] For-profit hospital data is before taxes, thus comparable to EBIDA.

[2] High, mean, and median metrics exclude EBIDA multiples > 11x, per Bed multiples > $1 mil.

*Source: Irving Levin Associates, Inc, CapitalIQ.*

WHO00589

Section 5

# Healthcare Solutions Leadership Team

WH000590

# Healthcare Solutions Leadership Team

*Key Member Biographies*

## EDWARD R. CASAS, MD, MBA, MPH
SENIOR MANAGING DIRECTOR
ecasas@ncacf.com
847.583.1619


Edward R. Casas serves as Senior Managing Director and Head of Navigant Capital Advisors. Dr. Casas specializes in financial restructurings, corporate finance, mergers, acquisitions and divestitures and strategic plan development on behalf of creditors, debtors, equity sponsors, third party purchasers and sellers. As Senior Managing Director and Founding Member of Casas, Benjamin & White, LLC (CBW), which was acquired by Navigant in 2005, Dr. Casas supervised and coordinated the strategy and focus for all aspects of the firm's restructuring engagements, including the assessment of management and operations, the development of business strategy, and the negotiation and execution of capital and operating restructuring initiatives. Over the past 20 years, he has led numerous merger, acquisition and divestiture transaction, as well as reorganizations, in a breadth of industries including healthcare, real estate, construction, hedge funds and other financial institutions, consumer and business services, manufacturing and distribution, entertainment, and technology.

Prior to founding CBW, Dr. Casas served as President and Chief Executive Officer of PrimeCare International, Inc. where he successfully orchestrated the operating and capital restructuring of the national, privately held corporation, ultimately achieving a targeted liquidity objective for the shareholders. Prior to joining PrimeCare, Dr. Casas had national responsibility as Vice President of Mergers & Acquisitions for Caremark International, Inc. a publicly traded (NYSE) Fortune 500 Company. Dr. Casas joined Caremark after he completed his active duty service as a designated Flight Surgeon in the U.S. Navy where he provided support to Marine special operations and served as a Department Head of Aviation Medicine. Before his medical training, Dr. Casas was Executive Vice President of CES Corporation, a specialized investment banking concern.

Dr. Casas has served on the boards of numerous public and private companies, including Reckson Associates, Inc. (NYSE: RA), a $5 billion market cap New York based REIT, and Physician Specialty Corp. (NASDAQ: ENT), an Atlanta based operator of professional services and MedCath Corporation (NASDAQ:MDTH), a healthcare provider focused primarily on the diagnosis and treatment of cardiovascular disease. He has served as Executive Chairman of HQ Global Workplaces, Inc., the largest domestic operator of executive office suites, Mediq, Inc., one of the largest medical equipment related companies, and Tender Loving Care Healthcare Services, Inc., the third largest domestic homecare service operator.

Dr. Casas is a graduate of Northwestern University's Medical School and Kellogg Graduate School of Management where he concurrently earned his Doctor of Medicine, Master of Management, and Master of Public Health degrees. Dr. Casas is a FINRA Series 7, 24 and 63 licensed registered securities principal. He also holds a CIRA certification as a Certified Insolvency & Restructuring Advisor.

WH000591

# Healthcare Solutions Leadership Team

*Key Member Biographies (cont.)*

MICHAEL R. LANE
MANAGING DIRECTOR
mlane@ncacf.com
312.583.2132


Michael Lane is a Managing Director in Navigant Capital Advisors' Healthcare practice. He has been involved with the healthcare industry throughout his career for over 30 years, primarily as a financial advisor in troubled situations, a banker and consultant. At Navigant Capital Advisors, he is devoted full time to the healthcare industry with an emphasis on the acute care sector. His areas of specialization include mergers and acquisitions and serving as an advisor to distressed and underperforming healthcare organizations, representing equity sponsors and creditors including banks, bondholders and unsecured committees in evaluating various strategic alternatives in financial restructurings and workouts. Recent engagements include serving as CRO at Catskill Regional Medical Center, Harris, NY, and interim CEO/CRO at Brotman Medical Center, Culver City, CA. In addition, Mr. Lane has been involved with some very high profile M&A transactions including the acquisition of six Catholic Hospitals in Boston, by Cerberus.

Among the recent hospital clients for which Mr. Lane has provided financial advisory services include :

- Caritas Christi Healthcare
- Madison Hospital Center
- Morton Hospital and Medical Center
- Tomball Regional Medical Center
- Brotman Medical Center

He has been involved with mergers and acquisitions over the past 20 years aggregating several billion dollars.

Mr. Lane is a licensed CPA and a member of the AICPA, Illinois CPA Society, the American Bankruptcy Institute and Turnaround Management Association. He is FINRA series 7 and 63 licensed and holds an AIRA certification as a Certified Insolvency and Restructuring Advisors. He holds a Bachelor of Science degree and an MBA from Southeast Missouri State University.

WH000592

# Healthcare Solutions Leadership Team

*Key Member Biographies (cont.)*

GREGORY F. HAGOOD
INVESTMENT BANKING PRACTICE LEADER
ghagood@ncacf.com
404.504.2017

Gregory F. Hagood, CFA is a Managing Director and Practice Group Leader for the Investment Banking Group at NCA where he focuses on providing mergers and acquisitions advisory services and distressed sale and asset liquidation services. During the past decade, he has completed over 100 merger & acquisition and capital placement transactions. Mr. Hagood has extensive transaction experience in the healthcare industry including hospitals, physician practices, healthcare staffing, revenue cycle management and healthcare technology industries.

Currently Mr. Hagood is advising on the disposition of numerous hospital and other healthcare assets in connection with the wind-down of a publicly-traded healthcare system.

Among the recent hospital clients for which Mr. Hagood has provided merger & acquisition advisory services include :

- Caritas Christi Healthcare
- MedCath Corporation
- Morton Hospital and Medical Center
- Tomball Regional Medical Center.
- Quincy Medical Center.

Mr. Hagood received his Master's of Management from the J.L. Kellogg School of Management at Northwestern University and earned a Bachelor of Science degree from the McIntire School of Commerce at the University of Virginia. He is FINRA Series 7, 24 and 63 licensed and is also a Charter Financial Analyst (CFA) and a member of the Atlanta Society of Financial Analysts.

WH000593

# Healthcare Solutions Leadership Team

*Key Member Biographies (cont.)*

DAVID P. ZITO
MANAGING DIRECTOR
dzito@navigant.com
312.583.5871

David P. Zito is a Managing Director and serves as practice leader of the Healthcare practice of Navigant Consulting. Mr. Zito has over 20 years of management consulting experience serving integrated healthcare systems, public and private teaching institutions, academic medical centers, faculty practice plans and community hospitals. He has extensive experience in operations improvement, strategic planning, mergers and acquisitions, supply chain management and clinical transformation and specializes in these areas.

Over his career, Mr. Zito has provided a variety of healthcare consulting services such as the manager of a health care system implementation and directed a $150 MM operations improvement initiative at UPMC Health System in Pennsylvania, a $200 MM improvement plan including productivity improvement, supply chain and revenue cycle management, and clinical program redesign for Continuum Health Partners in New York, a $100 MM performance improvement plan at Memorial Hermann Health System in Texas, and also led the post-merger integration planning, and directed the implementation for a $50M performance improvement plan.

Mr. Zito has also led the development of performance improvement plans for other health systems including University Health System in Ohio, Health Alliance in Ohio, Jewish Hospital Health System in Kentucky, St Francis in Peoria, Long Island Jewish, and Phoenix Children's.

Prior to joining Navigant Consulting, Inc., Mr. Zito was a Vice President for Cap Gemini Ernst & Young's Healthcare Consulting practice. During his time at CGEY, he held several leadership positions including, Healthcare Business Unit Leader, Service Line Leader, and Strategy & Operations Service Line Leader.

# Healthcare Solutions Leadership Team

*Key Member Biographies (cont.)*

DAVID BURIK
MANAGING DIRECTOR
dburik@navigant.com
312.583.4148

David Burik is a Managing Director with Navigant Consulting's healthcare team. He has over 30 years of consulting experience within all segments of the health care industry. His expertise includes the definition and communication of key strategic issues, market and demographics, competitor analysis, as well as the successful execution of the solutions for those issues. Mr. Burik's creativity, listening skills, and ability to respectfully challenge clearly summarize the key issues at hand and facilitate decision making, are recognized throughout the healthcare industry.

Prior to joining Navigant, Mr. Burik spent a majority of his career at Tiber Group and Price Waterhouse. Mr. Burik received his undergraduate degree at Northwestern University and a masters degree in Finance and Hospital Health Services Management from the Kellogg School of Management at Northwestern University. David is an editorial reviewer for the Hospital Financial Management Association and was a recipient of the Follmer Bronze Merit Award.

WH000595

# Healthcare Solutions Leadership Team

*Key Member Biographies (cont.)*

KIM BRADY
MANAGING DIRECTOR
kbrady@ncacf.com
847.583.1718


Kim Brady is a Managing Director with Navigant Capital Advisors and specializes in capital restructuring and operational turnaround on behalf of the firm's clients. He has significant experience negotiating with senior secured creditors, overseeing asset divestitures and dispositions, rehabilitating under-performing companies and executing distressed mergers and acquisitions. While at Navigant Capital Advisors, Mr. Brady has structured and overseen the successful disposition of over 150 business units and has consummated over $5 billion in debt restructuring and $1.5 billion in M&A transactions with an emphasis in the healthcare services, real estate, consumer services, construction, distribution, technology, and basic manufacturing industries.

Mr. Brady works closely with private equity firms, senior secured creditors, unsecured creditors, boards of directors and company management in executing capital and operational restructuring. He has led engagements both in-court and out-of-court. Recent engagements have involved the restructuring of healthcare services, continuing care retirement communities, home nursing, dental management and retail companies. Mr. Brady is skilled in developing capital restructuring solutions and operating initiatives to drive management accountability and to improve profitability and liquidity. He has held a number of interim management roles in the client companies, such as CFO and CRO, in which significant performance improvements were realized, resulting in 100% recovery for capital structure constituents and in the creation of significant equity value for the sponsor.

Before joining Casas, Benjamin & White, LLC, a predecessor to Navigant Capital Advisors, LLC, Mr. Brady served as a General Manager and CFO for Doshi Diagnostic, one of the most profitable out-patient diagnostic centers in the U.S. and VP of Business Development for PrimeCare International. He also has worked in strategic planning and acquisitions for Caremark International, Inc. and as manager of Strategy and Planning, European Operations, for Baxter International, Inc. Mr. Brady received his Bachelor of Science in Finance from the Marriott School of the Brigham Young University and his MBA from Northwestern University's Kellogg Graduate School of Management. Mr. Brady is FINRA Series 7 and Series 63 licensed, and CIRA certified as an Insolvency Restructuring Advisor and certified in Distressed Business Valuation.

WH000596

# Healthcare Solutions Leadership Team

*Key Member Biographies (cont.)*

## NEIL F. LURIA
## MANAGING DIRECTOR

nluria@ncacf.com
216.321.5606

Neil Luria is a Managing Director with Navigant Capital Advisors and specializes in capital restructuring and operational support on behalf of the firm's clients. He has significant experience negotiating and structuring acquisitions, divestitures and structured settlements, overseeing asset liquidations, restructuring leases, real estate assets, hedge funds, loan origination and securitization. Mr. Luria joined Casas Benjamin & White, LLC a predecessor of Navigant Capital Advisors in 1999. While at Navigant Capital Advisors (and its predecessor), he has structured and overseen the successful disposition of over 250 business units, with a particular emphasis in healthcare services, real estate, consumer services, and distribution industries. In addition, Mr. Luria has overseen operating and capital restructurings in the capacity of Chief Restructuring Officer.

Mr. Luria has been heavily involved in the restructuring of commercial and residential real estate, including advising investment funds and real estate portfolios with respect to the restructuring of in excess of $15 BB of undeveloped land and $10 BB of commercial office properties. He is currently serving as the Chairman of the Official Committee of Unsecured Creditors of Neumann Homes, Inc., as well as Chairman of the Creditors Committees for subprime originators MILA, Inc. and Oak Street Mortgage. Mr. Luria also sits on the Official Committee of Unsecured Creditors of New Century Financial and People's Choice, two of the largest independent subprime originators. He is currently a member of the Board of Directors of Spectrum Diagnostic Imaging, LLC, one of the largest regional operators of diagnostic imaging centers and was formerly a member of the Board of Directors of Stampede Meats, Inc., one of the largest domestic meat processors. Mr. Luria is currently serving as Liquidating Trustee of Orthodontic Centers of America and Mortgage Lenders Network USA. He is presently one of the most active restructuring professionals in the subprime and Alt-A mortgage industry and is actively involved in the bankruptcies of numerous mortgage originators, on behalf of a large warehouse lender and repurchase claim creditors.

Before joining Navigant Capital Advisors (and its predecessor), Mr. Luria served as President of BMJ Medical Management, Inc., an operator of ambulatory surgery centers, imaging centers and physician practices, where he had previously served as Executive Vice President and General Counsel. While at BMJ, he oversaw the company's liquidation efforts that realized a 100% recovery to its Senior Secured Lenders. Prior to BMJ, he was engaged in the private practice of law at the firm of Jones Day Reavis & Pogue. Mr. Luria's practice involved the representation of venture capital and leverage buyout funds in connection with their portfolio investments, related add-on acquisitions and subsequent divestiture transactions. In addition, he was involved in numerous securities offerings ranging from global initial public offerings to private placements. He has also served as liquidating trustee in several high profile restructuring situations where he held fiduciary roles and was responsible for successfully winding down operations, disposing of liquid and non-liquid assets and over-sighting the litigation claims process.

Mr. Luria received his Juris Doctorate from the Boston University School of Law where he served on the Boston University Law Review and his Bachelor of Science in Economics from the Wharton School of the University of Pennsylvania. He also holds a CIRA certification as a Certified Insolvency & Restructuring Advisor.

WH000597

# Healthcare Solutions Leadership Team

*Key Member Biographies (cont.)*

MARK A. BRAZITIS
MANAGING DIRECTOR
mbrazitis@navigant.com
717.203.7508

Mark Brazitis joined Navigant Consulting's Healthcare Practice with over 25 years of industry experience in progressively more responsible roles, including CEO of Lancaster Regional Health and CEO of Lancaster General Hospital. Mr. Brazitis specializes in organizational growth and development, turnarounds, business development and operations improvement. His background includes working with not-for-profit as well as for profit hospitals and health systems. Mr. Brazitis has provided consulting expertise to a variety of hospitals and health systems throughout the country to include OhioHealth, Sutter Health System, University of Maryland Medical System, Henry Ford Health System, Susquehanna Health System, Ministry Health System and Jewish Health System. Mr. Brazitis served as Interim CEO at Doctor's Hospital in Columbus, Ohio. He guided Doctor's through an operational turnaround and profitability. Mr. Brazitis has particular expertise in helping organizations address strategic, financial and operational challenges. Mr. Brazitis' professional experience includes: CEO, Lancaster Regional Health, Lancaster, PA, a two-hospital system with 416 beds, CEO, Lancaster General Hospital, Lancaster, PA, a 520-bed teaching facility with a $300 million budget.

WH000598

# Healthcare Solutions Leadership Team

*Key Member Biographies (cont.)*

TOM HONAN
MANAGING DIRECTOR
thonan@navigant.com
727.421.1768

Tom Honan, a Managing Director of Navigant Consulting, has more than 20 years of healthcare experience. He has served as an oversight executive, project director and team member on diverse consulting assignments and held interim management positions in community hospitals and major academic medical centers.

Mr. Honan has assisted Navigant Consulting on more than 80 engagements, serving as the oversight executive on projects for clients such as California Pacific Medical Center in California, Elliot Health System in New Hampshire, Lake Hospital System in Ohio, Morton Plant Mease in Florida, and the Unsecured Creditors Committee of Doctors Community Healthcare Corporation.

Additionally, Tom managed performance improvement plans for clients such as Virginia Commonwealth University Health System in Virginia, UMass Memorial Healthcare in Massachusetts, California Pacific Medical Center in California, St. Francis Hospital and Health Centers in Illinois, St. Joseph Hospital in Georgia, Hillcrest Healthcare System in Oklahoma and Westlake Hospital in Illinois. He has also directed and managed consolidation business plans for Morton Plant Health System and Mease Healthcare in Florida, Novant in North Carolina, California Pacific Medical Center and Davies Medical Center in California, Bon Secours and Christ Hospitals in New Jersey and Henry Ford Cottage Hospital and Bon Secours Hospital in Michigan. Tom has led and managed financial assessments of Beth Israel Hospital in New York and Mt. Sinai Health System in Illinois for the U.S. Department of Housing and Urban Development and prepared a governance and organizational structure study for SUNY Health Science Center at Brooklyn in New York.

Mr. Honan has also held interim management roles as COO and CFO at Detroit Medical Center, CFO at Allegheny Health, CFO at Baptist Health System, CFO at California Pacific Medical Center, and CFO at Brotman Medical Center in Los Angeles, California.

WH0005599

# Healthcare Solutions Leadership Team

*Key Member Biographies (cont.)*

EDWARD T. WENZKE
MANAGING DIRECTOR
ed.wenzke@navigant.com
847.583.2106

Mr. Wenzke, a Managing Director in the Performance Improvement Practice at Navigant Consulting, has over 25 years of healthcare experience. He has served as an oversight executive, project director and team member on diverse consulting assignments and has held interim management positions in community hospitals and tertiary medical centers.

Prior to his consulting work, Mr. Wenzke served in positions of increasing managerial responsibility, which culminated in his tenure as president and CEO of a hospital system with a combined annual operating budget of $300 million.

For Navigant Consulting, Mr. Wenzke has directed or overseen over 40 engagements involving corporate services, labor effectiveness, performance improvement plan development, physician services, strategic alignment and academic funds flow. He has particular expertise in helping organizations address strategic, financial and operational challenges. His clients include Sentara Healthcare, Virginia, Catholic Health Partners, Ohio, Fairview Health System, Minnesota, Baptist Health Care Corporation, Tennessee, UAB Health System, Alabama, Piedmont Healthcare, Georgia, Catskill Regional Medical Center, New York, University of Arkansas for Medical Sciences, Arkansas and Maimonides Medical Center, New York.

Additionally, Mr. Wenzke has held interim management roles as COO at St. Vincent Catholic Medical Center, CEO at Walker Baptist Hospital , COO for St. Mary's of Michigan, CEO Provena Mercy Hospital and CRO at Catskills Regional Medical Center.

Mr. Wenzke holds a Bachelors Degree in Business Administration from Ohio State and a Masters in Healthcare Administration from Xavier University.

WH000600

# Healthcare Solutions Leadership Team

*Key Member Biographies (cont.)*

ROGER E. KAISER, MD
MANAGING DIRECTOR
rkaiser@navigant.com
813.277.1900

Dr. Roger Kaiser, a Managing Director of Navigant Consulting's healthcare practice, has an impressive clinical, medical education, and management background spanning almost 25 years serving integrated healthcare systems, academic medical centers, ambulatory surgical centers, public, not-for-profit and for-profit organizations. Dr. Kaiser is recognized for his exceptional skills in turnaround and implementation management, strategic positioning, physician collaboration/integration, quality and performance improvement, fiscal management and service growth. His strengths include communications, strategic vision, medical staff development and motivation, and physician support. Dr. Kaiser has participated in a number of engagements since joining Navigant Consulting, in a wide range of interim management and consulting roles including serving in an advisory capacity during the performance improvement project at Martin Luther King Drew Medical Center in Los Angeles, CA. During this role, Dr. Kaiser worked with the Director, Los Angeles County Department Health Services and King Drew's Chief Executive Officer and Chief Medical Officer on issues related to quality and clinical performance improvement, and medical staff redesign in preparation for CMS and JCAHO accreditation. Dr. Kaiser also was a member of the interim management team that led Passiac Beth Israel Hospital (Passiac, NJ) through a successful restructuring and subsequent sale.

NAVIGANT

CAPITAL·ADVISORS

Navigant Capital Advisors, LLC. Member FINRA, SIPC.

**© 2011 Navigant Consulting, Inc.**

*"NAVIGANT" is a service mark of Navigant International, Inc. Navigant Consulting, Inc. (NCA) is not affiliated, associated, or in any way connected with Navigant International, Inc., and NCA's use of "NAVIGANT" is made under license from Navigant International, Inc.*



Proprietary and Confidential – Navigant Working Draft

# EXHIBIT 10:  CONFLICT OF INTEREST DISCLOSURES

## Conflict of Interest/Financial Disclosure Form

The Application of the Greater Waterbury Health Network, Inc. and its Affiliates ("GWHN")and LHP Southwest Connecticut LLC, a proposed joint venture between LHP Hospital Group, Inc. and its Affiliates ("LHP") and Saint Mary's Health System, Inc. ("SMHS") (as formed, the "Joint Venture"), to the Connecticut Attorney General and the Connecticut Department of Public Health for permission to include GWHN in the Joint Venture.

This Disclosure Form is for (i) GWHN board members, (ii) experts and (iii) senior executives with managerial responsibilities who have direct involvement in the proposed joint venture transaction.

Print Name: Nichole Kim

Company or Employer: Cain Brothers

Title: Analyst

1. **PLEASE COMPLETE AND RETURN THIS QUESTIONNAIRE NO LATER THAN NOVEMBER 17, 2011 to BARBARA ALLVIN, THE WATERBURY HOSPITAL, 64 ROBBINS STREET, WATERBURY, CONNECTICUT EMAIL: BALLVIN@WTBYHOSP.ORG.** If you have any questions regarding the questionnaire, please call Attorney Ann Zucker, Carmody & Torrance LLP at 203.784.3108.

2. Retain a completed copy of this questionnaire for your files. If, following your return of the questionnaire, any events occur or information comes to your attention that would affect the accuracy of any of your answers in this questionnaire, please notify Ann Zucker of any such event or information as soon as possible.

---

**Definitions:**

**Related Person:** A person related to you by blood, law or marriage as a spouse, child, stepchild, parent, sibling, grandparent, grandchild or domestic partner (individual not related by blood or marriage, but currently in a committed relationship and residing in a common household sharing joint responsibility for the household), or an entity directly or indirectly controlled by you or any such person or in which you or any such person has a direct or indirect ownership interest of greater than thirty percent.

**LHP Entity:** Entity includes LHP Hospital Group, Inc., LHP Management Services, LLC; CCMP Capital Advisors, LLC; and CPP Investment Board.

**St. Mary's Entity:** Entity includes St. Mary's Health System, Inc., its subsidiaries and affiliates.

1. **Financial Interests**

(a) Do you or any Related Person (see definition on first page) have a direct or indirect ownership interest in any Saint Mary's Entity or LHP Entity (see definitions on first page)?

✓ NO _____ YES. If YES, please note the name of the entity, ownership percentage and any income generated from the ownership or investment interest.

_____

(b) Since January 1, 2011, did you or any Related Person have a compensation arrangement, including without limitation, as a employee, consultant, contractor, with any Saint Mary's Entity or LHP Entity?

✓ NO _____ YES. If you answered YES, please note the name of the entity and income generated from the entity.

_____

(c) Did or will you or any Related Person receive any payment or other financial benefit as a result of the proposed transaction?

✓ NO _____ YES. If YES, please provide details.

_____

(d) Do you or any Related Person own stock or options to purchase stock in any LHP Entity?

✓ NO _____ YES. If YES, please provide details.

_____

2. **Beneficial and/or Employment Interests**

(a) Since January 1, 2011, were you or any Related Person offered a position as a director or trustee of a Saint Mary's Entity, LHP Entity or the Joint Venture?

✓ NO _____ YES. If YES, please provide details.

_____

(b) Since January 1, 2011, were you or any Related Person offered a consulting position or employment with a Saint Mary's Entity, LHP Entity or the Joint Venture?

✓ NO _____ If YES, please provide details.

_____

(c) Since January 1, 2011, have you or any Related Person engaged in any of the following transactions with a Saint Mary's Entity or LHP Entity?

(i) Sold or transferred assets to or purchased assets from or exchanged assets.

✓ NO _____ YES. If YES, please provide details.

_____

(ii) Leased assets to or leased assets from a Saint Mary's Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

(iii) Been indebted to or loaned money to a Saint Mary's Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

(iv) Furnished or acquired goods, services or facilities to a Saint Mary's Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

I hereby attest that the following information is true and accurate to the best of my knowledge.

Nicholas Kim
Signature

12/22/11
Date

## Conflict of Interest/Financial Disclosure Form

The Application of the Greater Waterbury Health Network, Inc. and its Affiliates ("GWHN")and LHP Southwest Connecticut LLC, a proposed joint venture between LHP Hospital Group, Inc. and its Affiliates ("LHP") and Saint Mary's Health System, Inc. ("SMHS") (as formed, the "Joint Venture"), to the Connecticut Attorney General and the Connecticut Department of Public Health for permission to include GWHN in the Joint Venture.

This Disclosure Form is for (i) GWHN board members, (ii) experts and (iii) senior executives with managerial responsibilities who have direct involvement in the proposed joint venture transaction.

Print Name: Diane Woolley

Company or Employer: Waterbury Hospital

Title: Acting Human Resources Vice President

1. **PLEASE COMPLETE AND RETURN THIS QUESTIONNAIRE NO LATER THAN NOVEMBER 17, 2011 to BARBARA ALLVIN, THE WATERBURY HOSPITAL, 64 ROBBINS STREET, WATERBURY, CONNECTICUT EMAIL: BALLVIN@WTBYHOSP.ORG.** If you have any questions regarding the questionnaire, please call Attorney Ann Zucker, Carmody & Torrance LLP at 203.784.3108.

2. Retain a completed copy of this questionnaire for your files. If, following your return of the questionnaire, any events occur or information comes to your attention that would affect the accuracy of any of your answers in this questionnaire, please notify Ann Zucker of any such event or information as soon as possible.

---

**Definitions:**

**Related Person:** A person related to you by blood, law or marriage as a spouse, child, stepchild, parent, sibling, grandparent, grandchild or domestic partner (individual not related by blood or marriage, but currently in a committed relationship and residing in a common household sharing joint responsibility for the household), or an entity directly or indirectly controlled by you or any such person or in which you or any such person has a direct or indirect ownership interest of greater than thirty percent.

**LHP Entity:** Entity includes LHP Hospital Group, Inc., LHP Management Services, LLC; CCMP Capital Advisors, LLC; and CPP Investment Board.

**St. Mary's Entity:** Entity includes St. Mary's Health System, Inc., its subsidiaries and affiliates.

1. Financial Interests

(a) Do you or any Related Person (see definition on first page) have a direct or indirect ownership interest in any Saint Mary's Entity or LHP Entity (see definitions on first page)?

✓ NO _____ YES. If YES, please note the name of the entity, ownership percentage and any income generated from the ownership or investment interest.

_____

(b) Since January 1, 2011, did you or any Related Person have a compensation arrangement, including without limitation, as a employee, consultant, contractor, with any Saint Mary's Entity or LHP Entity?

✓ NO _____ YES. If you answered YES, please note the name of the entity and income generated from the entity.

_____

(c) Did or will you or any Related Person receive any payment or other financial benefit as a result of the proposed transaction?

✓ NO _____ YES. If YES, please provide details.

_____

(d) Do you or any Related Person own stock or options to purchase stock in any LHP Entity?

✓ NO _____ YES. If YES, please provide details.

_____

2. Beneficial and/or Employment Interests

(a) Since January 1, 2011, were you or any Related Person offered a position as a director or trustee of a Saint Mary's Entity, LHP Entity or the Joint Venture?

✓ NO _____ YES. If YES, please provide details.

_____

(b) Since January 1, 2011, were you or any Related Person offered a consulting position or employment with a Saint Mary's Entity, LHP Entity or the Joint Venture?

✓ NO _____ If YES, please provide details.

_____

(c) Since January 1, 2011, have you or any Related Person engaged in any of the following transactions with a Saint Mary's Entity or LHP Entity?

(i) Sold or transferred assets to or purchased assets from or exchanged assets.

✓ NO _____ YES. If YES, please provide details.

_____

(ii) Leased assets to or leased assets from a Saint Mary's Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

(iii) Been indebted to or loaned money to a Saint Mary's Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

(iv) Furnished or acquired goods, services or facilities to a Saint Mary's Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

I hereby attest that the following information is true and accurate to the best of my knowledge.

M. Woolley — Signature

11/14/11 — Date

## Conflict of Interest/Financial Disclosure Form

The Application of the Greater Waterbury Health Network, Inc. and its Affiliates ("GWHN")and LHP Southwest Connecticut LLC, a proposed joint venture between LHP Hospital Group, Inc. and its Affiliates ("LHP") and Saint Mary's Health System, Inc. ("SMHS") (as formed, the "Joint Venture"), to the Connecticut Attorney General and the Connecticut Department of Public Health for permission to include GWHN in the Joint Venture.

This Disclosure Form is for (i) GWHN board members, (ii) experts and (iii) senior executives with managerial responsibilities who have direct involvement in the proposed joint venture transaction.

Print Name: Ann H. Zucker

Company or Employer: Carmody & Torrance LLP

Title: Partner

1. **PLEASE COMPLETE AND RETURN THIS QUESTIONNAIRE NO LATER THAN NOVEMBER 17, 2011 to BARBARA ALLVIN, THE WATERBURY HOSPITAL, 64 ROBBINS STREET, WATERBURY, CONNECTICUT EMAIL: BALLVIN@WTBYHOSP.ORG.** If you have any questions regarding the questionnaire, please call Attorney Ann Zucker, Carmody & Torrance LLP at 203.784.3108.

2. Retain a completed copy of this questionnaire for your files. If, following your return of the questionnaire, any events occur or information comes to your attention that would affect the accuracy of any of your answers in this questionnaire, please notify Ann Zucker of any such event or information as soon as possible.

---

**Definitions:**

**Related Person:** A person related to you by blood, law or marriage as a spouse, child, stepchild, parent, sibling, grandparent, grandchild or domestic partner (individual not related by blood or marriage, but currently in a committed relationship and residing in a common household sharing joint responsibility for the household), or an entity directly or indirectly controlled by you or any such person or in which you or any such person has a direct or indirect ownership interest of greater than thirty percent.

**LHP Entity:** Entity includes LHP Hospital Group, Inc., LHP Management Services, LLC; CCMP Capital Advisors, LLC; and CPP Investment Board.

**St. Mary's Entity:** Entity includes St. Mary's Health System, Inc., its subsidiaries and affiliates.

1. **Financial Interests**

(a) Do you or any Related Person (see definition on first page) have a direct or indirect ownership interest in any Saint Mary's Entity or LHP Entity (see definitions on first page)?

__✓__ NO _____ YES. If YES, please note the name of the entity, ownership percentage and any income generated from the ownership or investment interest.

_____

(b) Since January 1, 2011, did you or any Related Person have a compensation arrangement, including without limitation, as a employee, consultant, contractor, with any Saint Mary's Entity or LHP Entity?

__✓__ NO _____ YES. If you answered YES, please note the name of the entity and income generated from the entity.

_____

(c) Did or will you or any Related Person receive any payment or other financial benefit as a result of the proposed transaction?

__✓__ NO _____ YES. If YES, please provide details.

_____

(d) Do you or any Related Person own stock or options to purchase stock in any LHP Entity?

__✓__ NO _____ YES. If YES, please provide details.

_____

2. **Beneficial and/or Employment Interests**

(a) Since January 1, 2011, were you or any Related Person offered a position as a director or trustee of a Saint Mary's Entity, LHP Entity or the Joint Venture?

__✓__ NO _____ YES. If YES, please provide details.

_____

(b) Since January 1, 2011, were you or any Related Person offered a consulting position or employment with a Saint Mary's Entity, LHP Entity or the Joint Venture?

✓ NO _____ If YES, please provide details.

_____

(c) Since January 1, 2011, have you or any Related Person engaged in any of the following transactions with a Saint Mary's Entity or LHP Entity?

(i) Sold or transferred assets to or purchased assets from or exchanged assets.

✓ NO _____ YES. If YES, please provide details.

_____

(ii) Leased assets to or leased assets from a Saint Mary's Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

(iii) Been indebted to or loaned money to a Saint Mary's Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

(iv) Furnished or acquired goods, services or facilities to a Saint Mary's Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

I hereby attest that the following information is true and accurate to the best of my knowledge.

Anne N. Zurlo
Signature

11/11/11
Date

# Conflict of Interest/Financial Disclosure Form

The Application of the Greater Waterbury Health Network, Inc. and its Affiliates ("GWHN")and LHP Southwest Connecticut LLC, a proposed joint venture between LHP Hospital Group, Inc. and its Affiliates ("LHP") and Saint Mary's Health System, Inc. ("SMHS") (as formed, the "Joint Venture"), to the Connecticut Attorney General and the Connecticut Department of Public Health for permission to include GWHN in the Joint Venture.

This Disclosure Form is for (i) GWHN board members, (ii) experts and (iii) senior executives with managerial responsibilities who have direct involvement in the proposed joint venture transaction.

Print Name: O. J. Bizzozero, M.D.

Company or Employer: Greater Waterbury Health Network

Title: Director

1. **PLEASE COMPLETE AND RETURN THIS QUESTIONNAIRE NO LATER THAN NOVEMBER 17, 2011 to BARBARA ALLVIN, THE WATERBURY HOSPITAL, 64 ROBBINS STREET, WATERBURY, CONNECTICUT EMAIL: BALLVIN@WTBYHOSP.ORG.** If you have any questions regarding the questionnaire, please call Attorney Ann Zucker, Carmody & Torrance LLP at 203.784.3108.

2. Retain a completed copy of this questionnaire for your files. If, following your return of the questionnaire, any events occur or information comes to your attention that would affect the accuracy of any of your answers in this questionnaire, please notify Ann Zucker of any such event or information as soon as possible.

---

**Definitions:**

**Related Person:** A person related to you by blood, law or marriage as a spouse, child, stepchild, parent, sibling, grandparent, grandchild or domestic partner (individual not related by blood or marriage, but currently in a committed relationship and residing in a common household sharing joint responsibility for the household), or an entity directly or indirectly controlled by you or any such person or in which you or any such person has a direct or indirect ownership interest of greater than thirty percent.

**LHP Entity:** Entity includes LHP Hospital Group, Inc., LHP Management Services, LLC; CCMP Capital Advisors, LLC; and CPP Investment Board.

**St. Mary's Entity:** Entity includes St. Mary's Health System, Inc., its subsidiaries and affiliates.

1. **Financial Interests**

(a) Do you or any Related Person (see definition on first page) have a direct or indirect ownership interest in any Saint Mary's Entity or LHP Entity (see definitions on first page)?

_X_ NO _____ YES. If YES, please note the name of the entity, ownership percentage and any income generated from the ownership or investment interest.

_____

(b) Since January 1, 2011, did you or any Related Person have a compensation arrangement, including without limitation, as a employee, consultant, contractor, with any Saint Mary's Entity or LHP Entity?

_X_ NO _____ YES. If you answered YES, please note the name of the entity and income generated from the entity.

_____

(c) Did or will you or any Related Person receive any payment or other financial benefit as a result of the proposed transaction?

_X_ NO _____ YES. If YES, please provide details.

_____

(d) Do you or any Related Person own stock or options to purchase stock in any LHP Entity?

_X_ NO _____ YES. If YES, please provide details.

_____

2. **Beneficial and/or Employment Interests**

(a) Since January 1, 2011, were you or any Related Person offered a position as a director or trustee of a Saint Mary's Entity, LHP Entity or the Joint Venture?

_X_ NO _____ YES. If YES, please provide details.

_____

(b) Since January 1, 2011, were you or any Related Person offered a consulting position or employment with a Saint Mary's Entity, LHP Entity or the Joint Venture?

X NO _____ If YES, please provide details.

_____

(c) Since January 1, 2011, have you or any Related Person engaged in any of the following transactions with a Saint Mary's Entity or LHP Entity?

(i) Sold or transferred assets to or purchased assets from or exchanged assets.

X NO _____ YES. If YES, please provide details.

_____

(ii) Leased assets to or leased assets from a Saint Mary's Entity or LHP Entity.

X NO _____ YES. If YES, please provide details.

_____

(iii) Been indebted to or loaned money to a Saint Mary's Entity or LHP Entity.

X NO _____ YES. If YES, please provide details.

_____

(iv) Furnished or acquired goods, services or facilities to a Saint Mary's Entity or LHP Entity.

X NO _____ YES. If YES, please provide details.

_____

I hereby attest that the following information is true and accurate to the best of my knowledge.

Signature _____ Date 11/10/2011

## Conflict of Interest/Financial Disclosure Form

The Application of the Greater Waterbury Health Network, Inc. and its Affiliates ("GWHN")and LHP Southwest Connecticut LLC, a proposed joint venture between LHP Hospital Group, Inc. and its Affiliates ("LHP") and Saint Mary's Health System, Inc. ("SMHS") (as formed, the "Joint Venture"), to the Connecticut Attorney General and the Connecticut Department of Public Health for permission to include GWHN in the Joint Venture.

This Disclosure Form is for (i) GWHN board members, (ii) experts and (iii) senior executives with managerial responsibilities who have direct involvement in the proposed joint venture transaction.

Print Name: John Blair

Company or Employer: Blair Law, LLC

Title: _____

1. **PLEASE COMPLETE AND RETURN THIS QUESTIONNAIRE NO LATER THAN NOVEMBER 17, 2011 to BARBARA ALLVIN, THE WATERBURY HOSPITAL, 64 ROBBINS STREET, WATERBURY, CONNECTICUT EMAIL: BALLVIN@WTBYHOSP.ORG.** If you have any questions regarding the questionnaire, please call Attorney Ann Zucker, Carmody & Torrance LLP at 203.784.3108.

2. Retain a completed copy of this questionnaire for your files. If, following your return of the questionnaire, any events occur or information comes to your attention that would affect the accuracy of any of your answers in this questionnaire, please notify Ann Zucker of any such event or information as soon as possible.

---

**Definitions:**

**Related Person:** A person related to you by blood, law or marriage as a spouse, child, stepchild, parent, sibling, grandparent, grandchild or domestic partner (individual not related by blood or marriage, but currently in a committed relationship and residing in a common household sharing joint responsibility for the household), or an entity directly or indirectly controlled by you or any such person or in which you or any such person has a direct or indirect ownership interest of greater than thirty percent.

**LHP Entity:** Entity includes LHP Hospital Group, Inc., LHP Management Services, LLC; CCMP Capital Advisors, LLC; and CPP Investment Board.

**St. Mary's Entity:** Entity includes St. Mary's Health System, Inc., its subsidiaries and affiliates.

1. **Financial Interests**

(a) Do you or any Related Person (see definition on first page) have a direct or indirect ownership interest in any Saint Mary's Entity or LHP Entity (see definitions on first page)?

✓ NO _____ YES. If YES, please note the name of the entity, ownership percentage and any income generated from the ownership or investment interest.

_____

(b) Since January 1, 2011, did you or any Related Person have a compensation arrangement, including without limitation, as a employee, consultant, contractor, with any Saint Mary's Entity or LHP Entity?

✓ NO _____ YES. If you answered YES, please note the name of the entity and income generated from the entity.

_____

(c) Did or will you or any Related Person receive any payment or other financial benefit as a result of the proposed transaction?

✓ NO _____ YES. If YES, please provide details.

_____

(d) Do you or any Related Person own stock or options to purchase stock in any LHP Entity?

✓ NO _____ YES. If YES, please provide details.

_____

2. **Beneficial and/or Employment Interests**

(a) Since January 1, 2011, were you or any Related Person offered a position as a director or trustee of a Saint Mary's Entity, LHP Entity or the Joint Venture?

✓ NO _____ YES. If YES, please provide details.

_____

(b) Since January 1, 2011, were you or any Related Person offered a consulting position or employment with a Saint Mary's Entity, LHP Entity or the Joint Venture?

✓ NO _____ If YES, please provide details.

_____

(c) Since January 1, 2011, have you or any Related Person engaged in any of the following transactions with a Saint Mary's Entity or LHP Entity?

(i) Sold or transferred assets to or purchased assets from or exchanged assets.

✓ NO _____ YES. If YES, please provide details.

_____

(ii) Leased assets to or leased assets from a Saint Mary's Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

(iii) Been indebted to or loaned money to a Saint Mary's Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

(iv) Furnished or acquired goods, services or facilities to a Saint Mary's Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

I hereby attest that the following information is true and accurate to the best of my knowledge.

_____ 11/16/11

Signature Date

## Conflict of Interest/Financial Disclosure Form

The Application of the Greater Waterbury Health Network, Inc. and its Affiliates ("GWHN")and LHP Southwest Connecticut LLC, a proposed joint venture between LHP Hospital Group, Inc. and its Affiliates ("LHP") and Saint Mary's Health System, Inc. ("SMHS") (as formed, the "Joint Venture"), to the Connecticut Attorney General and the Connecticut Department of Public Health for permission to include GWHN in the Joint Venture.

This Disclosure Form is for (i) GWHN board members, (ii) experts and (iii) senior executives with managerial responsibilities who have direct involvement in the proposed joint venture transaction.

Print Name: Henry Borkowski, M.D.

Company or Employer: Greater Waterbury Health Network

Title: Director

1. **PLEASE COMPLETE AND RETURN THIS QUESTIONNAIRE NO LATER THAN NOVEMBER 17, 2011 to BARBARA ALLVIN, THE WATERBURY HOSPITAL, 64 ROBBINS STREET, WATERBURY, CONNECTICUT EMAIL: BALLVIN@WTBYHOSP.ORG.** If you have any questions regarding the questionnaire, please call Attorney Ann Zucker, Carmody & Torrance LLP at 203.784.3108.

2. Retain a completed copy of this questionnaire for your files. If, following your return of the questionnaire, any events occur or information comes to your attention that would affect the accuracy of any of your answers in this questionnaire, please notify Ann Zucker of any such event or information as soon as possible.

---

**Definitions:**

**Related Person:** A person related to you by blood, law or marriage as a spouse, child, stepchild, parent, sibling, grandparent, grandchild or domestic partner (individual not related by blood or marriage, but currently in a committed relationship and residing in a common household sharing joint responsibility for the household), or an entity directly or indirectly controlled by you or any such person or in which you or any such person has a direct or indirect ownership interest of greater than thirty percent.

**LHP Entity:** Entity includes LHP Hospital Group, Inc., LHP Management Services, LLC; CCMP Capital Advisors, LLC; and CPP Investment Board.

**St. Mary's Entity:** Entity includes St. Mary's Health System, Inc., its subsidiaries and affiliates.

1. **Financial Interests**

(a) Do you or any Related Person (see definition on first page) have a direct or indirect ownership interest in any Saint Mary's Entity or LHP Entity (see definitions on first page)?

✓ NO _____ YES. If YES, please note the name of the entity, ownership percentage and any income generated from the ownership or investment interest.

_____

(b) Since January 1, 2011, did you or any Related Person have a compensation arrangement, including without limitation, as a employee, consultant, contractor, with any Saint Mary's Entity or LHP Entity?

_____ NO ✓ YES. If you answered YES, please note the name of the entity and income generated from the entity.

Professional Service Agreement for Heart Center of Excellence with St Mary's Hospital

(c) Did or will you or any Related Person receive any payment or other financial benefit as a result of the proposed transaction?

✓ NO _____ YES. If YES, please provide details.

_____

(d) Do you or any Related Person own stock or options to purchase stock in any LHP Entity?

✓ NO _____ YES. If YES, please provide details.

_____

2. **Beneficial and/or Employment Interests**

(a) Since January 1, 2011, were you or any Related Person offered a position as a director or trustee of a Saint Mary's Entity, LHP Entity or the Joint Venture?

✓ NO _____ YES. If YES, please provide details.

_____

(b) Since January 1, 2011, were you or any Related Person offered a consulting position or employment with a Saint Mary's Entity, LHP Entity or the Joint Venture?

✓ NO _____ If YES, please provide details.

_____

(c) Since January 1, 2011, have you or any Related Person engaged in any of the following transactions with a Saint Mary's Entity or LHP Entity?

(i) Sold or transferred assets to or purchased assets from or exchanged assets.

✓ NO _____ YES. If YES, please provide details.

_____

(ii) Leased assets to or leased assets from a Saint Mary's Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

(iii) Been indebted to or loaned money to a Saint Mary's Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

(iv) Furnished or acquired goods, services or facilities to a Saint Mary's Entity or LHP Entity.

_____ NO ✓ YES. If YES, please provide details.

Professional Services Agreement for Heart Center of Excellence working with St Mary's Hospital

I hereby attest that the following information is true and accurate to the best of my knowledge.

_____ 11/10/11

Signature Date

## Conflict of Interest/Financial Disclosure Form

The Application of the Greater Waterbury Health Network, Inc. and its Affiliates ("GWHN")and LHP Southwest Connecticut LLC, a proposed joint venture between LHP Hospital Group, Inc. and its Affiliates ("LHP") and Saint Mary's Health System, Inc. ("SMHS") (as formed, the "Joint Venture"), to the Connecticut Attorney General and the Connecticut Department of Public Health for permission to include GWHN in the Joint Venture.

This Disclosure Form is for (i) GWHN board members, (ii) experts and (iii) senior executives with managerial responsibilities who have direct involvement in the proposed joint venture transaction.

Print Name: James E. Cain

Company or Employer: Cain Brothers & Company

Title: Managing Director

1. **PLEASE COMPLETE AND RETURN THIS QUESTIONNAIRE NO LATER THAN NOVEMBER 17, 2011 to BARBARA ALLVIN, THE WATERBURY HOSPITAL, 64 ROBBINS STREET, WATERBURY, CONNECTICUT EMAIL: BALLVIN@WTBYHOSP.ORG.** If you have any questions regarding the questionnaire, please call Attorney Ann Zucker, Carmody & Torrance LLP at 203.784.3108.

2. Retain a completed copy of this questionnaire for your files. If, following your return of the questionnaire, any events occur or information comes to your attention that would affect the accuracy of any of your answers in this questionnaire, please notify Ann Zucker of any such event or information as soon as possible.

---

**Definitions:**

**Related Person:** A person related to you by blood, law or marriage as a spouse, child, stepchild, parent, sibling, grandparent, grandchild or domestic partner (individual not related by blood or marriage, but currently in a committed relationship and residing in a common household sharing joint responsibility for the household), or an entity directly or indirectly controlled by you or any such person or in which you or any such person has a direct or indirect ownership interest of greater than thirty percent.

**LHP Entity:** Entity includes LHP Hospital Group, Inc., LHP Management Services, LLC; CCMP Capital Advisors, LLC; and CPP Investment Board.

**St. Mary's Entity:** Entity includes St. Mary's Health System, Inc., its subsidiaries and affiliates.

1. **Financial Interests**

(a) Do you or any Related Person (see definition on first page) have a direct or indirect ownership interest in any Saint Mary's Entity or LHP Entity (see definitions on first page)?

__✓__ NO _____ YES. If YES, please note the name of the entity, ownership percentage and any income generated from the ownership or investment interest.

_____

(b) Since January 1, 2011, did you or any Related Person have a compensation arrangement, including without limitation, as a employee, consultant, contractor, with any Saint Mary's Entity or LHP Entity?

__✓__ NO _____ YES. If you answered YES, please note the name of the entity and income generated from the entity.

_____

(c) Did or will you or any Related Person receive any payment or other financial benefit as a result of the proposed transaction?

_____ NO __✓__ YES. If YES, please provide details.

We are the Advisor to Watenburg Health Network

(d) Do you or any Related Person own stock or options to purchase stock in any LHP Entity?

__✓__ NO _____ YES. If YES, please provide details.

_____

2. **Beneficial and/or Employment Interests**

(a) Since January 1, 2011, were you or any Related Person offered a position as a director or trustee of a Saint Mary's Entity, LHP Entity or the Joint Venture?

__✓__ NO _____ YES. If YES, please provide details.

_____

(b) Since January 1, 2011, were you or any Related Person offered a consulting position or employment with a Saint Mary's Entity, LHP Entity or the Joint Venture?

____ NO ✓ If YES, please provide details.

See 1(c)

(c) Since January 1, 2011, have you or any Related Person engaged in any of the following transactions with a Saint Mary's Entity or LHP Entity?

(i) Sold or transferred assets to or purchased assets from or exchanged assets.

____ NO ✓ YES. If YES, please provide details.

We have ongoing discussions with LHP regarding similar transactions but none have been completed since January 1, 2011.

(ii) Leased assets to or leased assets from a Saint Mary's Entity or LHP Entity.

✓ NO ____ YES. If YES, please provide details.

(iii) Been indebted to or loaned money to a Saint Mary's Entity or LHP Entity.

✓ NO ____ YES. If YES, please provide details.

(iv) Furnished or acquired goods, services or facilities to a Saint Mary's Entity or LHP Entity.

✓ NO ____ YES. If YES, please provide details.

I hereby attest that the following information is true and accurate to the best of my knowledge.

Signature

11/16/11
Date

# Conflict of Interest/Financial Disclosure Form

The Application of the Greater Waterbury Health Network, Inc. and its Affiliates ("GWHN")and LHP Southwest Connecticut LLC, a proposed joint venture between LHP Hospital Group, Inc. and its Affiliates ("LHP") and Saint Mary's Health System, Inc. ("SMHS") (as formed, the "Joint Venture"), to the Connecticut Attorney General and the Connecticut Department of Public Health for permission to include GWHN in the Joint Venture.

This Disclosure Form is for (i) GWHN board members, (ii) experts and (iii) senior executives with managerial responsibilities who have direct involvement in the proposed joint venture transaction.

Print Name: Carl D. Contadini

Company or Employer: Greater Waterbury Health Network

Title: Director

1. **PLEASE COMPLETE AND RETURN THIS QUESTIONNAIRE NO LATER THAN NOVEMBER 17, 2011 to BARBARA ALLVIN, THE WATERBURY HOSPITAL, 64 ROBBINS STREET, WATERBURY, CONNECTICUT EMAIL: BALLVIN@WTBYHOSP.ORG.** If you have any questions regarding the questionnaire, please call Attorney Ann Zucker, Carmody & Torrance LLP at 203.784.3108.

2. Retain a completed copy of this questionnaire for your files. If, following your return of the questionnaire, any events occur or information comes to your attention that would affect the accuracy of any of your answers in this questionnaire, please notify Ann Zucker of any such event or information as soon as possible.

---

**Definitions:**

**Related Person:** A person related to you by blood, law or marriage as a spouse, child, stepchild, parent, sibling, grandparent, grandchild or domestic partner (individual not related by blood or marriage, but currently in a committed relationship and residing in a common household sharing joint responsibility for the household), or an entity directly or indirectly controlled by you or any such person or in which you or any such person has a direct or indirect ownership interest of greater than thirty percent.

**LHP Entity:** Entity includes LHP Hospital Group, Inc., LHP Management Services, LLC; CCMP Capital Advisors, LLC; and CPP Investment Board.

**St. Mary's Entity:** Entity includes St. Mary's Health System, Inc., its subsidiaries and affiliates.

1. **Financial Interests**

(a) Do you or any Related Person (see definition on first page) have a direct or indirect ownership interest in any Saint Mary's Entity or LHP Entity (see definitions on first page)?

X NO _____ YES. If YES, please note the name of the entity, ownership percentage and any income generated from the ownership or investment interest.

_____

(b) Since January 1, 2011, did you or any Related Person have a compensation arrangement, including without limitation, as a employee, consultant, contractor, with any Saint Mary's Entity or LHP Entity?

X NO _____ YES. If you answered YES, please note the name of the entity and income generated from the entity.

_____

(c) Did or will you or any Related Person receive any payment or other financial benefit as a result of the proposed transaction?

X NO _____ YES. If YES, please provide details.

_____

(d) Do you or any Related Person own stock or options to purchase stock in any LHP Entity?

X NO _____ YES. If YES, please provide details.

_____

2. **Beneficial and/or Employment Interests**

(a) Since January 1, 2011, were you or any Related Person offered a position as a director or trustee of a Saint Mary's Entity, LHP Entity or the Joint Venture?

X NO _____ YES. If YES, please provide details.

_____

(b) Since January 1, 2011, were you or any Related Person offered a consulting position or employment with a Saint Mary's Entity, LHP Entity or the Joint Venture?

X NO _____ If YES, please provide details.

_____

(c) Since January 1, 2011, have you or any Related Person engaged in any of the following transactions with a Saint Mary's Entity or LHP Entity?

(i) Sold or transferred assets to or purchased assets from or exchanged assets.

X NO _____ YES. If YES, please provide details.

_____

(ii) Leased assets to or leased assets from a Saint Mary's Entity or LHP Entity.

X NO _____ YES. If YES, please provide details.

_____

(iii) Been indebted to or loaned money to a Saint Mary's Entity or LHP Entity.

X NO _____ YES. If YES, please provide details.

_____

(iv) Furnished or acquired goods, services or facilities to a Saint Mary's Entity or LHP Entity.

X NO _____ YES. If YES, please provide details.

_____

I hereby attest that the following information is true and accurate to the best of my knowledge.

_____ 11-11-11

Signature Date

## Conflict of Interest/Financial Disclosure Form

The Application of the Greater Waterbury Health Network, Inc. and its Affiliates ("GWHN")and LHP Southwest Connecticut LLC, a proposed joint venture between LHP Hospital Group, Inc. and its Affiliates ("LHP") and Saint Mary's Health System, Inc. ("SMHS") (as formed, the "Joint Venture"), to the Connecticut Attorney General and the Connecticut Department of Public Health for permission to include GWHN in the Joint Venture.

This Disclosure Form is for (i) GWHN board members, (ii) experts and (iii) senior executives with managerial responsibilities who have direct involvement in the proposed joint venture transaction.

Print Name: Ronald J. D'Andrea, M.D.

Company or Employer: Greater Waterbury Health Network

Title: Director

1. **PLEASE COMPLETE AND RETURN THIS QUESTIONNAIRE NO LATER THAN NOVEMBER 17, 2011 to BARBARA ALLVIN, THE WATERBURY HOSPITAL, 64 ROBBINS STREET, WATERBURY, CONNECTICUT EMAIL: BALLVIN@WTBYHOSP.ORG.** If you have any questions regarding the questionnaire, please call Attorney Ann Zucker, Carmody & Torrance LLP at 203.784.3108.

2. Retain a completed copy of this questionnaire for your files. If, following your return of the questionnaire, any events occur or information comes to your attention that would affect the accuracy of any of your answers in this questionnaire, please notify Ann Zucker of any such event or information as soon as possible.

---

**Definitions:**

**Related Person:** A person related to you by blood, law or marriage as a spouse, child, stepchild, parent, sibling, grandparent, grandchild or domestic partner (individual not related by blood or marriage, but currently in a committed relationship and residing in a common household sharing joint responsibility for the household), or an entity directly or indirectly controlled by you or any such person or in which you or any such person has a direct or indirect ownership interest of greater than thirty percent.

**LHP Entity:** Entity includes LHP Hospital Group, Inc., LHP Management Services, LLC; CCMP Capital Advisors, LLC; and CPP Investment Board.

**St. Mary's Entity:** Entity includes St. Mary's Health System, Inc., its subsidiaries and affiliates.

(b) Since January 1, 2011, were you or any Related Person offered a consulting position or employment with a Saint Mary's Entity, LHP Entity or the Joint Venture?

_____ NO ___✓___ If YES, please provide details.

CONSULTANT TO COME FOR UNASSIGNED ROYALTIES

(c) Since January 1, 2011, have you or any Related Person engaged in any of the following transactions with a Saint Mary's Entity or LHP Entity?

(i) Sold or transferred assets to or purchased assets from or exchanged assets.

___✓___ NO _____ YES. If YES, please provide details.

_____

(ii) Leased assets to or leased assets from a Saint Mary's Entity or LHP Entity.

___✓___ NO _____ YES. If YES, please provide details.

_____

(iii) Been indebted to or loaned money to a Saint Mary's Entity or LHP Entity.

___✓___ NO _____ YES. If YES, please provide details.

_____

(iv) Furnished or acquired goods, services or facilities to a Saint Mary's Entity or LHP Entity.

___✓___ NO _____ YES. If YES, please provide details.

_____

I hereby attest that the following information is true and accurate to the best of my knowledge.

_____ _____

Signature Date

1. **Financial Interests**

(a) Do you or any Related Person (see definition on first page) have a direct or indirect ownership interest in any Saint Mary's Entity or LHP Entity (see definitions on first page)?

__✓__ NO _____ YES. If YES, please note the name of the entity, ownership percentage and any income generated from the ownership or investment interest.

_____

(b) Since January 1, 2011, did you or any Related Person have a compensation arrangement, including without limitation, as a employee, consultant, contractor, with any Saint Mary's Entity or LHP Entity?

_____ NO __✓__ YES. If you answered YES, please note the name of the entity and income generated from the entity.

CONSULTANT to CLMC FOR UNASSIGNED ADMISSIONS

(c) Did or will you or any Related Person receive any payment or other financial benefit as a result of the proposed transaction?

__✓__ NO _____ YES. If YES, please provide details.

_____

(d) Do you or any Related Person own stock or options to purchase stock in any LHP Entity?

__✓__ NO _____ YES. If YES, please provide details.

_____

2. **Beneficial and/or Employment Interests**

(a) Since January 1, 2011, were you or any Related Person offered a position as a director or trustee of a Saint Mary's Entity, LHP Entity or the Joint Venture?

__✓__ NO _____ YES. If YES, please provide details.

_____

## Conflict of Interest/Financial Disclosure Form

The Application of the Greater Waterbury Health Network, Inc. and its Affiliates ("GWHN")and LHP Southwest Connecticut LLC, a proposed joint venture between LHP Hospital Group, Inc. and its Affiliates ("LHP") and Saint Mary's Health System, Inc. ("SMHS") (as formed, the "Joint Venture"), to the Connecticut Attorney General and the Connecticut Department of Public Health for permission to include GWHN in the Joint Venture.

This Disclosure Form is for (i) GWHN board members, (ii) experts and (iii) senior executives with managerial responsibilities who have direct involvement in the proposed joint venture transaction.

Print Name: Steven L. Eisen, M.D.

Company or Employer: Greater Waterbury Health Network

Title: Director

1. **PLEASE COMPLETE AND RETURN THIS QUESTIONNAIRE NO LATER THAN NOVEMBER 17, 2011 to BARBARA ALLVIN, THE WATERBURY HOSPITAL, 64 ROBBINS STREET, WATERBURY, CONNECTICUT EMAIL: BALLVIN@WTBYHOSP.ORG.** If you have any questions regarding the questionnaire, please call Attorney Ann Zucker, Carmody & Torrance LLP at 203.784.3108.

2. Retain a completed copy of this questionnaire for your files. If, following your return of the questionnaire, any events occur or information comes to your attention that would affect the accuracy of any of your answers in this questionnaire, please notify Ann Zucker of any such event or information as soon as possible.

---

**Definitions:**

**Related Person:** A person related to you by blood, law or marriage as a spouse, child, stepchild, parent, sibling, grandparent, grandchild or domestic partner (individual not related by blood or marriage, but currently in a committed relationship and residing in a common household sharing joint responsibility for the household), or an entity directly or indirectly controlled by you or any such person or in which you or any such person has a direct or indirect ownership interest of greater than thirty percent.

**LHP Entity:** Entity includes LHP Hospital Group, Inc., LHP Management Services, LLC; CCMP Capital Advisors, LLC; and CPP Investment Board.

**St. Mary's Entity:** Entity includes St. Mary's Health System, Inc., its subsidiaries and affiliates.

1. **Financial Interests**

(a) Do you or any Related Person (see definition on first page) have a direct or indirect ownership interest in any Saint Mary's Entity or LHP Entity (see definitions on first page)?

__✓__ NO _____ YES. If YES, please note the name of the entity, ownership percentage and any income generated from the ownership or investment interest.

_____

(b) Since January 1, 2011, did you or any Related Person have a compensation arrangement, including without limitation, as a employee, consultant, contractor, with any Saint Mary's Entity or LHP Entity?

__✓__ NO _____ YES. If you answered YES, please note the name of the entity and income generated from the entity.

_____

(c) Did or will you or any Related Person receive any payment or other financial benefit as a result of the proposed transaction?

__✓__ NO _____ YES. If YES, please provide details.

_____

(d) Do you or any Related Person own stock or options to purchase stock in any LHP Entity?

__✓__ NO _____ YES. If YES, please provide details.

_____

2. **Beneficial and/or Employment Interests**

(a) Since January 1, 2011, were you or any Related Person offered a position as a director or trustee of a Saint Mary's Entity, LHP Entity or the Joint Venture?

__✓__ NO _____ YES. If YES, please provide details.

_____

(b) Since January 1, 2011, were you or any Related Person offered a consulting position or employment with a Saint Mary's Entity, LHP Entity or the Joint Venture?

✓ NO _____ If YES, please provide details.

_____

(c) Since January 1, 2011, have you or any Related Person engaged in any of the following transactions with a Saint Mary's Entity or LHP Entity?

(i) Sold or transferred assets to or purchased assets from or exchanged assets.

✓ NO _____ YES. If YES, please provide details.

_____

(ii) Leased assets to or leased assets from a Saint Mary's Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

(iii) Been indebted to or loaned money to a Saint Mary's Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

(iv) Furnished or acquired goods, services or facilities to a Saint Mary's Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

I hereby attest that the following information is true and accurate to the best of my knowledge.

_____ 10/10/16

Signature Date

## Conflict of Interest/Financial Disclosure Form

The Application of the Greater Waterbury Health Network, Inc. and its Affiliates ("GWHN")and LHP Southwest Connecticut LLC, a proposed joint venture between LHP Hospital Group, Inc. and its Affiliates ("LHP") and Saint Mary's Health System, Inc. ("SMHS") (as formed, the "Joint Venture"), to the Connecticut Attorney General and the Connecticut Department of Public Health for permission to include GWHN in the Joint Venture.

This Disclosure Form is for (i) GWHN board members, (ii) experts and (iii) senior executives with managerial responsibilities who have direct involvement in the proposed joint venture transaction.

Print Name: James H. Gatling, Ph.D.

Company or Employer: Greater Waterbury Health Network

Title: Director

1. **PLEASE COMPLETE AND RETURN THIS QUESTIONNAIRE NO LATER THAN NOVEMBER 17, 2011 to BARBARA ALLVIN, THE WATERBURY HOSPITAL, 64 ROBBINS STREET, WATERBURY, CONNECTICUT EMAIL: BALLVIN@WTBYHOSP.ORG.** If you have any questions regarding the questionnaire, please call Attorney Ann Zucker, Carmody & Torrance LLP at 203.784.3108.

2. Retain a completed copy of this questionnaire for your files. If, following your return of the questionnaire, any events occur or information comes to your attention that would affect the accuracy of any of your answers in this questionnaire, please notify Ann Zucker of any such event or information as soon as possible.

---

**Definitions:**

**Related Person:** A person related to you by blood, law or marriage as a spouse, child, stepchild, parent, sibling, grandparent, grandchild or domestic partner (individual not related by blood or marriage, but currently in a committed relationship and residing in a common household sharing joint responsibility for the household), or an entity directly or indirectly controlled by you or any such person or in which you or any such person has a direct or indirect ownership interest of greater than thirty percent.

**LHP Entity:** Entity includes LHP Hospital Group, Inc., LHP Management Services, LLC; CCMP Capital Advisors, LLC; and CPP Investment Board.

**St. Mary's Entity:** Entity includes St. Mary's Health System, Inc., its subsidiaries and affiliates.

1. **Financial Interests**

(a) Do you or any Related Person (see definition on first page) have a direct or indirect ownership interest in any Saint Mary's Entity or LHP Entity (see definitions on first page)?

__X__ NO _____ YES. If YES, please note the name of the entity, ownership percentage and any income generated from the ownership or investment interest.

_____

(b) Since January 1, 2011, did you or any Related Person have a compensation arrangement, including without limitation, as a employee, consultant, contractor, with any Saint Mary's Entity or LHP Entity?

__X__ NO _____ YES. If you answered YES, please note the name of the entity and income generated from the entity.

_____

(c) Did or will you or any Related Person receive any payment or other financial benefit as a result of the proposed transaction?

__X__ NO _____ YES. If YES, please provide details.

_____

(d) Do you or any Related Person own stock or options to purchase stock in any LHP Entity?

__X__ NO _____ YES. If YES, please provide details.

_____

2. **Beneficial and/or Employment Interests**

(a) Since January 1, 2011, were you or any Related Person offered a position as a director or trustee of a Saint Mary's Entity, LHP Entity or the Joint Venture?

__X__ NO _____ YES. If YES, please provide details.

_____

(b) Since January 1, 2011, were you or any Related Person offered a consulting position or employment with a Saint Mary's Entity, LHP Entity or the Joint Venture?

__X__ NO _____ If YES, please provide details.

_____

(c) Since January 1, 2011, have you or any Related Person engaged in any of the following transactions with a Saint Mary's Entity or LHP Entity?

(i) Sold or transferred assets to or purchased assets from or exchanged assets.

__X__ NO _____ YES. If YES, please provide details.

_____

(ii) Leased assets to or leased assets from a Saint Mary's Entity or LHP Entity.

__X__ NO _____ YES. If YES, please provide details.

_____

(iii) Been indebted to or loaned money to a Saint Mary's Entity or LHP Entity.

__X__ NO _____ YES. If YES, please provide details.

_____

(iv) Furnished or acquired goods, services or facilities to a Saint Mary's Entity or LHP Entity.

__X__ NO _____ YES. If YES, please provide details.

_____

I hereby attest that the following information is true and accurate to the best of my knowledge.

James H. Galt
Signature

12-7-11
Date

## Conflict of Interest/Financial Disclosure Form

The Application of the Greater Waterbury Health Network, Inc. and its Affiliates ("GWHN")and LHP Southwest Connecticut LLC, a proposed joint venture between LHP Hospital Group, Inc. and its Affiliates ("LHP") and Saint Mary's Health System, Inc. ("SMHS") (as formed, the "Joint Venture"), to the Connecticut Attorney General and the Connecticut Department of Public Health for permission to include GWHN in the Joint Venture.

This Disclosure Form is for (i) GWHN board members, (ii) experts and (iii) senior executives with managerial responsibilities who have direct involvement in the proposed joint venture transaction.

Print Name: Mary Heffernan

Company or Employer: Tannery Lane Partners, LLC

Title: Principal

1. **PLEASE COMPLETE AND RETURN THIS QUESTIONNAIRE NO LATER THAN NOVEMBER 17, 2011 to BARBARA ALLVIN, THE WATERBURY HOSPITAL, 64 ROBBINS STREET, WATERBURY, CONNECTICUT EMAIL: BALLVIN@WTBYHOSP.ORG.** If you have any questions regarding the questionnaire, please call Attorney Ann Zucker, Carmody & Torrance LLP at 203.784.3108.

2. Retain a completed copy of this questionnaire for your files. If, following your return of the questionnaire, any events occur or information comes to your attention that would affect the accuracy of any of your answers in this questionnaire, please notify Ann Zucker of any such event or information as soon as possible.

---

**Definitions:**

**Related Person:** A person related to you by blood, law or marriage as a spouse, child, stepchild, parent, sibling, grandparent, grandchild or domestic partner (individual not related by blood or marriage, but currently in a committed relationship and residing in a common household sharing joint responsibility for the household), or an entity directly or indirectly controlled by you or any such person or in which you or any such person has a direct or indirect ownership interest of greater than thirty percent.

**LHP Entity:** Entity includes LHP Hospital Group, Inc., LHP Management Services, LLC; CCMP Capital Advisors, LLC; and CPP Investment Board.

**St. Mary's Entity:** Entity includes St. Mary's Health System, Inc., its subsidiaries and affiliates.

1. **Financial Interests**

(a) Do you or any Related Person (see definition on first page) have a direct or indirect ownership interest in any Saint Mary's Entity or LHP Entity (see definitions on first page)?

✓ NO _____ YES. If YES, please note the name of the entity, ownership percentage and any income generated from the ownership or investment interest.

_____

(b) Since January 1, 2011, did you or any Related Person have a compensation arrangement, including without limitation, as a employee, consultant, contractor, with any Saint Mary's Entity or LHP Entity?

✓ NO _____ YES. If you answered YES, please note the name of the entity and income generated from the entity.

_____

(c) Did or will you or any Related Person receive any payment or other financial benefit as a result of the proposed transaction?

✓ NO _____ YES. If YES, please provide details.

_____

(d) Do you or any Related Person own stock or options to purchase stock in any LHP Entity?

✓ NO _____ YES. If YES, please provide details.

_____

2. **Beneficial and/or Employment Interests**

(a) Since January 1, 2011, were you or any Related Person offered a position as a director or trustee of a Saint Mary's Entity, LHP Entity or the Joint Venture?

✓ NO _____ YES. If YES, please provide details.

_____

(b) Since January 1, 2011, were you or any Related Person offered a consulting position or employment with a Saint Mary's Entity, LHP Entity or the Joint Venture?

✓ NO _____ If YES, please provide details.

_____

(c) Since January 1, 2011, have you or any Related Person engaged in any of the following transactions with a Saint Mary's Entity or LHP Entity?

(i) Sold or transferred assets to or purchased assets from or exchanged assets.

✓ NO _____ YES. If YES, please provide details.

_____

(ii) Leased assets to or leased assets from a Saint Mary's Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

(iii) Been indebted to or loaned money to a Saint Mary's Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

(iv) Furnished or acquired goods, services or facilities to a Saint Mary's Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

I hereby attest that the following information is true and accurate to the best of my knowledge.

Mary M. Hefter
Signature

11/15/2011
Date

# Conflict of Interest/Financial Disclosure Form

The Application of the Greater Waterbury Health Network, Inc. and its Affiliates ("GWHN")and LHP Southwest Connecticut LLC, a proposed joint venture between LHP Hospital Group, Inc. and its Affiliates ("LHP") and Saint Mary's Health System, Inc. ("SMHS") (as formed, the "Joint Venture"), to the Connecticut Attorney General and the Connecticut Department of Public Health for permission to include GWHN in the Joint Venture.

This Disclosure Form is for (i) GWHN board members, (ii) experts and (iii) senior executives with managerial responsibilities who have direct involvement in the proposed joint venture transaction.

Print Name: Jason Horowitz

Company or Employer: Cain Brothers & Company

Title: Senior Vice President

1. **PLEASE COMPLETE AND RETURN THIS QUESTIONNAIRE NO LATER THAN NOVEMBER 17, 2011 to BARBARA ALLVIN, THE WATERBURY HOSPITAL, 64 ROBBINS STREET, WATERBURY, CONNECTICUT EMAIL: BALLVIN@WTBYHOSP.ORG.** If you have any questions regarding the questionnaire, please call Attorney Ann Zucker, Carmody & Torrance LLP at 203.784.3108.

2. Retain a completed copy of this questionnaire for your files. If, following your return of the questionnaire, any events occur or information comes to your attention that would affect the accuracy of any of your answers in this questionnaire, please notify Ann Zucker of any such event or information as soon as possible.

---

**Definitions:**

**Related Person:** A person related to you by blood, law or marriage as a spouse, child, stepchild, parent, sibling, grandparent, grandchild or domestic partner (individual not related by blood or marriage, but currently in a committed relationship and residing in a common household sharing joint responsibility for the household), or an entity directly or indirectly controlled by you or any such person or in which you or any such person has a direct or indirect ownership interest of greater than thirty percent.

**LHP Entity:** Entity includes LHP Hospital Group, Inc., LHP Management Services, LLC; CCMP Capital Advisors, LLC; and CPP Investment Board.

**St. Mary's Entity:** Entity includes St. Mary's Health System, Inc., its subsidiaries and affiliates.

1. **Financial Interests**

(a) Do you or any Related Person (see definition on first page) have a direct or indirect ownership interest in any Saint Mary's Entity or LHP Entity (see definitions on first page)?

X NO _____ YES. If YES, please note the name of the entity, ownership percentage and any income generated from the ownership or investment interest.

_____

(b) Since January 1, 2011, did you or any Related Person have a compensation arrangement, including without limitation, as a employee, consultant, contractor, with any Saint Mary's Entity or LHP Entity?

X NO _____ YES. If you answered YES, please note the name of the entity and income generated from the entity.

_____

(c) Did or will you or any Related Person receive any payment or other financial benefit as a result of the proposed transaction?

_____ NO X YES. If YES, please provide details.

If the transaction closes, Cain Brothers will receive a success Fee based on the engagement letter w/ waivers in place

(d) Do you or any Related Person own stock or options to purchase stock in any LHP Entity?

X NO _____ YES. If YES, please provide details.

_____

2. **Beneficial and/or Employment Interests**

(a) Since January 1, 2011, were you or any Related Person offered a position as a director or trustee of a Saint Mary's Entity, LHP Entity or the Joint Venture?

X NO _____ YES. If YES, please provide details.

_____

(b) Since January 1, 2011, were you or any Related Person offered a consulting position or employment with a Saint Mary's Entity, LHP Entity or the Joint Venture?

X NO _____ If YES, please provide details.

_____

(c) Since January 1, 2011, have you or any Related Person engaged in any of the following transactions with a Saint Mary's Entity or LHP Entity?

(i) Sold or transferred assets to or purchased assets from or exchanged assets.

X NO _____ YES. If YES, please provide details.

_____

(ii) Leased assets to or leased assets from a Saint Mary's Entity or LHP Entity.

X NO _____ YES. If YES, please provide details.

_____

(iii) Been indebted to or loaned money to a Saint Mary's Entity or LHP Entity.

X NO _____ YES. If YES, please provide details.

_____

(iv) Furnished or acquired goods, services or facilities to a Saint Mary's Entity or LHP Entity.

X NO _____ YES. If YES, please provide details.

_____

I hereby attest that the following information is true and accurate to the best of my knowledge.

Signature

12/8/11
Date

## Conflict of Interest/Financial Disclosure Form

The Application of the Greater Waterbury Health Network, Inc. and its Affiliates ("GWHN")and LHP Southwest Connecticut LLC, a proposed joint venture between LHP Hospital Group, Inc. and its Affiliates ("LHP") and Saint Mary's Health System, Inc. ("SMHS") (as formed, the "Joint Venture"), to the Connecticut Attorney General and the Connecticut Department of Public Health for permission to include GWHN in the Joint Venture.

This Disclosure Form is for (i) GWHN board members, (ii) experts and (iii) senior executives with managerial responsibilities who have direct involvement in the proposed joint venture transaction.

Print Name: Nichole Kim

Company or Employer: Cain Brothers

Title: Analyst

1. **PLEASE COMPLETE AND RETURN THIS QUESTIONNAIRE NO LATER THAN NOVEMBER 17, 2011 to BARBARA ALLVIN, THE WATERBURY HOSPITAL, 64 ROBBINS STREET, WATERBURY, CONNECTICUT EMAIL: BALLVIN@WTBYHOSP.ORG.** If you have any questions regarding the questionnaire, please call Attorney Ann Zucker, Carmody & Torrance LLP at 203.784.3108.

2. Retain a completed copy of this questionnaire for your files. If, following your return of the questionnaire, any events occur or information comes to your attention that would affect the accuracy of any of your answers in this questionnaire, please notify Ann Zucker of any such event or information as soon as possible.

---

**Definitions:**

**Related Person:** A person related to you by blood, law or marriage as a spouse, child, stepchild, parent, sibling, grandparent, grandchild or domestic partner (individual not related by blood or marriage, but currently in a committed relationship and residing in a common household sharing joint responsibility for the household), or an entity directly or indirectly controlled by you or any such person or in which you or any such person has a direct or indirect ownership interest of greater than thirty percent.

**LHP Entity:** Entity includes LHP Hospital Group, Inc., LHP Management Services, LLC; CCMP Capital Advisors, LLC; and CPP Investment Board.

**St. Mary's Entity:** Entity includes St. Mary's Health System, Inc., its subsidiaries and affiliates.

1. **Financial Interests**

(a) Do you or any Related Person (see definition on first page) have a direct or indirect ownership interest in any Saint Mary's Entity or LHP Entity (see definitions on first page)?

✓ NO _____ YES. If YES, please note the name of the entity, ownership percentage and any income generated from the ownership or investment interest.

_____

(b) Since January 1, 2011, did you or any Related Person have a compensation arrangement, including without limitation, as a employee, consultant, contractor, with any Saint Mary's Entity or LHP Entity?

✓ NO _____ YES. If you answered YES, please note the name of the entity and income generated from the entity.

_____

(c) Did or will you or any Related Person receive any payment or other financial benefit as a result of the proposed transaction?

✓ NO _____ YES. If YES, please provide details.

_____

(d) Do you or any Related Person own stock or options to purchase stock in any LHP Entity?

✓ NO _____ YES. If YES, please provide details.

_____

2. **Beneficial and/or Employment Interests**

(a) Since January 1, 2011, were you or any Related Person offered a position as a director or trustee of a Saint Mary's Entity, LHP Entity or the Joint Venture?

✓ NO _____ YES. If YES, please provide details.

_____

(b) Since January 1, 2011, were you or any Related Person offered a consulting position or employment with a Saint Mary's Entity, LHP Entity or the Joint Venture?

__✓__ NO _____ If YES, please provide details.

_____

(c) Since January 1, 2011, have you or any Related Person engaged in any of the following transactions with a Saint Mary's Entity or LHP Entity?

(i) Sold or transferred assets to or purchased assets from or exchanged assets.

__✓__ NO _____ YES. If YES, please provide details.

_____

(ii) Leased assets to or leased assets from a Saint Mary's Entity or LHP Entity.

__✓__ NO _____ YES. If YES, please provide details.

_____

(iii) Been indebted to or loaned money to a Saint Mary's Entity or LHP Entity.

__✓__ NO _____ YES. If YES, please provide details.

_____

(iv) Furnished or acquired goods, services or facilities to a Saint Mary's Entity or LHP Entity.

__✓__ NO _____ YES. If YES, please provide details.

_____

I hereby attest that the following information is true and accurate to the best of my knowledge.

Nichole Kim
Signature

12/22/11
Date

# Conflict of Interest/Financial Disclosure Form

The Application of the Greater Waterbury Health Network, Inc. and its Affiliates ("GWHN")and LHP Southwest Connecticut LLC, a proposed joint venture between LHP Hospital Group, Inc. and its Affiliates ("LHP") and Saint Mary's Health System, Inc. ("SMHS") (as formed, the "Joint Venture"), to the Connecticut Attorney General and the Connecticut Department of Public Health for permission to include GWHN in the Joint Venture.

This Disclosure Form is for (i) GWHN board members, (ii) experts and (iii) senior executives with managerial responsibilities who have direct involvement in the proposed joint venture transaction.

Print Name: John A. Kelly, Jr.

Company or Employer: Greater Waterbury Health Network

Title: Director

1. **PLEASE COMPLETE AND RETURN THIS QUESTIONNAIRE NO LATER THAN NOVEMBER 17, 2011 to BARBARA ALLVIN, THE WATERBURY HOSPITAL, 64 ROBBINS STREET, WATERBURY, CONNECTICUT EMAIL: BALLVIN@WTBYHOSP.ORG.** If you have any questions regarding the questionnaire, please call Attorney Ann Zucker, Carmody & Torrance LLP at 203.784.3108.

2. Retain a completed copy of this questionnaire for your files. If, following your return of the questionnaire, any events occur or information comes to your attention that would affect the accuracy of any of your answers in this questionnaire, please notify Ann Zucker of any such event or information as soon as possible.

---

**Definitions:**

**Related Person:** A person related to you by blood, law or marriage as a spouse, child, stepchild, parent, sibling, grandparent, grandchild or domestic partner (individual not related by blood or marriage, but currently in a committed relationship and residing in a common household sharing joint responsibility for the household), or an entity directly or indirectly controlled by you or any such person or in which you or any such person has a direct or indirect ownership interest of greater than thirty percent.

**LHP Entity:** Entity includes LHP Hospital Group, Inc., LHP Management Services, LLC; CCMP Capital Advisors, LLC; and CPP Investment Board.

**St. Mary's Entity:** Entity includes St. Mary's Health System, Inc., its subsidiaries and affiliates.

1. **Financial Interests**

(a) Do you or any Related Person (see definition on first page) have a direct or indirect ownership interest in any Saint Mary's Entity or LHP Entity (see definitions on first page)?

X NO _____ YES. If YES, please note the name of the entity, ownership percentage and any income generated from the ownership or investment interest.

_____

(b) Since January 1, 2011, did you or any Related Person have a compensation arrangement, including without limitation, as a employee, consultant, contractor, with any Saint Mary's Entity or LHP Entity?

X NO _____ YES. If you answered YES, please note the name of the entity and income generated from the entity.

_____

(c) Did or will you or any Related Person receive any payment or other financial benefit as a result of the proposed transaction?

X NO _____ YES. If YES, please provide details.

_____

(d) Do you or any Related Person own stock or options to purchase stock in any LHP Entity?

X NO _____ YES. If YES, please provide details.

_____

2. **Beneficial and/or Employment Interests**

(a) Since January 1, 2011, were you or any Related Person offered a position as a director or trustee of a Saint Mary's Entity, LHP Entity or the Joint Venture?

X NO _____ YES. If YES, please provide details.

_____

(b) Since January 1, 2011, were you or any Related Person offered a consulting position or employment with a Saint Mary's Entity, LHP Entity or the Joint Venture?

__X__ NO _____ If YES, please provide details.

_____

(c) Since January 1, 2011, have you or any Related Person engaged in any of the following transactions with a Saint Mary's Entity or LHP Entity?

(i) Sold or transferred assets to or purchased assets from or exchanged assets.

__X__ NO _____ YES. If YES, please provide details.

_____

(ii) Leased assets to or leased assets from a Saint Mary's Entity or LHP Entity.

__X__ NO _____ YES. If YES, please provide details.

_____

(iii) Been indebted to or loaned money to a Saint Mary's Entity or LHP Entity.

__X__ NO _____ YES. If YES, please provide details.

_____

(iv) Furnished or acquired goods, services or facilities to a Saint Mary's Entity or LHP Entity.

__X__ NO _____ YES. If YES, please provide details.

_____

I hereby attest that the following information is true and accurate to the best of my knowledge.

_____ 11 · 10 · 11

Signature Date

## Conflict of Interest/Financial Disclosure Form

The Application of the Greater Waterbury Health Network, Inc. and its Affiliates ("GWHN")and LHP Southwest Connecticut LLC, a proposed joint venture between LHP Hospital Group, Inc. and its Affiliates ("LHP") and Saint Mary's Health System, Inc. ("SMHS") (as formed, the "Joint Venture"), to the Connecticut Attorney General and the Connecticut Department of Public Health for permission to include GWHN in the Joint Venture.

This Disclosure Form is for (i) GWHN board members, (ii) experts and (iii) senior executives with managerial responsibilities who have direct involvement in the proposed joint venture transaction.

Print Name: Craig Leroy

Company or Employer: Roy & Leroy

Title: PARTNER

1. **PLEASE COMPLETE AND RETURN THIS QUESTIONNAIRE NO LATER THAN NOVEMBER 17, 2011 to BARBARA ALLVIN, THE WATERBURY HOSPITAL, 64 ROBBINS STREET, WATERBURY, CONNECTICUT EMAIL: BALLVIN@WTBYHOSP.ORG.** If you have any questions regarding the questionnaire, please call Attorney Ann Zucker, Carmody & Torrance LLP at 203.784.3108.

2. Retain a completed copy of this questionnaire for your files. If, following your return of the questionnaire, any events occur or information comes to your attention that would affect the accuracy of any of your answers in this questionnaire, please notify Ann Zucker of any such event or information as soon as possible.

---

**Definitions:**

**Related Person:** A person related to you by blood, law or marriage as a spouse, child, stepchild, parent, sibling, grandparent, grandchild or domestic partner (individual not related by blood or marriage, but currently in a committed relationship and residing in a common household sharing joint responsibility for the household), or an entity directly or indirectly controlled by you or any such person or in which you or any such person has a direct or indirect ownership interest of greater than thirty percent.

**LHP Entity:** Entity includes LHP Hospital Group, Inc., LHP Management Services, LLC; CCMP Capital Advisors, LLC; and CPP Investment Board.

**St. Mary's Entity:** Entity includes St. Mary's Health System, Inc., its subsidiaries and affiliates.

1. **Financial Interests**

(a) Do you or any Related Person (see definition on first page) have a direct or indirect ownership interest in any Saint Mary's Entity or LHP Entity (see definitions on first page)?

____ NO ____ YES. If YES, please note the name of the entity, ownership percentage and any income generated from the ownership or investment interest.

_____

(b) Since January 1, 2011, did you or any Related Person have a compensation arrangement, including without limitation, as a employee, consultant, contractor, with any Saint Mary's Entity or LHP Entity?

____ NO ____ YES. If you answered YES, please note the name of the entity and income generated from the entity.

_____

(c) Did or will you or any Related Person receive any payment or other financial benefit as a result of the proposed transaction?

____ NO ____ YES. If YES, please provide details.

_____

(d) Do you or any Related Person own stock or options to purchase stock in any LHP Entity?

____ NO ____ YES. If YES, please provide details.

_____

2. **Beneficial and/or Employment Interests**

(a) Since January 1, 2011, were you or any Related Person offered a position as a director or trustee of a Saint Mary's Entity, LHP Entity or the Joint Venture?

____ NO ____ YES. If YES, please provide details.

_____

(b) Since January 1, 2011, were you or any Related Person offered a consulting position or employment with a Saint Mary's Entity, LHP Entity or the Joint Venture?

_____ NO _____ If YES, please provide details.

_____

(c) Since January 1, 2011, have you or any Related Person engaged in any of the following transactions with a Saint Mary's Entity or LHP Entity?

(i) Sold or transferred assets to or purchased assets from or exchanged assets.

_____ NO _____ YES. If YES, please provide details.

_____

(ii) Leased assets to or leased assets from a Saint Mary's Entity or LHP Entity.

_____ NO _____ YES. If YES, please provide details.

_____

(iii) Been indebted to or loaned money to a Saint Mary's Entity or LHP Entity.

_____ NO _____ YES. If YES, please provide details.

_____

(iv) Furnished or acquired goods, services or facilities to a Saint Mary's Entity or LHP Entity.

_____ NO _____ YES. If YES, please provide details.

_____

I hereby attest that the following information is true and accurate to the best of my knowledge.

H. G. [illegible]
Signature

11/16/11
Date

## Conflict of Interest/Financial Disclosure Form

The Application of the Greater Waterbury Health Network, Inc. and its Affiliates ("GWHN")and LHP Southwest Connecticut LLC, a proposed joint venture between LHP Hospital Group, Inc. and its Affiliates ("LHP") and Saint Mary's Health System, Inc. ("SMHS") (as formed, the "Joint Venture"), to the Connecticut Attorney General and the Connecticut Department of Public Health for permission to include GWHN in the Joint Venture.

This Disclosure Form is for (i) GWHN board members, (ii) experts and (iii) senior executives with managerial responsibilities who have direct involvement in the proposed joint venture transaction.

Print Name: Frederick L. Luedke

Company or Employer: Greater Waterbury Health Network

Title: Director

1. **PLEASE COMPLETE AND RETURN THIS QUESTIONNAIRE NO LATER THAN NOVEMBER 17, 2011 to BARBARA ALLVIN, THE WATERBURY HOSPITAL, 64 ROBBINS STREET, WATERBURY, CONNECTICUT EMAIL: BALLVIN@WTBYHOSP.ORG.** If you have any questions regarding the questionnaire, please call Attorney Ann Zucker, Carmody & Torrance LLP at 203.784.3108.

2. Retain a completed copy of this questionnaire for your files. If, following your return of the questionnaire, any events occur or information comes to your attention that would affect the accuracy of any of your answers in this questionnaire, please notify Ann Zucker of any such event or information as soon as possible.

---

**Definitions:**

**Related Person:** A person related to you by blood, law or marriage as a spouse, child, stepchild, parent, sibling, grandparent, grandchild or domestic partner (individual not related by blood or marriage, but currently in a committed relationship and residing in a common household sharing joint responsibility for the household), or an entity directly or indirectly controlled by you or any such person or in which you or any such person has a direct or indirect ownership interest of greater than thirty percent.

**LHP Entity:** Entity includes LHP Hospital Group, Inc., LHP Management Services, LLC; CCMP Capital Advisors, LLC; and CPP Investment Board.

**St. Mary's Entity:** Entity includes St. Mary's Health System, Inc., its subsidiaries and affiliates.

1. **Financial Interests**

(a) Do you or any Related Person (see definition on first page) have a direct or indirect ownership interest in any Saint Mary's Entity or LHP Entity (see definitions on first page)?

_X_ NO _____ YES. If YES, please note the name of the entity, ownership percentage and any income generated from the ownership or investment interest.

_____

(b) Since January 1, 2011, did you or any Related Person have a compensation arrangement, including without limitation, as a employee, consultant, contractor, with any Saint Mary's Entity or LHP Entity?

_X_ NO _____ YES. If you answered YES, please note the name of the entity and income generated from the entity.

_____

(c) Did or will you or any Related Person receive any payment or other financial benefit as a result of the proposed transaction?

_X_ NO _____ YES. If YES, please provide details.

_____

(d) Do you or any Related Person own stock or options to purchase stock in any LHP Entity?

_X_ NO _____ YES. If YES, please provide details.

_____

2. **Beneficial and/or Employment Interests**

(a) Since January 1, 2011, were you or any Related Person offered a position as a director or trustee of a Saint Mary's Entity, LHP Entity or the Joint Venture?

_X_ NO _____ YES. If YES, please provide details.

_____

(b) Since January 1, 2011, were you or any Related Person offered a consulting position or employment with a Saint Mary's Entity, LHP Entity or the Joint Venture?

X NO _____ If YES, please provide details.

_____

(c) Since January 1, 2011, have you or any Related Person engaged in any of the following transactions with a Saint Mary's Entity or LHP Entity?

(i) Sold or transferred assets to or purchased assets from or exchanged assets.

X NO _____ YES. If YES, please provide details.

_____

(ii) Leased assets to or leased assets from a Saint Mary's Entity or LHP Entity.

X NO _____ YES. If YES, please provide details.

_____

(iii) Been indebted to or loaned money to a Saint Mary's Entity or LHP Entity.

X NO _____ YES. If YES, please provide details.

_____

(iv) Furnished or acquired goods, services or facilities to a Saint Mary's Entity or LHP Entity.

X NO _____ YES. If YES, please provide details.

_____

I hereby attest that the following information is true and accurate to the best of my knowledge.

Signature _____ Date 11/17/11

## Conflict of Interest/Financial Disclosure Form

The Application of the Greater Waterbury Health Network, Inc. and its Affiliates ("GWHN")and LHP Southwest Connecticut LLC, a proposed joint venture between LHP Hospital Group, Inc. and its Affiliates ("LHP") and Saint Mary's Health System, Inc. ("SMHS") (as formed, the "Joint Venture"), to the Connecticut Attorney General and the Connecticut Department of Public Health for permission to include GWHN in the Joint Venture.

This Disclosure Form is for (i) GWHN board members, (ii) experts and (iii) senior executives with managerial responsibilities who have direct involvement in the proposed joint venture transaction.

Print Name: Patricia McKinley

Company or Employer: Greater Waterbury Health Network

Title: Director

1. **PLEASE COMPLETE AND RETURN THIS QUESTIONNAIRE NO LATER THAN NOVEMBER 17, 2011 to BARBARA ALLVIN, THE WATERBURY HOSPITAL, 64 ROBBINS STREET, WATERBURY, CONNECTICUT EMAIL: BALLVIN@WTBYHOSP.ORG.** If you have any questions regarding the questionnaire, please call Attorney Ann Zucker, Carmody & Torrance LLP at 203.784.3108.

2. Retain a completed copy of this questionnaire for your files. If, following your return of the questionnaire, any events occur or information comes to your attention that would affect the accuracy of any of your answers in this questionnaire, please notify Ann Zucker of any such event or information as soon as possible.

---

**Definitions:**

**Related Person:** A person related to you by blood, law or marriage as a spouse, child, stepchild, parent, sibling, grandparent, grandchild or domestic partner (individual not related by blood or marriage, but currently in a committed relationship and residing in a common household sharing joint responsibility for the household), or an entity directly or indirectly controlled by you or any such person or in which you or any such person has a direct or indirect ownership interest of greater than thirty percent.

**LHP Entity:** Entity includes LHP Hospital Group, Inc., LHP Management Services, LLC; CCMP Capital Advisors, LLC; and CPP Investment Board.

**St. Mary's Entity:** Entity includes St. Mary's Health System, Inc., its subsidiaries and affiliates.

1. **Financial Interests**

(a) Do you or any Related Person (see definition on first page) have a direct or indirect ownership interest in any Saint Mary's Entity or LHP Entity (see definitions on first page)?

_✓_ NO _____ YES. If YES, please note the name of the entity, ownership percentage and any income generated from the ownership or investment interest.

_____

(b) Since January 1, 2011, did you or any Related Person have a compensation arrangement, including without limitation, as a employee, consultant, contractor, with any Saint Mary's Entity or LHP Entity?

_✓_ NO _____ YES. If you answered YES, please note the name of the entity and income generated from the entity.

_____

(c) Did or will you or any Related Person receive any payment or other financial benefit as a result of the proposed transaction?

_✓_ NO _____ YES. If YES, please provide details.

_____

(d) Do you or any Related Person own stock or options to purchase stock in any LHP Entity?

_✓_ NO _____ YES. If YES, please provide details.

_____

2. **Beneficial and/or Employment Interests**

(a) Since January 1, 2011, were you or any Related Person offered a position as a director or trustee of a Saint Mary's Entity, LHP Entity or the Joint Venture?

_✓_ NO _____ YES. If YES, please provide details.

_____

(b) Since January 1, 2011, were you or any Related Person offered a consulting position or employment with a Saint Mary's Entity, LHP Entity or the Joint Venture?

_✓_ NO _____ If YES, please provide details.

_____

(c) Since January 1, 2011, have you or any Related Person engaged in any of the following transactions with a Saint Mary's Entity or LHP Entity?

(i) Sold or transferred assets to or purchased assets from or exchanged assets.

_✓_ NO _____ YES. If YES, please provide details.

_____

(ii) Leased assets to or leased assets from a Saint Mary's Entity or LHP Entity.

_✓_ NO _____ YES. If YES, please provide details.

_____

(iii) Been indebted to or loaned money to a Saint Mary's Entity or LHP Entity.

_✓_ NO _____ YES. If YES, please provide details.

_____

(iv) Furnished or acquired goods, services or facilities to a Saint Mary's Entity or LHP Entity.

_✓_ NO _____ YES. If YES, please provide details.

_____

I hereby attest that the following information is true and accurate to the best of my knowledge.

Patricia A. McKinley
Signature

November 14, 2011
Date

## Conflict of Interest/Financial Disclosure Form

The Application of the Greater Waterbury Health Network, Inc. and its Affiliates ("GWHN")and LHP Southwest Connecticut LLC, a proposed joint venture between LHP Hospital Group, Inc. and its Affiliates ("LHP") and Saint Mary's Health System, Inc. ("SMHS") (as formed, the "Joint Venture"), to the Connecticut Attorney General and the Connecticut Department of Public Health for permission to include GWHN in the Joint Venture.

This Disclosure Form is for (i) GWHN board members, (ii) experts and (iii) senior executives with managerial responsibilities who have direct involvement in the proposed joint venture transaction.

Print Name: John A. Michaels

Company or Employer: Greater Waterbury Health Network

Title: Director

1. **PLEASE COMPLETE AND RETURN THIS QUESTIONNAIRE NO LATER THAN NOVEMBER 17, 2011 to BARBARA ALLVIN, THE WATERBURY HOSPITAL, 64 ROBBINS STREET, WATERBURY, CONNECTICUT EMAIL: BALLVIN@WTBYHOSP.ORG.** If you have any questions regarding the questionnaire, please call Attorney Ann Zucker, Carmody & Torrance LLP at 203.784.3108.

2. Retain a completed copy of this questionnaire for your files. If, following your return of the questionnaire, any events occur or information comes to your attention that would affect the accuracy of any of your answers in this questionnaire, please notify Ann Zucker of any such event or information as soon as possible.

---

**Definitions:**

**Related Person:** A person related to you by blood, law or marriage as a spouse, child, stepchild, parent, sibling, grandparent, grandchild or domestic partner (individual not related by blood or marriage, but currently in a committed relationship and residing in a common household sharing joint responsibility for the household), or an entity directly or indirectly controlled by you or any such person or in which you or any such person has a direct or indirect ownership interest of greater than thirty percent.

**LHP Entity:** Entity includes LHP Hospital Group, Inc., LHP Management Services, LLC; CCMP Capital Advisors, LLC; and CPP Investment Board.

**St. Mary's Entity:** Entity includes St. Mary's Health System, Inc., its subsidiaries and affiliates.

1. **Financial Interests**

(a) Do you or any Related Person (see definition on first page) have a direct or indirect ownership interest in any Saint Mary's Entity or LHP Entity (see definitions on first page)?

✓ NO _____ YES. If YES, please note the name of the entity, ownership percentage and any income generated from the ownership or investment interest.

_____

(b) Since January 1, 2011, did you or any Related Person have a compensation arrangement, including without limitation, as a employee, consultant, contractor, with any Saint Mary's Entity or LHP Entity?

✓ NO _____ YES. If you answered YES, please note the name of the entity and income generated from the entity.

_____

(c) Did or will you or any Related Person receive any payment or other financial benefit as a result of the proposed transaction?

✓ NO _____ YES. If YES, please provide details.

_____

(d) Do you or any Related Person own stock or options to purchase stock in any LHP Entity?

✓ NO _____ YES. If YES, please provide details.

_____

2. **Beneficial and/or Employment Interests**

(a) Since January 1, 2011, were you or any Related Person offered a position as a director or trustee of a Saint Mary's Entity, LHP Entity or the Joint Venture?

✓ NO _____ YES. If YES, please provide details.

_____

(b) Since January 1, 2011, were you or any Related Person offered a consulting position or employment with a Saint Mary's Entity, LHP Entity or the Joint Venture?

✓ NO _____ If YES, please provide details.

_____

(c) Since January 1, 2011, have you or any Related Person engaged in any of the following transactions with a Saint Mary's Entity or LHP Entity?

(i) Sold or transferred assets to or purchased assets from or exchanged assets.

✓ NO _____ YES. If YES, please provide details.

_____

(ii) Leased assets to or leased assets from a Saint Mary's Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

(iii) Been indebted to or loaned money to a Saint Mary's Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

(iv) Furnished or acquired goods, services or facilities to a Saint Mary's Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

I hereby attest that the following information is true and accurate to the best of my knowledge.

_____ _____

Signature Date 11/10/11

# Conflict of Interest/Financial Disclosure Form

The Application of the Greater Waterbury Health Network, Inc. and its Affiliates ("GWHN")and LHP Southwest Connecticut LLC, a proposed joint venture between LHP Hospital Group, Inc. and its Affiliates ("LHP") and Saint Mary's Health System, Inc. ("SMHS") (as formed, the "Joint Venture"), to the Connecticut Attorney General and the Connecticut Department of Public Health for permission to include GWHN in the Joint Venture.

This Disclosure Form is for (i) GWHN board members, (ii) experts and (iii) senior executives with managerial responsibilities who have direct involvement in the proposed joint venture transaction.

Print Name: David Pizzuto, M.D.

Company or Employer: Greater Waterbury Health Network

Title: Director

1. **PLEASE COMPLETE AND RETURN THIS QUESTIONNAIRE NO LATER THAN NOVEMBER 17, 2011 to BARBARA ALLVIN, THE WATERBURY HOSPITAL, 64 ROBBINS STREET, WATERBURY, CONNECTICUT EMAIL: BALLVIN@WTBYHOSP.ORG.** If you have any questions regarding the questionnaire, please call Attorney Ann Zucker, Carmody & Torrance LLP at 203.784.3108.

2. Retain a completed copy of this questionnaire for your files. If, following your return of the questionnaire, any events occur or information comes to your attention that would affect the accuracy of any of your answers in this questionnaire, please notify Ann Zucker of any such event or information as soon as possible.

---

**Definitions:**

**Related Person:** A person related to you by blood, law or marriage as a spouse, child, stepchild, parent, sibling, grandparent, grandchild or domestic partner (individual not related by blood or marriage, but currently in a committed relationship and residing in a common household sharing joint responsibility for the household), or an entity directly or indirectly controlled by you or any such person or in which you or any such person has a direct or indirect ownership interest of greater than thirty percent.

**LHP Entity:** Entity includes LHP Hospital Group, Inc., LHP Management Services, LLC; CCMP Capital Advisors, LLC; and CPP Investment Board.

**St. Mary's Entity:** Entity includes St. Mary's Health System, Inc., its subsidiaries and affiliates.

1. **Financial Interests**

(a) Do you or any Related Person (see definition on first page) have a direct or indirect ownership interest in any Saint Mary's Entity or LHP Entity (see definitions on first page)?

✓ NO _____ YES. If YES, please note the name of the entity, ownership percentage and any income generated from the ownership or investment interest.

_____

(b) Since January 1, 2011, did you or any Related Person have a compensation arrangement, including without limitation, as a employee, consultant, contractor, with any Saint Mary's Entity or LHP Entity?

✓ NO _____ YES. If you answered YES, please note the name of the entity and income generated from the entity.

_____

(c) Did or will you or any Related Person receive any payment or other financial benefit as a result of the proposed transaction?

✓ NO _____ YES. If YES, please provide details.

_____

(d) Do you or any Related Person own stock or options to purchase stock in any LHP Entity?

✓ NO _____ YES. If YES, please provide details.

_____

2. **Beneficial and/or Employment Interests**

(a) Since January 1, 2011, were you or any Related Person offered a position as a director or trustee of a Saint Mary's Entity, LHP Entity or the Joint Venture?

✓ NO _____ YES. If YES, please provide details.

_____

(b) Since January 1, 2011, were you or any Related Person offered a consulting position or employment with a Saint Mary's Entity, LHP Entity or the Joint Venture?

✓ NO _____ If YES, please provide details.

_____

(c) Since January 1, 2011, have you or any Related Person engaged in any of the following transactions with a Saint Mary's Entity or LHP Entity?

(i) Sold or transferred assets to or purchased assets from or exchanged assets.

✓ NO _____ YES. If YES, please provide details.

_____

(ii) Leased assets to or leased assets from a Saint Mary's Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

(iii) Been indebted to or loaned money to a Saint Mary's Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

(iv) Furnished or acquired goods, services or facilities to a Saint Mary's Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

I hereby attest that the following information is true and accurate to the best of my knowledge.

_____ 11-10-11

Signature Date

# Conflict of Interest/Financial Disclosure Form

The Application of the Greater Waterbury Health Network, Inc. and its Affiliates ("GWHN")and LHP Southwest Connecticut LLC, a proposed joint venture between LHP Hospital Group, Inc. and its Affiliates ("LHP") and Saint Mary's Health System, Inc. ("SMHS") (as formed, the "Joint Venture"), to the Connecticut Attorney General and the Connecticut Department of Public Health for permission to include GWHN in the Joint Venture.

This Disclosure Form is for (i) GWHN board members, (ii) experts and (iii) senior executives with managerial responsibilities who have direct involvement in the proposed joint venture transaction.

Print Name: William J. Pizzuto, Ph.D.

Company or Employer: Greater Waterbury Health Network

Title: Director

1. **PLEASE COMPLETE AND RETURN THIS QUESTIONNAIRE NO LATER THAN NOVEMBER 17, 2011 to BARBARA ALLVIN, THE WATERBURY HOSPITAL, 64 ROBBINS STREET, WATERBURY, CONNECTICUT EMAIL: BALLVIN@WTBYHOSP.ORG.** If you have any questions regarding the questionnaire, please call Attorney Ann Zucker, Carmody & Torrance LLP at 203.784.3108.

2. Retain a completed copy of this questionnaire for your files. If, following your return of the questionnaire, any events occur or information comes to your attention that would affect the accuracy of any of your answers in this questionnaire, please notify Ann Zucker of any such event or information as soon as possible.

---

**Definitions:**

**Related Person:** A person related to you by blood, law or marriage as a spouse, child, stepchild, parent, sibling, grandparent, grandchild or domestic partner (individual not related by blood or marriage, but currently in a committed relationship and residing in a common household sharing joint responsibility for the household), or an entity directly or indirectly controlled by you or any such person or in which you or any such person has a direct or indirect ownership interest of greater than thirty percent.

**LHP Entity:** Entity includes LHP Hospital Group, Inc., LHP Management Services, LLC; CCMP Capital Advisors, LLC; and CPP Investment Board.

**St. Mary's Entity:** Entity includes St. Mary's Health System, Inc., its subsidiaries and affiliates.

1. **Financial Interests**

(a) Do you or any Related Person (see definition on first page) have a direct or indirect ownership interest in any Saint Mary's Entity or LHP Entity (see definitions on first page)?

__✓__ NO _____ YES. If YES, please note the name of the entity, ownership percentage and any income generated from the ownership or investment interest.

_____

(b) Since January 1, 2011, did you or any Related Person have a compensation arrangement, including without limitation, as a employee, consultant, contractor, with any Saint Mary's Entity or LHP Entity?

__✓__ NO _____ YES. If you answered YES, please note the name of the entity and income generated from the entity.

_____

(c) Did or will you or any Related Person receive any payment or other financial benefit as a result of the proposed transaction?

__✓__ NO _____ YES. If YES, please provide details.

_____

(d) Do you or any Related Person own stock or options to purchase stock in any LHP Entity?

__✓__ NO _____ YES. If YES, please provide details.

_____

2. **Beneficial and/or Employment Interests**

(a) Since January 1, 2011, were you or any Related Person offered a position as a director or trustee of a Saint Mary's Entity, LHP Entity or the Joint Venture?

__✓__ NO _____ YES. If YES, please provide details.

_____

(b) Since January 1, 2011, were you or any Related Person offered a consulting position or employment with a Saint Mary's Entity, LHP Entity or the Joint Venture?

✓ NO _____ If YES, please provide details.

_____

(c) Since January 1, 2011, have you or any Related Person engaged in any of the following transactions with a Saint Mary's Entity or LHP Entity?

(i) Sold or transferred assets to or purchased assets from or exchanged assets.

✓ NO _____ YES. If YES, please provide details.

_____

(ii) Leased assets to or leased assets from a Saint Mary's Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

(iii) Been indebted to or loaned money to a Saint Mary's Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

(iv) Furnished or acquired goods, services or facilities to a Saint Mary's Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

I hereby attest that the following information is true and accurate to the best of my knowledge.

William Knight
Signature

11/14/11
Date

## Conflict of Interest/Financial Disclosure Form

The Application of the Greater Waterbury Health Network, Inc. and its Affiliates ("GWHN")and LHP Southwest Connecticut LLC, a proposed joint venture between LHP Hospital Group, Inc. and its Affiliates ("LHP") and Saint Mary's Health System, Inc. ("SMHS") (as formed, the "Joint Venture"), to the Connecticut Attorney General and the Connecticut Department of Public Health for permission to include GWHN in the Joint Venture.

This Disclosure Form is for (i) GWHN board members, (ii) experts and (iii) senior executives with managerial responsibilities who have direct involvement in the proposed joint venture transaction.

Print Name: Carl B. Sherter, M.D.

Company or Employer: Greater Waterbury Health Network

Title: Director

1. **PLEASE COMPLETE AND RETURN THIS QUESTIONNAIRE NO LATER THAN NOVEMBER 17, 2011 to BARBARA ALLVIN, THE WATERBURY HOSPITAL, 64 ROBBINS STREET, WATERBURY, CONNECTICUT EMAIL: BALLVIN@WTBYHOSP.ORG.** If you have any questions regarding the questionnaire, please call Attorney Ann Zucker, Carmody & Torrance LLP at 203.784.3108.

2. Retain a completed copy of this questionnaire for your files. If, following your return of the questionnaire, any events occur or information comes to your attention that would affect the accuracy of any of your answers in this questionnaire, please notify Ann Zucker of any such event or information as soon as possible.

---

**Definitions:**

**Related Person:** A person related to you by blood, law or marriage as a spouse, child, stepchild, parent, sibling, grandparent, grandchild or domestic partner (individual not related by blood or marriage, but currently in a committed relationship and residing in a common household sharing joint responsibility for the household), or an entity directly or indirectly controlled by you or any such person or in which you or any such person has a direct or indirect ownership interest of greater than thirty percent.

**LHP Entity:** Entity includes LHP Hospital Group, Inc., LHP Management Services, LLC; CCMP Capital Advisors, LLC; and CPP Investment Board.

**St. Mary's Entity:** Entity includes St. Mary's Health System, Inc., its subsidiaries and affiliates.

1. **Financial Interests**

(a) Do you or any Related Person (see definition on first page) have a direct or indirect ownership interest in any Saint Mary's Entity or LHP Entity (see definitions on first page)?

✓ NO _____ YES. If YES, please note the name of the entity, ownership percentage and any income generated from the ownership or investment interest.

_____

(b) Since January 1, 2011, did you or any Related Person have a compensation arrangement, including without limitation, as a employee, consultant, contractor, with any Saint Mary's Entity or LHP Entity?

✓ NO _____ YES. If you answered YES, please note the name of the entity and income generated from the entity.

_____

(c) Did or will you or any Related Person receive any payment or other financial benefit as a result of the proposed transaction?

✓ NO _____ YES. If YES, please provide details.

_____

(d) Do you or any Related Person own stock or options to purchase stock in any LHP Entity?

✓ NO _____ YES. If YES, please provide details.

_____

2. **Beneficial and/or Employment Interests**

(a) Since January 1, 2011, were you or any Related Person offered a position as a director or trustee of a Saint Mary's Entity, LHP Entity or the Joint Venture?

✓ NO _____ YES. If YES, please provide details.

_____

(b) Since January 1, 2011, were you or any Related Person offered a consulting position or employment with a Saint Mary's Entity, LHP Entity or the Joint Venture?

✓ NO _____ If YES, please provide details.

_____

(c) Since January 1, 2011, have you or any Related Person engaged in any of the following transactions with a Saint Mary's Entity or LHP Entity?

(i) Sold or transferred assets to or purchased assets from or exchanged assets.

✓ NO _____ YES. If YES, please provide details.

_____

(ii) Leased assets to or leased assets from a Saint Mary's Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

(iii) Been indebted to or loaned money to a Saint Mary's Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

(iv) Furnished or acquired goods, services or facilities to a Saint Mary's Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

I hereby attest that the following information is true and accurate to the best of my knowledge.

Carl Shertzer MD
Signature

11/11/11
Date

## Conflict of Interest/Financial Disclosure Form

The Application of the Greater Waterbury Health Network, Inc. and its Affiliates ("GWHN")and LHP Southwest Connecticut LLC, a proposed joint venture between LHP Hospital Group, Inc. and its Affiliates ("LHP") and Saint Mary's Health System, Inc. ("SMHS") (as formed, the "Joint Venture"), to the Connecticut Attorney General and the Connecticut Department of Public Health for permission to include GWHN in the Joint Venture.

This Disclosure Form is for (i) GWHN board members, (ii) experts and (iii) senior executives with managerial responsibilities who have direct involvement in the proposed joint venture transaction.

Print Name: Pat Simers

Company or Employer: Principle Valuations

Title: _____

1. **PLEASE COMPLETE AND RETURN THIS QUESTIONNAIRE NO LATER THAN NOVEMBER 17, 2011 to BARBARA ALLVIN, THE WATERBURY HOSPITAL, 64 ROBBINS STREET, WATERBURY, CONNECTICUT EMAIL: BALLVIN@WTBYHOSP.ORG.** If you have any questions regarding the questionnaire, please call Attorney Ann Zucker, Carmody & Torrance LLP at 203.784.3108.

2. Retain a completed copy of this questionnaire for your files. If, following your return of the questionnaire, any events occur or information comes to your attention that would affect the accuracy of any of your answers in this questionnaire, please notify Ann Zucker of any such event or information as soon as possible.

---

**Definitions:**

**Related Person:** A person related to you by blood, law or marriage as a spouse, child, stepchild, parent, sibling, grandparent, grandchild or domestic partner (individual not related by blood or marriage, but currently in a committed relationship and residing in a common household sharing joint responsibility for the household), or an entity directly or indirectly controlled by you or any such person or in which you or any such person has a direct or indirect ownership interest of greater than thirty percent.

**LHP Entity:** Entity includes LHP Hospital Group, Inc., LHP Management Services, LLC; CCMP Capital Advisors, LLC; and CPP Investment Board.

**St. Mary's Entity:** Entity includes St. Mary's Health System, Inc., its subsidiaries and affiliates.

1. **Financial Interests**

(a) Do you or any Related Person (see definition on first page) have a direct or indirect ownership interest in any Saint Mary's Entity or LHP Entity (see definitions on first page)?

_X_ NO _____ YES. If YES, please note the name of the entity, ownership percentage and any income generated from the ownership or investment interest.

_____

(b) Since January 1, 2011, did you or any Related Person have a compensation arrangement, including without limitation, as a employee, consultant, contractor, with any Saint Mary's Entity or LHP Entity?

_X_ NO _____ YES. If you answered YES, please note the name of the entity and income generated from the entity.

_____

(c) Did or will you or any Related Person receive any payment or other financial benefit as a result of the proposed transaction?

_X_ NO _____ YES. If YES, please provide details.

_____

(d) Do you or any Related Person own stock or options to purchase stock in any LHP Entity?

_X_ NO _____ YES. If YES, please provide details.

_____

2. **Beneficial and/or Employment Interests**

(a) Since January 1, 2011, were you or any Related Person offered a position as a director or trustee of a Saint Mary's Entity, LHP Entity or the Joint Venture?

_X_ NO _____ YES. If YES, please provide details.

_____

(b) Since January 1, 2011, were you or any Related Person offered a consulting position or employment with a Saint Mary's Entity, LHP Entity or the Joint Venture?

_X_ NO _____ If YES, please provide details.

_____

(c) Since January 1, 2011, have you or any Related Person engaged in any of the following transactions with a Saint Mary's Entity or LHP Entity?

(i) Sold or transferred assets to or purchased assets from or exchanged assets.

_X_ NO _____ YES. If YES, please provide details.

_____

(ii) Leased assets to or leased assets from a Saint Mary's Entity or LHP Entity.

_X_ NO _____ YES. If YES, please provide details.

_____

(iii) Been indebted to or loaned money to a Saint Mary's Entity or LHP Entity.

_X_ NO _____ YES. If YES, please provide details.

_____

(iv) Furnished or acquired goods, services or facilities to a Saint Mary's Entity or LHP Entity.

_X_ NO _____ YES. If YES, please provide details.

_____

I hereby attest that the following information is true and accurate to the best of my knowledge.

Patrick J Lemieux
Signature

11-18-2011
Date

CARMODY & TORRANCE

Carmody & Torrance LLP ▪ Attorneys at Law
Waterbury ▪ New Haven ▪ Southbury

Matthew H. Gaul
Associate
Direct: 203-784-3106
mgaul@carmodylaw.com

November 11, 2011

Patrick Simers
Principle Valuation
230 West Monroe Street, #2540
Chicago, IL 60606

**Re: Conflict of Interest Questionnaire**

Dear Mr. Simers:

Enclosed is a conflict of interest and financial disclosure form necessary as part of the Attorney General's review and approval process of the proposed joint venture transaction between the Greater Waterbury Health Network, Inc. and LHP Hospital Group, Inc. and its affiliates. Please complete the enclosed form and return it to Barbara Allvin in the enclosed self-addressed stamped envelope. Thank you for your prompt attention to this form. **It is important to receive your response no later than November 18, 2011.**

If you have any questions about the content of this form, please feel free to contact Ann Zucker at (203) 784-3108.

Very truly yours,

Matthew H. Gaul

MHG:ag
Enclosures

{N0901046}



195 Church Street ▪ P.O. Box 1950 ▪ New Haven, CT 06509-1950 ▪ Phone: 203-777-5501 ▪ Fax: 203-784-3199 ▪ www.carmodylaw.com

## Conflict of Interest/Financial Disclosure Form

The Application of the Greater Waterbury Health Network, Inc. and its Affiliates ("GWHN")and LHP Southwest Connecticut LLC, a proposed joint venture between LHP Hospital Group, Inc. and its Affiliates ("LHP") and Saint Mary's Health System, Inc. ("SMHS") (as formed, the "Joint Venture"), to the Connecticut Attorney General and the Connecticut Department of Public Health for permission to include GWHN in the Joint Venture.

This Disclosure Form is for (i) GWHN board members, (ii) experts and (iii) senior executives with managerial responsibilities who have direct involvement in the proposed joint venture transaction.

Print Name: Andrew K. Skipp

Company or Employer: Greater Waterbury Health Network

Title: Secretary, Director

1. **PLEASE COMPLETE AND RETURN THIS QUESTIONNAIRE NO LATER THAN NOVEMBER 17, 2011 to BARBARA ALLVIN, THE WATERBURY HOSPITAL, 64 ROBBINS STREET, WATERBURY, CONNECTICUT EMAIL: BALLVIN@WTBYHOSP.ORG.** If you have any questions regarding the questionnaire, please call Attorney Ann Zucker, Carmody & Torrance LLP at 203.784.3108.

2. Retain a completed copy of this questionnaire for your files. If, following your return of the questionnaire, any events occur or information comes to your attention that would affect the accuracy of any of your answers in this questionnaire, please notify Ann Zucker of any such event or information as soon as possible.

---

**Definitions:**

**Related Person:** A person related to you by blood, law or marriage as a spouse, child, stepchild, parent, sibling, grandparent, grandchild or domestic partner (individual not related by blood or marriage, but currently in a committed relationship and residing in a common household sharing joint responsibility for the household), or an entity directly or indirectly controlled by you or any such person or in which you or any such person has a direct or indirect ownership interest of greater than thirty percent.

**LHP Entity:** Entity includes LHP Hospital Group, Inc., LHP Management Services, LLC; CCMP Capital Advisors, LLC; and CPP Investment Board.

**St. Mary's Entity:** Entity includes St. Mary's Health System, Inc., its subsidiaries and affiliates.

1. **Financial Interests**

(a) Do you or any Related Person (see definition on first page) have a direct or indirect ownership interest in any Saint Mary's Entity or LHP Entity (see definitions on first page)?

✓ NO _____ YES. If YES, please note the name of the entity, ownership percentage and any income generated from the ownership or investment interest.

_____

(b) Since January 1, 2011, did you or any Related Person have a compensation arrangement, including without limitation, as a employee, consultant, contractor, with any Saint Mary's Entity or LHP Entity?

✓ NO _____ YES. If you answered YES, please note the name of the entity and income generated from the entity.

_____

(c) Did or will you or any Related Person receive any payment or other financial benefit as a result of the proposed transaction?

✓ NO _____ YES. If YES, please provide details.

_____

(d) Do you or any Related Person own stock or options to purchase stock in any LHP Entity?

✓ NO _____ YES. If YES, please provide details.

_____

2. **Beneficial and/or Employment Interests**

(a) Since January 1, 2011, were you or any Related Person offered a position as a director or trustee of a Saint Mary's Entity, LHP Entity or the Joint Venture?

✓ NO _____ YES. If YES, please provide details.

_____

(b) Since January 1, 2011, were you or any Related Person offered a consulting position or employment with a Saint Mary's Entity, LHP Entity or the Joint Venture?

✓ NO _____ If YES, please provide details.

_____

(c) Since January 1, 2011, have you or any Related Person engaged in any of the following transactions with a Saint Mary's Entity or LHP Entity?

(i) Sold or transferred assets to or purchased assets from or exchanged assets.

✓ NO _____ YES. If YES, please provide details.

_____

(ii) Leased assets to or leased assets from a Saint Mary's Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

(iii) Been indebted to or loaned money to a Saint Mary's Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

(iv) Furnished or acquired goods, services or facilities to a Saint Mary's Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

I hereby attest that the following information is true and accurate to the best of my knowledge.

Signature

11/14/11
Date

## Conflict of Interest/Financial Disclosure Form

The Application of the Greater Waterbury Health Network, Inc. and its Affiliates ("GWHN")and LHP Southwest Connecticut LLC, a proposed joint venture between LHP Hospital Group, Inc. and its Affiliates ("LHP") and Saint Mary's Health System, Inc. ("SMHS") (as formed, the "Joint Venture"), to the Connecticut Attorney General and the Connecticut Department of Public Health for permission to include GWHN in the Joint Venture.

This Disclosure Form is for (i) GWHN board members, (ii) experts and (iii) senior executives with managerial responsibilities who have direct involvement in the proposed joint venture transaction.

Print Name: Darlene Stromstad

Company or Employer: Waterbury Hospital

Title: President, Chief Executive Officer, Treasurer and Director

1. **PLEASE COMPLETE AND RETURN THIS QUESTIONNAIRE NO LATER THAN NOVEMBER 17, 2011 to BARBARA ALLVIN, THE WATERBURY HOSPITAL, 64 ROBBINS STREET, WATERBURY, CONNECTICUT EMAIL: BALLVIN@WTBYHOSP.ORG.** If you have any questions regarding the questionnaire, please call Attorney Ann Zucker, Carmody & Torrance LLP at 203.784.3108.

2. Retain a completed copy of this questionnaire for your files. If, following your return of the questionnaire, any events occur or information comes to your attention that would affect the accuracy of any of your answers in this questionnaire, please notify Ann Zucker of any such event or information as soon as possible.

---

**Definitions:**

**Related Person:** A person related to you by blood, law or marriage as a spouse, child, stepchild, parent, sibling, grandparent, grandchild or domestic partner (individual not related by blood or marriage, but currently in a committed relationship and residing in a common household sharing joint responsibility for the household), or an entity directly or indirectly controlled by you or any such person or in which you or any such person has a direct or indirect ownership interest of greater than thirty percent.

**LHP Entity:** Entity includes LHP Hospital Group, Inc., LHP Management Services, LLC; CCMP Capital Advisors, LLC; and CPP Investment Board.

**St. Mary's Entity:** Entity includes St. Mary's Health System, Inc., its subsidiaries and affiliates.

1. **Financial Interests**

(a) Do you or any Related Person (see definition on first page) have a direct or indirect ownership interest in any Saint Mary's Entity or LHP Entity (see definitions on first page)?

✓ NO _____ YES. If YES, please note the name of the entity, ownership percentage and any income generated from the ownership or investment interest.

_____

(b) Since January 1, 2011, did you or any Related Person have a compensation arrangement, including without limitation, as a employee, consultant, contractor, with any Saint Mary's Entity or LHP Entity?

✓ NO _____ YES. If you answered YES, please note the name of the entity and income generated from the entity.

_____

(c) Did or will you or any Related Person receive any payment or other financial benefit as a result of the proposed transaction?

✓ NO _____ YES. If YES, please provide details.

_____

(d) Do you or any Related Person own stock or options to purchase stock in any LHP Entity?

✓ NO _____ YES. If YES, please provide details.

_____

2. **Beneficial and/or Employment Interests**

(a) Since January 1, 2011, were you or any Related Person offered a position as a director or trustee of a Saint Mary's Entity, LHP Entity or the Joint Venture?

✓ NO _____ YES. If YES, please provide details.

_____

(b) Since January 1, 2011, were you or any Related Person offered a consulting position or employment with a Saint Mary's Entity, LHP Entity or the Joint Venture?

✓ NO _____ If YES, please provide details.

_____

(c) Since January 1, 2011, have you or any Related Person engaged in any of the following transactions with a Saint Mary's Entity or LHP Entity?

(i) Sold or transferred assets to or purchased assets from or exchanged assets.

✓ NO _____ YES. If YES, please provide details.

_____

(ii) Leased assets to or leased assets from a Saint Mary's Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

(iii) Been indebted to or loaned money to a Saint Mary's Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

(iv) Furnished or acquired goods, services or facilities to a Saint Mary's Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

I hereby attest that the following information is true and accurate to the best of my knowledge.

_____ 11/18/11

Signature Date

## Conflict of Interest/Financial Disclosure Form

The Application of the Greater Waterbury Health Network, Inc. and its Affiliates ("GWHN")and LHP Southwest Connecticut LLC, a proposed joint venture between LHP Hospital Group, Inc. and its Affiliates ("LHP") and Saint Mary's Health System, Inc. ("SMHS") (as formed, the "Joint Venture"), to the Connecticut Attorney General and the Connecticut Department of Public Health for permission to include GWHN in the Joint Venture.

This Disclosure Form is for (i) GWHN board members, (ii) experts and (iii) senior executives with managerial responsibilities who have direct involvement in the proposed joint venture transaction.

Print Name: Charles Thorne

Company or Employer: Waterbury Hospital

Title: Interim CFO

1. **PLEASE COMPLETE AND RETURN THIS QUESTIONNAIRE NO LATER THAN NOVEMBER 17, 2011 to BARBARA ALLVIN, THE WATERBURY HOSPITAL, 64 ROBBINS STREET, WATERBURY, CONNECTICUT EMAIL: BALLVIN@WTBYHOSP.ORG.** If you have any questions regarding the questionnaire, please call Attorney Ann Zucker, Carmody & Torrance LLP at 203.784.3108.

2. Retain a completed copy of this questionnaire for your files. If, following your return of the questionnaire, any events occur or information comes to your attention that would affect the accuracy of any of your answers in this questionnaire, please notify Ann Zucker of any such event or information as soon as possible.

---

**Definitions:**

**Related Person:** A person related to you by blood, law or marriage as a spouse, child, stepchild, parent, sibling, grandparent, grandchild or domestic partner (individual not related by blood or marriage, but currently in a committed relationship and residing in a common household sharing joint responsibility for the household), or an entity directly or indirectly controlled by you or any such person or in which you or any such person has a direct or indirect ownership interest of greater than thirty percent.

**LHP Entity:** Entity includes LHP Hospital Group, Inc., LHP Management Services, LLC; CCMP Capital Advisors, LLC; and CPP Investment Board.

**St. Mary's Entity:** Entity includes St. Mary's Health System, Inc., its subsidiaries and affiliates.

1. **Financial Interests**

(a) Do you or any Related Person (see definition on first page) have a direct or indirect ownership interest in any Saint Mary's Entity or LHP Entity (see definitions on first page)?

X NO _____ YES. If YES, please note the name of the entity, ownership percentage and any income generated from the ownership or investment interest.

_____

(b) Since January 1, 2011, did you or any Related Person have a compensation arrangement, including without limitation, as a employee, consultant, contractor, with any Saint Mary's Entity or LHP Entity?

X NO _____ YES. If you answered YES, please note the name of the entity and income generated from the entity.

_____

(c) Did or will you or any Related Person receive any payment or other financial benefit as a result of the proposed transaction?

X NO _____ YES. If YES, please provide details.

_____

(d) Do you or any Related Person own stock or options to purchase stock in any LHP Entity?

X NO _____ YES. If YES, please provide details.

_____

2. **Beneficial and/or Employment Interests**

(a) Since January 1, 2011, were you or any Related Person offered a position as a director or trustee of a Saint Mary's Entity, LHP Entity or the Joint Venture?

X NO _____ YES. If YES, please provide details.

_____

(b) Since January 1, 2011, were you or any Related Person offered a consulting position or employment with a Saint Mary's Entity, LHP Entity or the Joint Venture?

X NO _____ If YES, please provide details.

_____

(c) Since January 1, 2011, have you or any Related Person engaged in any of the following transactions with a Saint Mary's Entity or LHP Entity?

(i) Sold or transferred assets to or purchased assets from or exchanged assets.

X NO _____ YES. If YES, please provide details.

_____

(ii) Leased assets to or leased assets from a Saint Mary's Entity or LHP Entity.

X NO _____ YES. If YES, please provide details.

_____

(iii) Been indebted to or loaned money to a Saint Mary's Entity or LHP Entity.

X NO _____ YES. If YES, please provide details.

_____

(iv) Furnished or acquired goods, services or facilities to a Saint Mary's Entity or LHP Entity.

X NO _____ YES. If YES, please provide details.

_____

I hereby attest that the following information is true and accurate to the best of my knowledge.

Charles R. Thorne
Signature

11-16-2011
Date

# Conflict of Interest/Financial Disclosure Form

The Application of the Greater Waterbury Health Network, Inc. and its Affiliates ("GWHN")and LHP Southwest Connecticut LLC, a proposed joint venture between LHP Hospital Group, Inc. and its Affiliates ("LHP") and Saint Mary's Health System, Inc. ("SMHS") (as formed, the "Joint Venture"), to the Connecticut Attorney General and the Connecticut Department of Public Health for permission to include GWHN in the Joint Venture.

This Disclosure Form is for (i) GWHN board members, (ii) experts and (iii) senior executives with managerial responsibilities who have direct involvement in the proposed joint venture transaction.

Print Name: A. J. Wasserstein

Company or Employer: Greater Waterbury Health Network

Title: Director

1. **PLEASE COMPLETE AND RETURN THIS QUESTIONNAIRE NO LATER THAN NOVEMBER 17, 2011 to BARBARA ALLVIN, THE WATERBURY HOSPITAL, 64 ROBBINS STREET, WATERBURY, CONNECTICUT EMAIL: BALLVIN@WTBYHOSP.ORG.** If you have any questions regarding the questionnaire, please call Attorney Ann Zucker, Carmody & Torrance LLP at 203.784.3108.

2. Retain a completed copy of this questionnaire for your files. If, following your return of the questionnaire, any events occur or information comes to your attention that would affect the accuracy of any of your answers in this questionnaire, please notify Ann Zucker of any such event or information as soon as possible.

---

**Definitions:**

**Related Person:** A person related to you by blood, law or marriage as a spouse, child, stepchild, parent, sibling, grandparent, grandchild or domestic partner (individual not related by blood or marriage, but currently in a committed relationship and residing in a common household sharing joint responsibility for the household), or an entity directly or indirectly controlled by you or any such person or in which you or any such person has a direct or indirect ownership interest of greater than thirty percent.

**LHP Entity:** Entity includes LHP Hospital Group, Inc., LHP Management Services, LLC; CCMP Capital Advisors, LLC; and CPP Investment Board.

**St. Mary's Entity:** Entity includes St. Mary's Health System, Inc., its subsidiaries and affiliates.

1. **Financial Interests**

(a) Do you or any Related Person (see definition on first page) have a direct or indirect ownership interest in any Saint Mary's Entity or LHP Entity (see definitions on first page)?

_X_ NO _____ YES. If YES, please note the name of the entity, ownership percentage and any income generated from the ownership or investment interest.

_____

(b) Since January 1, 2011, did you or any Related Person have a compensation arrangement, including without limitation, as a employee, consultant, contractor, with any Saint Mary's Entity or LHP Entity?

_X_ NO _____ YES. If you answered YES, please note the name of the entity and income generated from the entity.

_____

(c) Did or will you or any Related Person receive any payment or other financial benefit as a result of the proposed transaction?

_X_ NO _____ YES. If YES, please provide details.

_____

(d) Do you or any Related Person own stock or options to purchase stock in any LHP Entity?

_____ NO _____ YES. If YES, please provide details.

_____

2. **Beneficial and/or Employment Interests**

(a) Since January 1, 2011, were you or any Related Person offered a position as a director or trustee of a Saint Mary's Entity, LHP Entity or the Joint Venture?

_✓_ NO _____ YES. If YES, please provide details.

_____

(b) Since January 1, 2011, were you or any Related Person offered a consulting position or employment with a Saint Mary's Entity, LHP Entity or the Joint Venture?

X NO _____ If YES, please provide details.

_____

(c) Since January 1, 2011, have you or any Related Person engaged in any of the following transactions with a Saint Mary's Entity or LHP Entity?

(i) Sold or transferred assets to or purchased assets from or exchanged assets.

X NO _____ YES. If YES, please provide details.

_____

(ii) Leased assets to or leased assets from a Saint Mary's Entity or LHP Entity.

X NO _____ YES. If YES, please provide details.

_____

(iii) Been indebted to or loaned money to a Saint Mary's Entity or LHP Entity.

X NO _____ YES. If YES, please provide details.

_____

(iv) Furnished or acquired goods, services or facilities to a Saint Mary's Entity or LHP Entity.

X NO _____ YES. If YES, please provide details.

_____

I hereby attest that the following information is true and accurate to the best of my knowledge.

_____ 11/16/2011

Signature Date

## Conflict of Interest/Financial Disclosure Form

The Application of the Greater Waterbury Health Network, Inc. and its Affiliates ("GWHN")and LHP Southwest Connecticut LLC, a proposed joint venture between LHP Hospital Group, Inc. and its Affiliates ("LHP") and Saint Mary's Health System, Inc. ("SMHS") (as formed, the "Joint Venture"), to the Connecticut Attorney General and the Connecticut Department of Public Health for permission to include GWHN in the Joint Venture.

This Disclosure Form is for (i) GWHN board members, (ii) experts and (iii) senior executives with managerial responsibilities who have direct involvement in the proposed joint venture transaction.

Print Name: Michael A. Wilson

Company or Employer: Greater Waterbury Health Network

Title: Director

1. **PLEASE COMPLETE AND RETURN THIS QUESTIONNAIRE NO LATER THAN NOVEMBER 17, 2011 to BARBARA ALLVIN, THE WATERBURY HOSPITAL, 64 ROBBINS STREET, WATERBURY, CONNECTICUT EMAIL: BALLVIN@WTBYHOSP.ORG.** If you have any questions regarding the questionnaire, please call Attorney Ann Zucker, Carmody & Torrance LLP at 203.784.3108.

2. Retain a completed copy of this questionnaire for your files. If, following your return of the questionnaire, any events occur or information comes to your attention that would affect the accuracy of any of your answers in this questionnaire, please notify Ann Zucker of any such event or information as soon as possible.

---

**Definitions:**

**Related Person:** A person related to you by blood, law or marriage as a spouse, child, stepchild, parent, sibling, grandparent, grandchild or domestic partner (individual not related by blood or marriage, but currently in a committed relationship and residing in a common household sharing joint responsibility for the household), or an entity directly or indirectly controlled by you or any such person or in which you or any such person has a direct or indirect ownership interest of greater than thirty percent.

**LHP Entity:** Entity includes LHP Hospital Group, Inc., LHP Management Services, LLC; CCMP Capital Advisors, LLC; and CPP Investment Board.

**St. Mary's Entity:** Entity includes St. Mary's Health System, Inc., its subsidiaries and affiliates.

1. **Financial Interests**

(a) Do you or any Related Person (see definition on first page) have a direct or indirect ownership interest in any Saint Mary's Entity or LHP Entity (see definitions on first page)?

__✓__ NO _____ YES. If YES, please note the name of the entity, ownership percentage and any income generated from the ownership or investment interest.

_____

(b) Since January 1, 2011, did you or any Related Person have a compensation arrangement, including without limitation, as a employee, consultant, contractor, with any Saint Mary's Entity or LHP Entity?

__✓__ NO _____ YES. If you answered YES, please note the name of the entity and income generated from the entity.

_____

(c) Did or will you or any Related Person receive any payment or other financial benefit as a result of the proposed transaction?

__✓__ NO _____ YES. If YES, please provide details.

_____

(d) Do you or any Related Person own stock or options to purchase stock in any LHP Entity?

__✓__ NO _____ YES. If YES, please provide details.

_____

2. **Beneficial and/or Employment Interests**

(a) Since January 1, 2011, were you or any Related Person offered a position as a director or trustee of a Saint Mary's Entity, LHP Entity or the Joint Venture?

__✓__ NO _____ YES. If YES, please provide details.

_____

(b) Since January 1, 2011, were you or any Related Person offered a consulting position or employment with a Saint Mary's Entity, LHP Entity or the Joint Venture?

✓ NO _____ If YES, please provide details.

_____

(c) Since January 1, 2011, have you or any Related Person engaged in any of the following transactions with a Saint Mary's Entity or LHP Entity?

(i) Sold or transferred assets to or purchased assets from or exchanged assets.

✓ NO _____ YES. If YES, please provide details.

_____

(ii) Leased assets to or leased assets from a Saint Mary's Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

(iii) Been indebted to or loaned money to a Saint Mary's Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

(iv) Furnished or acquired goods, services or facilities to a Saint Mary's Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

I hereby attest that the following information is true and accurate to the best of my knowledge.

_____ _____

Signature Date 11/10/11

## Conflict of Interest/Financial Disclosure Form

The Application of the Greater Waterbury Health Network, Inc. and its Affiliates ("GWHN")and LHP Southwest Connecticut LLC, a proposed joint venture between LHP Hospital Group, Inc. and its Affiliates ("LHP") and Saint Mary's Health System, Inc. ("SMHS") (as formed, the "Joint Venture"), to the Connecticut Attorney General and the Connecticut Department of Public Health for permission to include GWHN in the Joint Venture.

This Disclosure Form is for (i) GWHN board members, (ii) experts and (iii) senior executives with managerial responsibilities who have direct involvement in the proposed joint venture transaction.

Print Name: Diane Woolley

Company or Employer: Waterbury Hospital

Title: Acting Human Resources Vice President

1. **PLEASE COMPLETE AND RETURN THIS QUESTIONNAIRE NO LATER THAN NOVEMBER 17, 2011 to BARBARA ALLVIN, THE WATERBURY HOSPITAL, 64 ROBBINS STREET, WATERBURY, CONNECTICUT EMAIL: BALLVIN@WTBYHOSP.ORG.** If you have any questions regarding the questionnaire, please call Attorney Ann Zucker, Carmody & Torrance LLP at 203.784.3108.

2. Retain a completed copy of this questionnaire for your files. If, following your return of the questionnaire, any events occur or information comes to your attention that would affect the accuracy of any of your answers in this questionnaire, please notify Ann Zucker of any such event or information as soon as possible.

---

**Definitions:**

**Related Person:** A person related to you by blood, law or marriage as a spouse, child, stepchild, parent, sibling, grandparent, grandchild or domestic partner (individual not related by blood or marriage, but currently in a committed relationship and residing in a common household sharing joint responsibility for the household), or an entity directly or indirectly controlled by you or any such person or in which you or any such person has a direct or indirect ownership interest of greater than thirty percent.

**LHP Entity:** Entity includes LHP Hospital Group, Inc., LHP Management Services, LLC; CCMP Capital Advisors, LLC; and CPP Investment Board.

**St. Mary's Entity:** Entity includes St. Mary's Health System, Inc., its subsidiaries and affiliates.

1. **Financial Interests**

(a) Do you or any Related Person (see definition on first page) have a direct or indirect ownership interest in any Saint Mary's Entity or LHP Entity (see definitions on first page)?

✓ NO _____ YES. If YES, please note the name of the entity, ownership percentage and any income generated from the ownership or investment interest.

_____

(b) Since January 1, 2011, did you or any Related Person have a compensation arrangement, including without limitation, as a employee, consultant, contractor, with any Saint Mary's Entity or LHP Entity?

✓ NO _____ YES. If you answered YES, please note the name of the entity and income generated from the entity.

_____

(c) Did or will you or any Related Person receive any payment or other financial benefit as a result of the proposed transaction?

✓ NO _____ YES. If YES, please provide details.

_____

(d) Do you or any Related Person own stock or options to purchase stock in any LHP Entity?

✓ NO _____ YES. If YES, please provide details.

_____

2. **Beneficial and/or Employment Interests**

(a) Since January 1, 2011, were you or any Related Person offered a position as a director or trustee of a Saint Mary's Entity, LHP Entity or the Joint Venture?

✓ NO _____ YES. If YES, please provide details.

_____

(b) Since January 1, 2011, were you or any Related Person offered a consulting position or employment with a Saint Mary's Entity, LHP Entity or the Joint Venture?

✓ NO ____ If YES, please provide details.

---

(c) Since January 1, 2011, have you or any Related Person engaged in any of the following transactions with a Saint Mary's Entity or LHP Entity?

(i) Sold or transferred assets to or purchased assets from or exchanged assets.

✓ NO ____ YES. If YES, please provide details.

---

(ii) Leased assets to or leased assets from a Saint Mary's Entity or LHP Entity.

✓ NO ____ YES. If YES, please provide details.

---

(iii) Been indebted to or loaned money to a Saint Mary's Entity or LHP Entity.

✓ NO ____ YES. If YES, please provide details.

---

(iv) Furnished or acquired goods, services or facilities to a Saint Mary's Entity or LHP Entity.

✓ NO ____ YES. If YES, please provide details.

---

I hereby attest that the following information is true and accurate to the best of my knowledge.

M. Woolley — 11/14/11

Signature — Date

## Conflict of Interest/Financial Disclosure Form

The Application of the Greater Waterbury Health Network, Inc. and its Affiliates ("GWHN")and LHP Southwest Connecticut LLC, a proposed joint venture between LHP Hospital Group, Inc. and its Affiliates ("LHP") and Saint Mary's Health System, Inc. ("SMHS") (as formed, the "Joint Venture"), to the Connecticut Attorney General and the Connecticut Department of Public Health for permission to include GWHN in the Joint Venture.

This Disclosure Form is for (i) GWHN board members, (ii) experts and (iii) senior executives with managerial responsibilities who have direct involvement in the proposed joint venture transaction.

Print Name: Ann H. Zucker

Company or Employer: Carmody & Torrance LLP

Title: Partner

1. **PLEASE COMPLETE AND RETURN THIS QUESTIONNAIRE NO LATER THAN NOVEMBER 17, 2011 to BARBARA ALLVIN, THE WATERBURY HOSPITAL, 64 ROBBINS STREET, WATERBURY, CONNECTICUT EMAIL: BALLVIN@WTBYHOSP.ORG.** If you have any questions regarding the questionnaire, please call Attorney Ann Zucker, Carmody & Torrance LLP at 203.784.3108.

2. Retain a completed copy of this questionnaire for your files. If, following your return of the questionnaire, any events occur or information comes to your attention that would affect the accuracy of any of your answers in this questionnaire, please notify Ann Zucker of any such event or information as soon as possible.

---

**Definitions:**

**Related Person:** A person related to you by blood, law or marriage as a spouse, child, stepchild, parent, sibling, grandparent, grandchild or domestic partner (individual not related by blood or marriage, but currently in a committed relationship and residing in a common household sharing joint responsibility for the household), or an entity directly or indirectly controlled by you or any such person or in which you or any such person has a direct or indirect ownership interest of greater than thirty percent.

**LHP Entity:** Entity includes LHP Hospital Group, Inc., LHP Management Services, LLC; CCMP Capital Advisors, LLC; and CPP Investment Board.

**St. Mary's Entity:** Entity includes St. Mary's Health System, Inc., its subsidiaries and affiliates.

1. **Financial Interests**

(a) Do you or any Related Person (see definition on first page) have a direct or indirect ownership interest in any Saint Mary's Entity or LHP Entity (see definitions on first page)?

✓ NO _____ YES. If YES, please note the name of the entity, ownership percentage and any income generated from the ownership or investment interest.

_____

(b) Since January 1, 2011, did you or any Related Person have a compensation arrangement, including without limitation, as a employee, consultant, contractor, with any Saint Mary's Entity or LHP Entity?

✓ NO _____ YES. If you answered YES, please note the name of the entity and income generated from the entity.

_____

(c) Did or will you or any Related Person receive any payment or other financial benefit as a result of the proposed transaction?

✓ NO _____ YES. If YES, please provide details.

_____

(d) Do you or any Related Person own stock or options to purchase stock in any LHP Entity?

✓ NO _____ YES. If YES, please provide details.

_____

2. **Beneficial and/or Employment Interests**

(a) Since January 1, 2011, were you or any Related Person offered a position as a director or trustee of a Saint Mary's Entity, LHP Entity or the Joint Venture?

✓ NO _____ YES. If YES, please provide details.

_____

(b) Since January 1, 2011, were you or any Related Person offered a consulting position or employment with a Saint Mary's Entity, LHP Entity or the Joint Venture?

✓ NO _____ If YES, please provide details.

_____

(c) Since January 1, 2011, have you or any Related Person engaged in any of the following transactions with a Saint Mary's Entity or LHP Entity?

(i) Sold or transferred assets to or purchased assets from or exchanged assets.

✓ NO _____ YES. If YES, please provide details.

_____

(ii) Leased assets to or leased assets from a Saint Mary's Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

(iii) Been indebted to or loaned money to a Saint Mary's Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

(iv) Furnished or acquired goods, services or facilities to a Saint Mary's Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

I hereby attest that the following information is true and accurate to the best of my knowledge.

Anne N. Zurlin
Signature

11/11/11
Date

**Addendum to Conflict of Interest**
**Financial Disclosure Form**

**April 17, 2012**

The undersigned discloses that on March 8, 2012, it was engaged by Southwest Connecticut Health Systems, LLC and LHP Southwest Connecticut, LLC to represent them in a limited capacity in connection with Certificates of Need and related regulatory matters for a replacement hospital and an ambulatory surgery center.

Carmody & Torrance LLP

By _____
Ann H. Zucker
Its Partner

**Addendum to Conflict of Interest**
**Financial Disclosure Form**

**April 17, 2012**

The undersigned discloses that on March 8, 2012, it was engaged by Southwest Connecticut Health Systems, LLC and LHP Southwest Connecticut, LLC to represent them in a limited capacity in connection with Certificates of Need and related regulatory matters for a replacement hospital and an ambulatory surgery center.

Carmody & Torrance LLP

By _____
Ann H. Zucker
Its Partner

## Conflict of Interest/Financial Disclosure Form

The Application of the Greater Waterbury Health Network, Inc. and its Affiliates ("GWHN") and LHP Southwest Connecticut LLC, a proposed joint venture between LHP Southwest Connecticut, LLC ("LHP"), a subsidiary of LHP Hospital Group, Inc., and Saint Mary's Health System, Inc. ("SMHS") (as formed, the "Joint Venture"), to the Connecticut Attorney General and the Connecticut Department of Public Health for permission to include GWHN in the Joint Venture.

This Disclosure Form is for (i) board members, (ii) experts and (iii) senior executives of LHP with managerial responsibilities who have direct involvement in the proposed Joint Venture transaction.

Print Name: Thomas H. Frazier, Jr.

Company or Employer: LHP Southwest Connecticut, LLC

Title: Executive Vice President

1. **PLEASE COMPLETE AND RETURN THIS QUESTIONNAIRE NO LATER THAN THURSDAY, APRIL 19, 2012, to Rebecca Hurley.** If you have any questions regarding the questionnaire, please contact Rebecca Hurley.

2. Retain a completed copy of this questionnaire for your files. If, following your return of the questionnaire, any events occur or information comes to your attention that would affect the accuracy of any of your answers in this questionnaire, please notify Rebecca Hurley of any such event or information as soon as possible.

---

**Definitions:**

**Related Person:** A person related to you by blood, law or marriage as a spouse, child, stepchild, parent, sibling, grandparent, grandchild or domestic partner (individual not related by blood or marriage, but currently in a committed relationship and residing in a common household sharing joint responsibility for the household), or an entity directly or indirectly controlled by you or any such person or in which you or any such person has a direct or indirect ownership interest of greater than thirty percent.

**Waterbury Entity:** Entity includes the Greater Waterbury Health Network, Inc., its subsidiaries and affiliates.

**St. Mary's Entity:** Entity includes St. Mary's Health System, Inc., its subsidiaries and affiliates.

1. **Financial Interests**

(a) Do you or any Related Person (see definition on first page) have a direct or indirect ownership interest in any Saint Mary's Entity or Waterbury Entity (see definitions on first page)?

X NO _____ YES. If YES, please note the name of the entity, ownership percentage and any income generated from the ownership or investment interest.

_____

(b) Since January 1, 2011, did you or any Related Person have a compensation arrangement, including without limitation, as an employee, consultant, contractor, with any Saint Mary's Entity or Waterbury Entity?

X NO _____ YES. If you answered YES, please note the name of the entity and income generated from the entity.

_____

(c) Did or will you or any Related Person receive any payment or other financial benefit as a result of the proposed transaction?

X NO _____ YES. If YES, please provide details.

_____

2. **Beneficial and/or Employment Interests**

(a) Since January 1, 2011, were you or any Related Person offered a position as a director or trustee of a Saint Mary's Entity, Waterbury Entity or the Joint Venture?

X NO _____ YES. If YES, please provide details.

_____

(b) Since January 1, 2011, were you or any Related Person offered a consulting position or employment with a Saint Mary's Entity, Waterbury Entity or the Joint Venture?

X NO _____ If YES, please provide details.

_____

(c) Since January 1, 2011, have you or any Related Person engaged in any of the following transactions with a Saint Mary's Entity or Waterbury Entity?

(i) Sold or transferred assets to or purchased assets from or exchanged assets.

X NO _____ YES. If YES, please provide details.

_____

(ii) Leased assets to or leased assets from a Saint Mary's Entity or Waterbury Entity.

X NO _____ YES. If YES, please provide details.

_____

(iii) Been indebted to or loaned money to a Saint Mary's Entity or Waterbury Entity.

X NO _____ YES. If YES, please provide details.

_____

(iv) Furnished or acquired goods, services or facilities to a Saint Mary's Entity or Waterbury Entity.

X NO _____ YES. If YES, please provide details.

_____

I hereby attest that the following information is true and accurate to the best of my knowledge.

_____ 4/19/12

Signature Date

## Conflict of Interest/Financial Disclosure Form

The Application of the Greater Waterbury Health Network, Inc. and its Affiliates ("GWHN") and LHP Southwest Connecticut LLC, a proposed joint venture between LHP Southwest Connecticut, LLC ("LHP"), a subsidiary of LHP Hospital Group, Inc., and Saint Mary's Health System, Inc. ("SMHS") (as formed, the "Joint Venture"), to the Connecticut Attorney General and the Connecticut Department of Public Health for permission to include GWHN in the Joint Venture.

This Disclosure Form is for (i) board members, (ii) experts and (iii) senior executives of LHP with managerial responsibilities who have direct involvement in the proposed Joint Venture transaction.

Print Name: William J. Hibbitt

Company or Employer: LHP Southwest Connecticut, LLC

Title: Executive Vice President - CFO

1. **PLEASE COMPLETE AND RETURN THIS QUESTIONNAIRE NO LATER THAN THURSDAY, APRIL 19, 2012, to Rebecca Hurley.** If you have any questions regarding the questionnaire, please contact Rebecca Hurley.

2. Retain a completed copy of this questionnaire for your files. If, following your return of the questionnaire, any events occur or information comes to your attention that would affect the accuracy of any of your answers in this questionnaire, please notify Rebecca Hurley of any such event or information as soon as possible.

---

**Definitions:**

**Related Person:** A person related to you by blood, law or marriage as a spouse, child, stepchild, parent, sibling, grandparent, grandchild or domestic partner (individual not related by blood or marriage, but currently in a committed relationship and residing in a common household sharing joint responsibility for the household), or an entity directly or indirectly controlled by you or any such person or in which you or any such person has a direct or indirect ownership interest of greater than thirty percent.

**Waterbury Entity:** Entity includes the Greater Waterbury Health Network, Inc., its subsidiaries and affiliates.

**St. Mary's Entity:** Entity includes St. Mary's Health System, Inc., its subsidiaries and affiliates.

1. **Financial Interests**

(a) Do you or any Related Person (see definition on first page) have a direct or indirect ownership interest in any Saint Mary's Entity or Waterbury Entity (see definitions on first page)?

__X__ NO _____ YES. If YES, please note the name of the entity, ownership percentage and any income generated from the ownership or investment interest.

_____

(b) Since January 1, 2011, did you or any Related Person have a compensation arrangement, including without limitation, as an employee, consultant, contractor, with any Saint Mary's Entity or Waterbury Entity?

__X__ NO _____ YES. If you answered YES, please note the name of the entity and income generated from the entity.

_____

(c) Did or will you or any Related Person receive any payment or other financial benefit as a result of the proposed transaction?

__X__ NO _____ YES. If YES, please provide details.

_____

2. **Beneficial and/or Employment Interests**

(a) Since January 1, 2011, were you or any Related Person offered a position as a director or trustee of a Saint Mary's Entity, Waterbury Entity or the Joint Venture?

__X__ NO _____ YES. If YES, please provide details.

_____

(b) Since January 1, 2011, were you or any Related Person offered a consulting position or employment with a Saint Mary's Entity, Waterbury Entity or the Joint Venture?

__X__ NO _____ If YES, please provide details.

_____

(c) Since January 1, 2011, have you or any Related Person engaged in any of the following transactions with a Saint Mary's Entity or Waterbury Entity?

(i) Sold or transferred assets to or purchased assets from or exchanged assets.

__X__ NO _____ YES. If YES, please provide details.

_____

(ii) Leased assets to or leased assets from a Saint Mary's Entity or Waterbury Entity.

__X__ NO _____ YES. If YES, please provide details.

_____

(iii) Been indebted to or loaned money to a Saint Mary's Entity or Waterbury Entity.

__X__ NO _____ YES. If YES, please provide details.

_____

(iv) Furnished or acquired goods, services or facilities to a Saint Mary's Entity or Waterbury Entity.

__X__ NO _____ YES. If YES, please provide details.

_____

I hereby attest that the following information is true and accurate to the best of my knowledge.

William J Hibbitt
Signature

4/19/2012
Date

## Conflict of Interest/Financial Disclosure Form

The Application of the Greater Waterbury Health Network, Inc. and its Affiliates ("GWHN") and LHP Southwest Connecticut LLC, a proposed joint venture between LHP Southwest Connecticut, LLC ("LHP"), a subsidiary of LHP Hospital Group, Inc., and Saint Mary's Health System, Inc. ("SMHS") (as formed, the "Joint Venture"), to the Connecticut Attorney General and the Connecticut Department of Public Health for permission to include GWHN in the Joint Venture.

This Disclosure Form is for (i) board members, (ii) experts and (iii) senior executives of LHP with managerial responsibilities who have direct involvement in the proposed Joint Venture transaction.

Print Name: Rebecca Hurley

Company or Employer: LHP Southwest Connecticut, LLC

Title: EVP, General Counsel, and Secretary

1. **PLEASE COMPLETE AND RETURN THIS QUESTIONNAIRE NO LATER THAN THURSDAY, APRIL 19, 2012, to Rebecca Hurley.** If you have any questions regarding the questionnaire, please contact Rebecca Hurley.

2. Retain a completed copy of this questionnaire for your files. If, following your return of the questionnaire, any events occur or information comes to your attention that would affect the accuracy of any of your answers in this questionnaire, please notify Rebecca Hurley of any such event or information as soon as possible.

---

**Definitions:**

**Related Person:** A person related to you by blood, law or marriage as a spouse, child, stepchild, parent, sibling, grandparent, grandchild or domestic partner (individual not related by blood or marriage, but currently in a committed relationship and residing in a common household sharing joint responsibility for the household), or an entity directly or indirectly controlled by you or any such person or in which you or any such person has a direct or indirect ownership interest of greater than thirty percent.

**Waterbury Entity:** Entity includes the Greater Waterbury Health Network, Inc., its subsidiaries and affiliates.

**St. Mary's Entity:** Entity includes St. Mary's Health System, Inc., its subsidiaries and affiliates.

1. **Financial Interests**

(a) Do you or any Related Person (see definition on first page) have a direct or indirect ownership interest in any Saint Mary's Entity or Waterbury Entity (see definitions on first page)?

✓ NO _____ YES. If YES, please note the name of the entity, ownership percentage and any income generated from the ownership or investment interest.

_____

(b) Since January 1, 2011, did you or any Related Person have a compensation arrangement, including without limitation, as an employee, consultant, contractor, with any Saint Mary's Entity or Waterbury Entity?

✓ NO _____ YES. If you answered YES, please note the name of the entity and income generated from the entity.

_____

(c) Did or will you or any Related Person receive any payment or other financial benefit as a result of the proposed transaction?

✓ NO _____ YES. If YES, please provide details.

_____

2. **Beneficial and/or Employment Interests**

(a) Since January 1, 2011, were you or any Related Person offered a position as a director or trustee of a Saint Mary's Entity, Waterbury Entity or the Joint Venture?

✓ NO _____ YES. If YES, please provide details.

_____

(b) Since January 1, 2011, were you or any Related Person offered a consulting position or employment with a Saint Mary's Entity, Waterbury Entity or the Joint Venture?

✓ NO _____ If YES, please provide details.

_____

(c) Since January 1, 2011, have you or any Related Person engaged in any of the following transactions with a Saint Mary's Entity or Waterbury Entity?

(i) Sold or transferred assets to or purchased assets from or exchanged assets.

✓ NO _____ YES. If YES, please provide details.

_____

(ii) Leased assets to or leased assets from a Saint Mary's Entity or Waterbury Entity.

✓ NO _____ YES. If YES, please provide details.

_____

(iii) Been indebted to or loaned money to a Saint Mary's Entity or Waterbury Entity.

✓ NO _____ YES. If YES, please provide details.

_____

(iv) Furnished or acquired goods, services or facilities to a Saint Mary's Entity or Waterbury Entity.

✓ NO _____ YES. If YES, please provide details.

_____

I hereby attest that the following information is true and accurate to the best of my knowledge.

[signature] April 19, 2012

Signature Date

## Conflict of Interest/Financial Disclosure Form

The Application of the Greater Waterbury Health Network, Inc. and its Affiliates ("GWHN") and LHP Southwest Connecticut LLC, a proposed joint venture between LHP Southwest Connecticut, LLC ("LHP"), a subsidiary of LHP Hospital Group, Inc., and Saint Mary's Health System, Inc. ("SMHS") (as formed, the "Joint Venture"), to the Connecticut Attorney General and the Connecticut Department of Public Health for permission to include GWHN in the Joint Venture.

This Disclosure Form is for (i) board members, (ii) experts and (iii) senior executives of LHP with managerial responsibilities who have direct involvement in the proposed Joint Venture transaction.

Print Name: Joe Johnson

Company or Employer: LHP Southwest Connecticut, LLC

Title: Asst. Secretary
VP of Legal Affairs + CCO

1. **PLEASE COMPLETE AND RETURN THIS QUESTIONNAIRE NO LATER THAN THURSDAY, APRIL 19, 2012, to Rebecca Hurley.** If you have any questions regarding the questionnaire, please contact Rebecca Hurley.

2. Retain a completed copy of this questionnaire for your files. If, following your return of the questionnaire, any events occur or information comes to your attention that would affect the accuracy of any of your answers in this questionnaire, please notify Rebecca Hurley of any such event or information as soon as possible.

---

**Definitions:**

**Related Person:** A person related to you by blood, law or marriage as a spouse, child, stepchild, parent, sibling, grandparent, grandchild or domestic partner (individual not related by blood or marriage, but currently in a committed relationship and residing in a common household sharing joint responsibility for the household), or an entity directly or indirectly controlled by you or any such person or in which you or any such person has a direct or indirect ownership interest of greater than thirty percent.

**Waterbury Entity:** Entity includes the Greater Waterbury Health Network, Inc., its subsidiaries and affiliates.

**St. Mary's Entity:** Entity includes St. Mary's Health System, Inc., its subsidiaries and affiliates.

1. **Financial Interests**

(a) Do you or any Related Person (see definition on first page) have a direct or indirect ownership interest in any Saint Mary's Entity or Waterbury Entity (see definitions on first page)?

✓ NO _____ YES. If YES, please note the name of the entity, ownership percentage and any income generated from the ownership or investment interest.

_____

(b) Since January 1, 2011, did you or any Related Person have a compensation arrangement, including without limitation, as an employee, consultant, contractor, with any Saint Mary's Entity or Waterbury Entity?

✓ NO _____ YES. If you answered YES, please note the name of the entity and income generated from the entity.

_____

(c) Did or will you or any Related Person receive any payment or other financial benefit as a result of the proposed transaction?

✓ NO _____ YES. If YES, please provide details.

_____

2. **Beneficial and/or Employment Interests**

(a) Since January 1, 2011, were you or any Related Person offered a position as a director or trustee of a Saint Mary's Entity, Waterbury Entity or the Joint Venture?

✓ NO _____ YES. If YES, please provide details.

_____

(b) Since January 1, 2011, were you or any Related Person offered a consulting position or employment with a Saint Mary's Entity, Waterbury Entity or the Joint Venture?

✓ NO _____ If YES, please provide details.

_____

(c) Since January 1, 2011, have you or any Related Person engaged in any of the following transactions with a Saint Mary's Entity or Waterbury Entity?

(i) Sold or transferred assets to or purchased assets from or exchanged assets.

✓ NO _____ YES. If YES, please provide details.

_____

(ii) Leased assets to or leased assets from a Saint Mary's Entity or Waterbury Entity.

✓ NO _____ YES. If YES, please provide details.

_____

(iii) Been indebted to or loaned money to a Saint Mary's Entity or Waterbury Entity.

✓ NO _____ YES. If YES, please provide details.

_____

(iv) Furnished or acquired goods, services or facilities to a Saint Mary's Entity or Waterbury Entity.

✓ NO _____ YES. If YES, please provide details.

_____

I hereby attest that the following information is true and accurate to the best of my knowledge.

_____ 4/20/22

Signature Date

## Conflict of Interest/Financial Disclosure Form

The Application of the Greater Waterbury Health Network, Inc. and its Affiliates ("GWHN") and LHP Southwest Connecticut LLC, a proposed joint venture between LHP Southwest Connecticut, LLC ("LHP"), a subsidiary of LHP Hospital Group, Inc., and Saint Mary's Health System, Inc. ("SMHS") (as formed, the "Joint Venture"), to the Connecticut Attorney General and the Connecticut Department of Public Health for permission to include GWHN in the Joint Venture.

This Disclosure Form is for (i) board members, (ii) experts and (iii) senior executives of LHP with managerial responsibilities who have direct involvement in the proposed Joint Venture transaction.

Print Name: Dan Moen

Company or Employer: LHP Southwest Connecticut, LLC

Title: Chief Executive Officer

1. **PLEASE COMPLETE AND RETURN THIS QUESTIONNAIRE NO LATER THAN THURSDAY, APRIL 19, 2012, to Rebecca Hurley.** If you have any questions regarding the questionnaire, please contact Rebecca Hurley.

2. Retain a completed copy of this questionnaire for your files. If, following your return of the questionnaire, any events occur or information comes to your attention that would affect the accuracy of any of your answers in this questionnaire, please notify Rebecca Hurley of any such event or information as soon as possible.

---

**Definitions:**

**Related Person:** A person related to you by blood, law or marriage as a spouse, child, stepchild, parent, sibling, grandparent, grandchild or domestic partner (individual not related by blood or marriage, but currently in a committed relationship and residing in a common household sharing joint responsibility for the household), or an entity directly or indirectly controlled by you or any such person or in which you or any such person has a direct or indirect ownership interest of greater than thirty percent.

**Waterbury Entity:** Entity includes the Greater Waterbury Health Network, Inc., its subsidiaries and affiliates.

**St. Mary's Entity:** Entity includes St. Mary's Health System, Inc., its subsidiaries and affiliates.

1. **Financial Interests**

(a) Do you or any Related Person (see definition on first page) have a direct or indirect ownership interest in any Saint Mary's Entity or Waterbury Entity (see definitions on first page)?

X NO _____ YES. If YES, please note the name of the entity, ownership percentage and any income generated from the ownership or investment interest.

_____

(b) Since January 1, 2011, did you or any Related Person have a compensation arrangement, including without limitation, as an employee, consultant, contractor, with any Saint Mary's Entity or Waterbury Entity?

X NO _____ YES. If you answered YES, please note the name of the entity and income generated from the entity.

_____

(c) Did or will you or any Related Person receive any payment or other financial benefit as a result of the proposed transaction?

X NO _____ YES. If YES, please provide details.

_____

2. **Beneficial and/or Employment Interests**

(a) Since January 1, 2011, were you or any Related Person offered a position as a director or trustee of a Saint Mary's Entity, Waterbury Entity or the Joint Venture?

X NO _____ YES. If YES, please provide details.

_____

(b) Since January 1, 2011, were you or any Related Person offered a consulting position or employment with a Saint Mary's Entity, Waterbury Entity or the Joint Venture?

X NO _____ If YES, please provide details.

_____

(c) Since January 1, 2011, have you or any Related Person engaged in any of the following transactions with a Saint Mary's Entity or Waterbury Entity?

(i) Sold or transferred assets to or purchased assets from or exchanged assets.

X NO _____ YES. If YES, please provide details.

_____

(ii) Leased assets to or leased assets from a Saint Mary's Entity or Waterbury Entity.

X NO _____ YES. If YES, please provide details.

_____

(iii) Been indebted to or loaned money to a Saint Mary's Entity or Waterbury Entity.

X NO _____ YES. If YES, please provide details.

_____

(iv) Furnished or acquired goods, services or facilities to a Saint Mary's Entity or Waterbury Entity.

X NO _____ YES. If YES, please provide details.

_____

I hereby attest that the following information is true and accurate to the best of my knowledge.

Daniel J Moen
Signature

4/19/12
Date

## Conflict of Interest/Financial Disclosure Form

The Application of the Greater Waterbury Health Network, Inc. and its Affiliates ("GWHN") and LHP Southwest Connecticut LLC, a proposed joint venture between LHP Southwest Connecticut, LLC ("LHP"), a subsidiary of LHP Hospital Group, Inc., and Saint Mary's Health System, Inc. ("SMHS") (as formed, the "Joint Venture"), to the Connecticut Attorney General and the Connecticut Department of Public Health for permission to include GWHN in the Joint Venture.

This Disclosure Form is for (i) board members, (ii) experts and (iii) senior executives of LHP with managerial responsibilities who have direct involvement in the proposed Joint Venture transaction.

Print Name: Jim Shannon

Company or Employer: LHP Southwest Connecticut, LLC

Title: Executive Vice President of Development

1. **PLEASE COMPLETE AND RETURN THIS QUESTIONNAIRE NO LATER THAN THURSDAY, APRIL 19, 2012, to Rebecca Hurley.** If you have any questions regarding the questionnaire, please contact Rebecca Hurley.

2. Retain a completed copy of this questionnaire for your files. If, following your return of the questionnaire, any events occur or information comes to your attention that would affect the accuracy of any of your answers in this questionnaire, please notify Rebecca Hurley of any such event or information as soon as possible.

---

**Definitions:**

**Related Person:** A person related to you by blood, law or marriage as a spouse, child, stepchild, parent, sibling, grandparent, grandchild or domestic partner (individual not related by blood or marriage, but currently in a committed relationship and residing in a common household sharing joint responsibility for the household), or an entity directly or indirectly controlled by you or any such person or in which you or any such person has a direct or indirect ownership interest of greater than thirty percent.

**Waterbury Entity:** Entity includes the Greater Waterbury Health Network, Inc., its subsidiaries and affiliates.

**St. Mary's Entity:** Entity includes St. Mary's Health System, Inc., its subsidiaries and affiliates.

1. **Financial Interests**

(a) Do you or any Related Person (see definition on first page) have a direct or indirect ownership interest in any Saint Mary's Entity or Waterbury Entity (see definitions on first page)?

✓ NO _____ YES. If YES, please note the name of the entity, ownership percentage and any income generated from the ownership or investment interest.

_____

(b) Since January 1, 2011, did you or any Related Person have a compensation arrangement, including without limitation, as an employee, consultant, contractor, with any Saint Mary's Entity or Waterbury Entity?

✓ NO _____ YES. If you answered YES, please note the name of the entity and income generated from the entity.

_____

(c) Did or will you or any Related Person receive any payment or other financial benefit as a result of the proposed transaction?

✓ NO _____ YES. If YES, please provide details.

_____

2. **Beneficial and/or Employment Interests**

(a) Since January 1, 2011, were you or any Related Person offered a position as a director or trustee of a Saint Mary's Entity, Waterbury Entity or the Joint Venture?

✓ NO _____ YES. If YES, please provide details.

_____

(b) Since January 1, 2011, were you or any Related Person offered a consulting position or employment with a Saint Mary's Entity, Waterbury Entity or the Joint Venture?

✓ NO _____ If YES, please provide details.

_____

(c) Since January 1, 2011, have you or any Related Person engaged in any of the following transactions with a Saint Mary's Entity or Waterbury Entity?

(i) Sold or transferred assets to or purchased assets from or exchanged assets.

✓ NO _____ YES. If YES, please provide details.

_____

(ii) Leased assets to or leased assets from a Saint Mary's Entity or Waterbury Entity.

✓ NO _____ YES. If YES, please provide details.

_____

(iii) Been indebted to or loaned money to a Saint Mary's Entity or Waterbury Entity.

✓ NO _____ YES. If YES, please provide details.

_____

(iv) Furnished or acquired goods, services or facilities to a Saint Mary's Entity or Waterbury Entity.

✓ NO _____ YES. If YES, please provide details.

_____

I hereby attest that the following information is true and accurate to the best of my knowledge.

_____ 4/19/12

Signature Date

## Conflict of Interest/Financial Disclosure Form

The Application of the Greater Waterbury Health Network, Inc. and its Affiliates ("GWHN") and LHP Southwest Connecticut LLC, a proposed joint venture between LHP Southwest Connecticut, LLC ("LHP"), a subsidiary of LHP Hospital Group, Inc., and Saint Mary's Health System, Inc. ("SMHS") (as formed, the "Joint Venture"), to the Connecticut Attorney General and the Connecticut Department of Public Health for permission to include GWHN in the Joint Venture.

This Disclosure Form is for (i) board members, (ii) experts and (iii) senior executives of LHP with managerial responsibilities who have direct involvement in the proposed Joint Venture transaction.

Print Name: **Brady Sturgeon**

Company or Employer: LHP Southwest Connecticut, LLC

Title: **VP Development** and Assistant Treasurer

1. **PLEASE COMPLETE AND RETURN THIS QUESTIONNAIRE NO LATER THAN THURSDAY, APRIL 19, 2012, to Rebecca Hurley.** If you have any questions regarding the questionnaire, please contact Rebecca Hurley.

2. Retain a completed copy of this questionnaire for your files. If, following your return of the questionnaire, any events occur or information comes to your attention that would affect the accuracy of any of your answers in this questionnaire, please notify Rebecca Hurley of any such event or information as soon as possible.

---

**Definitions:**

**Related Person:** A person related to you by blood, law or marriage as a spouse, child, stepchild, parent, sibling, grandparent, grandchild or domestic partner (individual not related by blood or marriage, but currently in a committed relationship and residing in a common household sharing joint responsibility for the household), or an entity directly or indirectly controlled by you or any such person or in which you or any such person has a direct or indirect ownership interest of greater than thirty percent.

**Waterbury Entity:** Entity includes the Greater Waterbury Health Network, Inc., its subsidiaries and affiliates.

**St. Mary's Entity:** Entity includes St. Mary's Health System, Inc., its subsidiaries and affiliates.

1. **Financial Interests**

(a) Do you or any Related Person (see definition on first page) have a direct or indirect ownership interest in any Saint Mary's Entity or Waterbury Entity (see definitions on first page)?

__X__ NO _____ YES. If YES, please note the name of the entity, ownership percentage and any income generated from the ownership or investment interest.

_____

(b) Since January 1, 2011, did you or any Related Person have a compensation arrangement, including without limitation, as an employee, consultant, contractor, with any Saint Mary's Entity or Waterbury Entity?

__X__ NO _____ YES. If you answered YES, please note the name of the entity and income generated from the entity.

_____

(c) Did or will you or any Related Person receive any payment or other financial benefit as a result of the proposed transaction?

__X__ NO _____ YES. If YES, please provide details.

_____

2. **Beneficial and/or Employment Interests**

(a) Since January 1, 2011, were you or any Related Person offered a position as a director or trustee of a Saint Mary's Entity, Waterbury Entity or the Joint Venture?

__X__ NO _____ YES. If YES, please provide details.

_____

(b) Since January 1, 2011, were you or any Related Person offered a consulting position or employment with a Saint Mary's Entity, Waterbury Entity or the Joint Venture?

__X__ NO _____ If YES, please provide details.

_____

(c) Since January 1, 2011, have you or any Related Person engaged in any of the following transactions with a Saint Mary's Entity or Waterbury Entity?

(i) Sold or transferred assets to or purchased assets from or exchanged assets.

__X__ NO _____ YES. If YES, please provide details.

_____

(ii) Leased assets to or leased assets from a Saint Mary's Entity or Waterbury Entity.

__X__ NO _____ YES. If YES, please provide details.

_____

(iii) Been indebted to or loaned money to a Saint Mary's Entity or Waterbury Entity.

__X__ NO _____ YES. If YES, please provide details.

_____

(iv) Furnished or acquired goods, services or facilities to a Saint Mary's Entity or Waterbury Entity.

__X__ NO _____ YES. If YES, please provide details.

_____

I hereby attest that the following information is true and accurate to the best of my knowledge.

Signature

4/19/2012
Date

# Conflict of Interest/Financial Disclosure Form

The Application of the Greater Waterbury Health Network, Inc. and its Affiliates ("GWHN") and LHP Southwest Connecticut LLC, a proposed joint venture between LHP Hospital Group, Inc. and its Affiliates ("LHP") and Saint Mary's Health System, Inc. ("SMHS") (as formed, the "Joint Venture"), to the Connecticut Attorney General and the Connecticut Department of Public Health for permission to include GWHN in the Joint Venture.

This Disclosure Form is for (i) SMHS board members, (ii) experts and (iii) senior executives with managerial responsibilities who have direct involvement in the proposed joint venture transaction.

Print Name: S. Mark Albini, MD

Company or Employer: Naugatuck Valley Women's Health Specialists

Title: physician

1. **PLEASE COMPLETE AND RETURN THIS QUESTIONNAIRE NO LATER THAN Friday, March 9, 2012 to Ann Ferraro. You can email the completed form to AFerraro@stmh.org or fax it to (203) 709-3238.** If you have any questions regarding this form, please call Silvia Hutcheson at (203) 709-3312 or send an email message to Silvia.Hutcheson@stmh.org.

2. Retain a completed copy of this questionnaire for your files. If, following your return of the questionnaire, any events occur or information comes to your attention that would affect the accuracy of any of your answers in this questionnaire, please notify Silvia Hutcheson of any such event or information as soon as possible.

---

**Definitions:**

**Related Person:** A person related to you by blood, law or marriage such as a spouse, child, stepchild, parent, sibling, grandparent, grandchild or domestic partner (individual not related by blood or marriage, but currently in a committed relationship and residing in a common household sharing joint responsibility for the household), or an entity directly or indirectly controlled by you or any such person or in which you or any such person has a direct or indirect ownership interest of greater than thirty percent.

**LHP Entity:** Entity includes LHP Hospital Group, Inc., LHP Management Services, LLC; CCMP Capital Advisors, LLC; and CPP Investment Board.

**Waterbury Entity:** Entity includes the Greater Waterbury Health Network, Inc., its subsidiaries and affiliates.

1. **Financial Interests**

(a) Do you or any Related Person (see definition on first page) have a direct or indirect ownership interest in any Waterbury Entity or LHP Entity (see definitions on first page)?

__✓__ NO _____ YES. If YES, please note the name of the entity, ownership percentage and any income generated from the ownership or investment interest.

_____

(b) Since January 1, 2011, did you or any Related Person have a compensation arrangement, including without limitation, as a employee, consultant, contractor, with any Waterbury Entity or LHP Entity?

__✓__ NO _____ YES. If you answered YES, please note the name of the entity and income generated from the entity.

_____

(c) Did or will you or any Related Person receive any payment or other financial benefit as a result of the proposed transaction?

__✓__ NO _____ YES. If YES, please provide details.

_____

(d) Do you or any Related Person own stock or options to purchase stock in any LHP Entity?

__✓__ NO _____ YES. If YES, please provide details.

_____

2. **Beneficial and/or Employment Interests**

(a) Since January 1, 2011, were you or any Related Person offered a position as a director or trustee of a Waterbury Entity, LHP Entity or the Joint Venture?

__✓__ NO _____ YES. If YES, please provide details.

_____

(b) Since January 1, 2011, were you or any Related Person offered a consulting position or employment with a Waterbury Entity, LHP Entity or the Joint Venture?

__✓__ NO ____ If YES, please provide details.

_____

(c) Since January 1, 2011, have you or any Related Person engaged in any of the following transactions with a Waterbury Entity or LHP Entity?

(i) Sold or transferred assets to or purchased assets from or exchanged assets.

__✓__ NO ____ YES. If YES, please provide details.

_____

(ii) Leased assets to or leased assets from a Waterbury Entity or LHP Entity.

__✓__ NO ____ YES. If YES, please provide details.

_____

(iii) Been indebted to or loaned money to a Waterbury Entity or LHP Entity.

__✓__ NO ____ YES. If YES, please provide details.

_____

(iv) Furnished or acquired goods, services or facilities to a Waterbury Entity or LHP Entity.

__✓__ NO ____ YES. If YES, please provide details.

_____

I hereby attest that the following information is true and accurate to the best of my knowledge.

_____ 3-9-12

Signature Date

# Conflict of Interest/Financial Disclosure Form

The Application of the Greater Waterbury Health Network, Inc. and its Affiliates ("GWHN") and LHP Southwest Connecticut LLC, a proposed joint venture between LHP Hospital Group, Inc. and its Affiliates ("LHP") and Saint Mary's Health System, Inc. ("SMHS") (as formed, the "Joint Venture"), to the Connecticut Attorney General and the Connecticut Department of Public Health for permission to include GWHN in the Joint Venture.

This Disclosure Form is for (i) SMHS board members, (ii) experts and (iii) senior executives with managerial responsibilities who have direct involvement in the proposed joint venture transaction.

Print Name: Joseph Carlson II

Company or Employer: SMHS

Title: Director

1. **PLEASE COMPLETE AND RETURN THIS QUESTIONNAIRE NO LATER THAN Friday, March 9, 2012 to Ann Ferraro. You can email the completed form to AFerraro@stmh.org or fax it to (203) 709-3238.** If you have any questions regarding this form, please call Silvia Hutcheson at (203) 709-3312 or send an email message to Silvia.Hutcheson@stmh.org.

2. Retain a completed copy of this questionnaire for your files. If, following your return of the questionnaire, any events occur or information comes to your attention that would affect the accuracy of any of your answers in this questionnaire, please notify Silvia Hutcheson of any such event or information as soon as possible.

**Definitions:**

**Related Person:** A person related to you by blood, law or marriage such as a spouse, child, stepchild, parent, sibling, grandparent, grandchild or domestic partner (individual not related by blood or marriage, but currently in a committed relationship and residing in a common household sharing joint responsibility for the household), or an entity directly or indirectly controlled by you or any such person or in which you or any such person has a direct or indirect ownership interest of greater than thirty percent.

**LHP Entity:** Entity includes LHP Hospital Group, Inc., LHP Management Services, LLC; CCMP Capital Advisors, LLC; and CPP Investment Board.

**Waterbury Entity:** Entity includes the Greater Waterbury Health Network, Inc., its subsidiaries and affiliates.

(b) Since January 1, 2011, were you or any Related Person offered a consulting position or employment with a Waterbury Entity, LHP Entity or the Joint Venture?

__X__ NO_____ If YES, please provide details.

_____

(c) Since January 1, 2011, have you or any Related Person engaged in any of the following transactions with a Waterbury Entity or LHP Entity?

(i) Sold or transferred assets to or purchased assets from or exchanged assets.

__X___ NO_____ YES. If YES, please provide details.

_____

(ii) Leased assets to or leased assets from a Waterbury Entity or LHP Entity.

__X__ NO _____ YES. If YES, please provide details.

_____

(iii) Been indebted to or loaned money to a Waterbury Entity or LHP Entity.

__X___ NO _____ YES. If YES, please provide details.

_____

(iv) Furnished or acquired goods, services or facilities to a Waterbury Entity or LHP Entity.

__X___ NO _____ YES. If YES, please provide details.

_____

I hereby attest that the following information is true and accurate to the best of my knowledge.

Signature

Date 3/07/2012

1. **Financial Interests**

(a) Do you or any Related Person (see definition on first page) have a direct or indirect ownership interest in any Waterbury Entity or LHP Entity (see definitions on first page)?

___X___ NO _____ YES. If YES, please note the name of the entity, ownership percentage and any income generated from the ownership or investment interest.

_____

(b) Since January 1, 2011, did you or any Related Person have a compensation arrangement, including without limitation, as a employee, consultant, contractor, with any Waterbury Entity or LHP Entity?

___X___ NO_____ YES. If you answered YES, please note the name of the entity and income generated from the entity.

_____

(c) Did or will you or any Related Person receive any payment or other financial benefit as a result of the proposed transaction?

___X___ NO _____ YES. If YES, please provide details.

_____

(d) Do you or any Related Person own stock or options to purchase stock in any LHP Entity?

___X___ NO _____ YES. If YES, please provide details.

_____

2. **Beneficial and/or Employment Interests**

(a) Since January 1, 2011, were you or any Related Person offered a position as a director or trustee of a Waterbury Entity, LHP Entity or the Joint Venture?

___X___ NO_____ YES. If YES, please provide details.

_____

## Conflict of Interest/Financial Disclosure Form

The Application of the Greater Waterbury Health Network, Inc. and its Affiliates ("GWHN") and LHP Southwest Connecticut LLC, a proposed joint venture between LHP Hospital Group, Inc. and its Affiliates ("LHP") and Saint Mary's Health System, Inc. ("SMHS") (as formed, the "Joint Venture"), to the Connecticut Attorney General and the Connecticut Department of Public Health for permission to include GWHN in the Joint Venture.

This Disclosure Form is for (i) SMHS board members, (ii) experts and (iii) senior executives with managerial responsibilities who have direct involvement in the proposed joint venture transaction.

Print Name: Garrett Casey

Company or Employer: Casey Family Funeral Svcs LLC

Title: Member

1. **PLEASE COMPLETE AND RETURN THIS QUESTIONNAIRE NO LATER THAN Friday, March 9, 2012 to Ann Ferraro. You can email the completed form to AFerraro@stmh.org or fax it to (203) 709-3238.** If you have any questions regarding this form, please call Silvia Hutcheson at (203) 709-3312 or send an email message to Silvia.Hutcheson@stmh.org.

2. Retain a completed copy of this questionnaire for your files. If, following your return of the questionnaire, any events occur or information comes to your attention that would affect the accuracy of any of your answers in this questionnaire, please notify Silvia Hutcheson of any such event or information as soon as possible.

---

**Definitions:**

**Related Person:** A person related to you by blood, law or marriage such as a spouse, child, stepchild, parent, sibling, grandparent, grandchild or domestic partner (individual not related by blood or marriage, but currently in a committed relationship and residing in a common household sharing joint responsibility for the household), or an entity directly or indirectly controlled by you or any such person or in which you or any such person has a direct or indirect ownership interest of greater than thirty percent.

**LHP Entity:** Entity includes LHP Hospital Group, Inc., LHP Management Services, LLC; CCMP Capital Advisors, LLC; and CPP Investment Board.

**Waterbury Entity:** Entity includes the Greater Waterbury Health Network, Inc., its subsidiaries and affiliates.

1. **Financial Interests**

(a) Do you or any Related Person (see definition on first page) have a direct or indirect ownership interest in any Waterbury Entity or LHP Entity (see definitions on first page)?

__✓__ NO _____ YES. If YES, please note the name of the entity, ownership percentage and any income generated from the ownership or investment interest.

_____

(b) Since January 1, 2011, did you or any Related Person have a compensation arrangement, including without limitation, as a employee, consultant, contractor, with any Waterbury Entity or LHP Entity?

__✓__ NO _____ YES. If you answered YES, please note the name of the entity and income generated from the entity.

_____

(c) Did or will you or any Related Person receive any payment or other financial benefit as a result of the proposed transaction?

__✓__ NO _____ YES. If YES, please provide details.

_____

(d) Do you or any Related Person own stock or options to purchase stock in any LHP Entity?

__✓__ NO _____ YES. If YES, please provide details.

_____

2. **Beneficial and/or Employment Interests**

(a) Since January 1, 2011, were you or any Related Person offered a position as a director or trustee of a Waterbury Entity, LHP Entity or the Joint Venture?

_____ NO __✓__ YES. If YES, please provide details.

Herold Leever

(b) Since January 1, 2011, were you or any Related Person offered a consulting position or employment with a Waterbury Entity, LHP Entity or the Joint Venture?

✓ NO _____ If YES, please provide details.

_____

(c) Since January 1, 2011, have you or any Related Person engaged in any of the following transactions with a Waterbury Entity or LHP Entity?

(i) Sold or transferred assets to or purchased assets from or exchanged assets.

✓ NO _____ YES. If YES, please provide details.

_____

(ii) Leased assets to or leased assets from a Waterbury Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

(iii) Been indebted to or loaned money to a Waterbury Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

(iv) Furnished or acquired goods, services or facilities to a Waterbury Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

I hereby attest that the following information is true and accurate to the best of my knowledge.

_____ 3/8/12

Signature Date

# Conflict of Interest/Financial Disclosure Form

The Application of the Greater Waterbury Health Network, Inc. and its Affiliates ("GWHN") and LHP Southwest Connecticut LLC, a proposed joint venture between LHP Hospital Group, Inc. and its Affiliates ("LHP") and Saint Mary's Health System, Inc. ("SMHS") (as formed, the "Joint Venture"), to the Connecticut Attorney General and the Connecticut Department of Public Health for permission to include GWHN in the Joint Venture.

This Disclosure Form is for (i) SMHS board members, (ii) experts and (iii) senior executives with managerial responsibilities who have direct involvement in the proposed joint venture transaction.

Print Name: MSGR. JAMES G. Coleman

Company or Employer: Arch. of Hartford

Title: Board Member

1. **PLEASE COMPLETE AND RETURN THIS QUESTIONNAIRE NO LATER THAN Friday, March 9, 2012 to Ann Ferraro. You can email the completed form to AFerraro@stmh.org or fax it to (203) 709-3238.** If you have any questions regarding this form, please call Silvia Hutcheson at (203) 709-3312 or send an email message to Silvia.Hutcheson@stmh.org.

2. Retain a completed copy of this questionnaire for your files. If, following your return of the questionnaire, any events occur or information comes to your attention that would affect the accuracy of any of your answers in this questionnaire, please notify Silvia Hutcheson of any such event or information as soon as possible.

---

**Definitions:**

**Related Person:** A person related to you by blood, law or marriage such as a spouse, child, stepchild, parent, sibling, grandparent, grandchild or domestic partner (individual not related by blood or marriage, but currently in a committed relationship and residing in a common household sharing joint responsibility for the household), or an entity directly or indirectly controlled by you or any such person or in which you or any such person has a direct or indirect ownership interest of greater than thirty percent.

**LHP Entity:** Entity includes LHP Hospital Group, Inc., LHP Management Services, LLC; CCMP Capital Advisors, LLC; and CPP Investment Board.

**Waterbury Entity:** Entity includes the Greater Waterbury Health Network, Inc., its subsidiaries and affiliates.

1. **Financial Interests**

(a) Do you or any Related Person (see definition on first page) have a direct or indirect ownership interest in any Waterbury Entity or LHP Entity (see definitions on first page)?

✓ NO _____ YES. If YES, please note the name of the entity, ownership percentage and any income generated from the ownership or investment interest.

_____

(b) Since January 1, 2011, did you or any Related Person have a compensation arrangement, including without limitation, as a employee, consultant, contractor, with any Waterbury Entity or LHP Entity?

✓ NO _____ YES. If you answered YES, please note the name of the entity and income generated from the entity.

_____

(c) Did or will you or any Related Person receive any payment or other financial benefit as a result of the proposed transaction?

✓ NO _____ YES. If YES, please provide details.

_____

(d) Do you or any Related Person own stock or options to purchase stock in any LHP Entity?

✓ NO _____ YES. If YES, please provide details.

_____

2. **Beneficial and/or Employment Interests**

(a) Since January 1, 2011, were you or any Related Person offered a position as a director or trustee of a Waterbury Entity, LHP Entity or the Joint Venture?

✓ NO _____ YES. If YES, please provide details.

_____

(b) Since January 1, 2011, were you or any Related Person offered a consulting position or employment with a Waterbury Entity, LHP Entity or the Joint Venture?

✓ NO _____ If YES, please provide details.

_____

(c) Since January 1, 2011, have you or any Related Person engaged in any of the following transactions with a Waterbury Entity or LHP Entity?

(i) Sold or transferred assets to or purchased assets from or exchanged assets.

✓ NO _____ YES. If YES, please provide details.

_____

(ii) Leased assets to or leased assets from a Waterbury Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

(iii) Been indebted to or loaned money to a Waterbury Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

(iv) Furnished or acquired goods, services or facilities to a Waterbury Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

I hereby attest that the following information is true and accurate to the best of my knowledge.

Mary Jean B Glennon 3-7-12

Signature Date

## Conflict of Interest/Financial Disclosure Form

The Application of the Greater Waterbury Health Network, Inc. and its Affiliates ("GWHN") and LHP Southwest Connecticut LLC, a proposed joint venture between LHP Hospital Group, Inc. and its Affiliates ("LHP") and Saint Mary's Health System, Inc. ("SMHS") (as formed, the "Joint Venture"), to the Connecticut Attorney General and the Connecticut Department of Public Health for permission to include GWHN in the Joint Venture.

This Disclosure Form is for (I) SMHS board members, (II) experts and (iii) senior executives with managerial responsibilities who have direct involvement in the proposed joint venture transaction.

Print Name: Stephen R. Griffin

Company or Employer: Griffin, Griffin & Mayo, P.C.

Title: President

1. **PLEASE COMPLETE AND RETURN THIS QUESTIONNAIRE NO LATER THAN Friday, March 9, 2012 to Ann Ferraro. You can email the completed form to AFerraro@stmh.org or fax it to (203) 709-3238.** If you have any questions regarding this form, please call Silvia Hutcheson at (203) 709-3312 or send an email message to Silvia.Hutcheson@stmh.org.

2. Retain a completed copy of this questionnaire for your files. If, following your return of the questionnaire, any events occur or information comes to your attention that would affect the accuracy of any of your answers in this questionnaire, please notify Silvia Hutcheson of any such event or information as soon as possible.

---

**Definitions:**

**Related Person:** A person related to you by blood, law or marriage such as a spouse, child, stepchild, parent, sibling, grandparent, grandchild or domestic partner (individual not related by blood or marriage, but currently in a committed relationship and residing in a common household sharing joint responsibility for the household), or an entity directly or indirectly controlled by you or any such person or in which you or any such person has a direct or indirect ownership interest of greater than thirty percent.

**LHP Entity:** Entity includes LHP Hospital Group, Inc., LHP Management Services, LLC; CCMP Capital Advisors, LLC; and CPP Investment Board.

**Waterbury Entity:** Entity includes the Greater Waterbury Health Network, Inc., its subsidiaries and affiliates.

1. **Financial Interests**

(a) Do you or any Related Person (see definition on first page) have a direct or indirect ownership interest in any Waterbury Entity or LHP Entity (see definitions on first page)?

_X_ NO ____ YES. If YES, please note the name of the entity, ownership percentage and any income generated from the ownership or investment interest.

_____

(b) Since January 1, 2011, did you or any Related Person have a compensation arrangement, including without limitation, as a employee, consultant, contractor, with any Waterbury Entity or LHP Entity?

_X_ NO ____ YES. If you answered YES, please note the name of the entity and income generated from the entity.

_____

(c) Did or will you or any Related Person receive any payment or other financial benefit as a result of the proposed transaction?

_X_ NO ____ YES. If YES, please provide details.

_____

(d) Do you or any Related Person own stock or options to purchase stock in any LHP Entity?

_X_ NO ____ YES. If YES, please provide details.

_____

2. **Beneficial and/or Employment Interests**

(a) Since January 1, 2011, were you or any Related Person offered a position as a director or trustee of a Waterbury Entity, LHP Entity or the Joint Venture?

____ NO _X_ YES. If YES, please provide details. I serve as a director on the Board of Directors of the Harold Leever Regional Cancer Center. The Leever Center is an affiliate of both SMHS and a Waterbury Entity.

(b) Since January 1, 2011, were you or any Related Person offered a consulting position or employment with a Waterbury Entity, LHP Entity or the Joint Venture?

X NO _____ If YES, please provide details.

_____

(c) Since January 1, 2011, have you or any Related Person engaged in any of the following transactions with a Waterbury Entity or LHP Entity?

(i) Sold or transferred assets to or purchased assets from or exchanged assets.

X NO _____ YES. If YES, please provide details.

_____

(ii) Leased assets to or leased assets from a Waterbury Entity or LHP Entity.

X NO _____ YES. If YES, please provide details.

_____

(iii) Been indebted to or loaned money to a Waterbury Entity or LHP Entity.

X NO _____ YES. If YES, please provide details.

_____

(iv) Furnished or acquired goods, services or facilities to a Waterbury Entity or LHP Entity.

X NO _____ YES. If YES, please provide details.

_____

I hereby attest that the following information is true and accurate to the best of my knowledge.

_____ 3/7/2012

Signature Date

# Conflict of Interest/Financial Disclosure Form

The Application of the Greater Waterbury Health Network, Inc. and its Affiliates ("GWHN") and LHP Southwest Connecticut LLC, a proposed joint venture between LHP Hospital Group, Inc. and its Affiliates ("LHP") and Saint Mary's Health System, Inc. ("SMHS") (as formed, the "Joint Venture"), to the Connecticut Attorney General and the Connecticut Department of Public Health for permission to include GWHN in the Joint Venture.

This Disclosure Form is for (i) SMHS board members, (ii) experts and (iii) senior executives with managerial responsibilities who have direct involvement in the proposed joint venture transaction.

Print Name: Sister Dolores Lahr, CSJ

Company or Employer: Sisters of St. Joseph

Title: Provincial

1. **PLEASE COMPLETE AND RETURN THIS QUESTIONNAIRE NO LATER THAN Friday, March 9, 2012 to Ann Ferraro. You can email the completed form to AFerraro@stmh.org or fax it to (203) 709-3238.** If you have any questions regarding this form, please call Silvia Hutcheson at (203) 709-3312 or send an email message to Silvia.Hutcheson@stmh.org.

2. Retain a completed copy of this questionnaire for your files. If, following your return of the questionnaire, any events occur or information comes to your attention that would affect the accuracy of any of your answers in this questionnaire, please notify Silvia Hutcheson of any such event or information as soon as possible.

---

**Definitions:**

**Related Person:** A person related to you by blood, law or marriage such as a spouse, child, stepchild, parent, sibling, grandparent, grandchild or domestic partner (individual not related by blood or marriage, but currently in a committed relationship and residing in a common household sharing joint responsibility for the household), or an entity directly or indirectly controlled by you or any such person or in which you or any such person has a direct or indirect ownership interest of greater than thirty percent.

**LHP Entity:** Entity includes LHP Hospital Group, Inc., LHP Management Services, LLC; CCMP Capital Advisors, LLC; and CPP Investment Board.

**Waterbury Entity:** Entity includes the Greater Waterbury Health Network, Inc., its subsidiaries and affiliates.

1. Financial Interests

(a) Do you or any Related Person (see definition on first page) have a direct or indirect ownership interest in any Waterbury Entity or LHP Entity (see definitions on first page)?

__X__ NO _____ YES. If YES, please note the name of the entity, ownership percentage and any income generated from the ownership or investment interest.

_____

(b) Since January 1, 2011, did you or any Related Person have a compensation arrangement, including without limitation, as a employee, consultant, contractor, with any Waterbury Entity or LHP Entity?

__X___ NO_____ YES. If you answered YES, please note the name of the entity and income generated from the entity.

_____

(c) Did or will you or any Related Person receive any payment or other financial benefit as a result of the proposed transaction?

___X__ NO _____ YES. If YES, please provide details.

_____

(d) Do you or any Related Person own stock or options to purchase stock in any LHP Entity?

_X____ NO _____ YES. If YES, please provide details.

_____

2. Beneficial and/or Employment Interests

(a) Since January 1, 2011, were you or any Related Person offered a position as a director or trustee of a Waterbury Entity, LHP Entity or the Joint Venture?

___X__ NO_____ YES. If YES, please provide details.

_____

(b) Since January 1, 2011, were you or any Related Person offered a consulting position or employment with a Waterbury Entity, LHP Entity or the Joint Venture?

__X__ NO_____ If YES, please provide details:

_____

(c) Since January 1, 2011, have you or any Related Person engaged in any of the following transactions with a Waterbury Entity or LHP Entity?

(i) Sold or transferred assets to or purchased assets from or exchanged assets.

__X__ NO_____ YES. If YES, please provide details.

_____

(ii) Leased assets to or leased assets from a Waterbury Entity or LHP Entity.

__X__ NO _____ YES. If YES, please provide details.

_____

(iii) Been indebted to or loaned money to a Waterbury Entity or LHP Entity.

_X____ NO _____ YES. If YES, please provide details.

_____

(iv) Furnished or acquired goods, services or facilities to a Waterbury Entity or LHP Entity.

___X__ NO _____ YES. If YES, please provide details.

_____

I hereby attest that the following information is true and accurate to the best of my knowledge.

Anita Antonetti, CFO. 3/7/12

Signature Date

## Conflict of Interest/Financial Disclosure Form

The Application of the Greater Waterbury Health Network, Inc. and its Affiliates ("GWHN") and LHP Southwest Connecticut LLC, a proposed joint venture between LHP Hospital Group, Inc. and its Affiliates ("LHP") and Saint Mary's Health System, Inc. ("SMHS") (as formed, the "Joint Venture"), to the Connecticut Attorney General and the Connecticut Department of Public Health for permission to include GWHN in the Joint Venture.

This Disclosure Form is for (i) SMHS board members, (ii) experts and (iii) senior executives with managerial responsibilities who have direct involvement in the proposed joint venture transaction.

Print Name: Robert J. Mazaika

Company or Employer: Retired

Title: _____

1. **PLEASE COMPLETE AND RETURN THIS QUESTIONNAIRE NO LATER THAN Friday, March 9, 2012 to Ann Ferraro. You can email the completed form to AFerraro@stmh.org or fax it to (203) 709-3238.** If you have any questions regarding this form, please call Silvia Hutcheson at (203) 709-3312 or send an email message to Silvia.Hutcheson@stmh.org.

2. Retain a completed copy of this questionnaire for your files. If, following your return of the questionnaire, any events occur or information comes to your attention that would affect the accuracy of any of your answers in this questionnaire, please notify Silvia Hutcheson of any such event or information as soon as possible.

---

**Definitions:**

**Related Person:** A person related to you by blood, law or marriage such as a spouse, child, stepchild, parent, sibling, grandparent, grandchild or domestic partner (individual not related by blood or marriage, but currently in a committed relationship and residing in a common household sharing joint responsibility for the household), or an entity directly or indirectly controlled by you or any such person or in which you or any such person has a direct or indirect ownership interest of greater than thirty percent.

**LHP Entity:** Entity includes LHP Hospital Group, Inc., LHP Management Services, LLC; CCMP Capital Advisors, LLC; and CPP Investment Board.

**Waterbury Entity:** Entity includes the Greater Waterbury Health Network, Inc., its subsidiaries and affiliates.

1. **Financial Interests**

(a) Do you or any Related Person (see definition on first page) have a direct or indirect ownership interest in any Waterbury Entity or LHP Entity (see definitions on first page)?

__✓__ NO _____ YES. If YES, please note the name of the entity, ownership percentage and any income generated from the ownership or investment interest.

_____

(b) Since January 1, 2011, did you or any Related Person have a compensation arrangement, including without limitation, as a employee, consultant, contractor, with any Waterbury Entity or LHP Entity?

__✓__ NO _____ YES. If you answered YES, please note the name of the entity and income generated from the entity.

_____

(c) Did or will you or any Related Person receive any payment or other financial benefit as a result of the proposed transaction?

__✓__ NO _____ YES. If YES, please provide details.

_____

(d) Do you or any Related Person own stock or options to purchase stock in any LHP Entity?

__✓__ NO _____ YES. If YES, please provide details.

_____

2. **Beneficial and/or Employment Interests**

(a) Since January 1, 2011, were you or any Related Person offered a position as a director or trustee of a Waterbury Entity, LHP Entity or the Joint Venture?

__✓__ NO _____ YES. If YES, please provide details.

_____

(b) Since January 1, 2011, were you or any Related Person offered a consulting position or employment with a Waterbury Entity, LHP Entity or the Joint Venture?

✓ NO _____ If YES, please provide details.

_____

(c) Since January 1, 2011, have you or any Related Person engaged in any of the following transactions with a Waterbury Entity or LHP Entity?

(i) Sold or transferred assets to or purchased assets from or exchanged assets.

✓ NO _____ YES. If YES, please provide details.

_____

(ii) Leased assets to or leased assets from a Waterbury Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

(iii) Been indebted to or loaned money to a Waterbury Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

(iv) Furnished or acquired goods, services or facilities to a Waterbury Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

I hereby attest that the following information is true and accurate to the best of my knowledge.

Robert J Magnotta
Signature

3/12/12
Date

## Conflict of Interest/Financial Disclosure Form

The Application of the Greater Waterbury Health Network, Inc. and its Affiliates ("GWHN") and LHP Southwest Connecticut LLC, a proposed joint venture between LHP Hospital Group, Inc. and its Affiliates ("LHP") and Saint Mary's Health System, Inc. ("SMHS") (as formed, the "Joint Venture"), to the Connecticut Attorney General and the Connecticut Department of Public Health for permission to include GWHN in the Joint Venture.

This Disclosure Form is for (i) SMHS board members, (ii) experts and (iii) senior executives with managerial responsibilities who have direct involvement in the proposed joint venture transaction.

Print Name: Henry J. Mansell

Company or Employer: Archdiocese of Hartford

Title: Archbishop

1. **PLEASE COMPLETE AND RETURN THIS QUESTIONNAIRE NO LATER THAN Friday, March 9, 2012 to Ann Ferraro. You can email the completed form to AFerraro@stmh.org or fax it to (203) 709-3238.** If you have any questions regarding this form, please call Silvia Hutcheson at (203) 709-3312 or send an email message to Silvia.Hutcheson@stmh.org.

2. Retain a completed copy of this questionnaire for your files. If, following your return of the questionnaire, any events occur or information comes to your attention that would affect the accuracy of any of your answers in this questionnaire, please notify Silvia Hutcheson of any such event or information as soon as possible.

---

**Definitions:**

**Related Person:** A person related to you by blood, law or marriage such as a spouse, child, stepchild, parent, sibling, grandparent, grandchild or domestic partner (individual not related by blood or marriage, but currently in a committed relationship and residing in a common household sharing joint responsibility for the household), or an entity directly or indirectly controlled by you or any such person or in which you or any such person has a direct or indirect ownership interest of greater than thirty percent.

**LHP Entity:** Entity includes LHP Hospital Group, Inc., LHP Management Services, LLC; CCMP Capital Advisors, LLC; and CPP Investment Board.

**Waterbury Entity:** Entity includes the Greater Waterbury Health Network, Inc., its subsidiaries and affiliates.

1. **Financial Interests**

(a) Do you or any Related Person (see definition on first page) have a direct or indirect ownership interest in any Waterbury Entity or LHP Entity (see definitions on first page)?

__X__ NO _____ YES. If YES, please note the name of the entity, ownership percentage and any income generated from the ownership or investment interest.

_____

(b) Since January 1, 2011, did you or any Related Person have a compensation arrangement, including without limitation, as a employee, consultant, contractor, with any Waterbury Entity or LHP Entity?

__X__ NO _____ YES. If you answered YES, please note the name of the entity and income generated from the entity.

_____

(c) Did or will you or any Related Person receive any payment or other financial benefit as a result of the proposed transaction?

__X__ NO _____ YES. If YES, please provide details.

_____

(d) Do you or any Related Person own stock or options to purchase stock in any LHP Entity?

__X__ NO _____ YES. If YES, please provide details.

_____

2. **Beneficial and/or Employment Interests**

(a) Since January 1, 2011, were you or any Related Person offered a position as a director or trustee of a Waterbury Entity, LHP Entity or the Joint Venture?

__X__ NO _____ YES. If YES, please provide details.

_____

(b) Since January 1, 2011, were you or any Related Person offered a consulting position or employment with a Waterbury Entity, LHP Entity or the Joint Venture?

__x__ NO _____ If YES, please provide details.

_____

(c) Since January 1, 2011, have you or any Related Person engaged in any of the following transactions with a Waterbury Entity or LHP Entity?

(i) Sold or transferred assets to or purchased assets from or exchanged assets.

__X__ NO _____ YES. If YES, please provide details.

_____

(ii) Leased assets to or leased assets from a Waterbury Entity or LHP Entity.

__X__ NO _____ YES. If YES, please provide details.

_____

(iii) Been indebted to or loaned money to a Waterbury Entity or LHP Entity.

__X__ NO _____ YES. If YES, please provide details.

_____

(iv) Furnished or acquired goods, services or facilities to a Waterbury Entity or LHP Entity.

__X__ NO _____ YES. If YES, please provide details.

_____

I hereby attest that the following information is true and accurate to the best of my knowledge.

+ Henry J. Mansell
Signature

March 7, 2012
Date

## Conflict of Interest/Financial Disclosure Form

The Application of the Greater Waterbury Health Network, Inc. and its Affiliates ("GWHN") and LHP Southwest Connecticut LLC, a proposed joint venture between LHP Hospital Group, Inc. and its Affiliates ("LHP") and Saint Mary's Health System, Inc. ("SMHS") (as formed, the "Joint Venture"), to the Connecticut Attorney General and the Connecticut Department of Public Health for permission to include GWHN in the Joint Venture.

This Disclosure Form is for (i) SMHS board members, (ii) experts and (iii) senior executives with managerial responsibilities who have direct involvement in the proposed joint venture transaction.

Print Name: Joseph A. Mengacci

Company or Employer: Self

Title: Attorney

1. **PLEASE COMPLETE AND RETURN THIS QUESTIONNAIRE NO LATER THAN Friday, March 9, 2012 to Ann Ferraro. You can email the completed form to AFerraro@stmh.org or fax it to (203) 709-3238.** If you have any questions regarding this form, please call Silvia Hutcheson at (203) 709-3312 or send an email message to Silvia.Hutcheson@stmh.org.

2. Retain a completed copy of this questionnaire for your files. If, following your return of the questionnaire, any events occur or information comes to your attention that would affect the accuracy of any of your answers in this questionnaire, please notify Silvia Hutcheson of any such event or information as soon as possible.

---

**Definitions:**

**Related Person:** A person related to you by blood, law or marriage such as a spouse, child, stepchild, parent, sibling, grandparent, grandchild or domestic partner (individual not related by blood or marriage, but currently in a committed relationship and residing in a common household sharing joint responsibility for the household), or an entity directly or indirectly controlled by you or any such person or in which you or any such person has a direct or indirect ownership interest of greater than thirty percent.

**LHP Entity:** Entity includes LHP Hospital Group, Inc., LHP Management Services, LLC; CCMP Capital Advisors, LLC; and CPP Investment Board.

**Waterbury Entity:** Entity includes the Greater Waterbury Health Network, Inc., its subsidiaries and affiliates.

1. **Financial Interests**

(a) Do you or any Related Person (see definition on first page) have a direct or indirect ownership interest in any Waterbury Entity or LHP Entity (see definitions on first page)?

X NO _____ YES. If YES, please note the name of the entity, ownership percentage and any income generated from the ownership or investment interest.

(b) Since January 1, 2011, did you or any Related Person have a compensation arrangement, including without limitation, as a employee, consultant, contractor, with any Waterbury Entity or LHP Entity?

X NO _____ YES. If you answered YES, please note the name of the entity and income generated from the entity.

(c) Did or will you or any Related Person receive any payment or other financial benefit as a result of the proposed transaction?

X NO _____ YES. If YES, please provide details.

(d) Do you or any Related Person own stock or options to purchase stock in any LHP Entity?

X NO _____ YES. If YES, please provide details.

2. **Beneficial and/or Employment Interests**

(a) Since January 1, 2011, were you or any Related Person offered a position as a director or trustee of a Waterbury Entity, LHP Entity or the Joint Venture?

X NO _____ YES. If YES, please provide details.

(b) Since January 1, 2011, were you or any Related Person offered a consulting position or employment with a Waterbury Entity, LHP Entity or the Joint Venture?

X NO ____ If YES, please provide details.

(c) Since January 1, 2011, have you or any Related Person engaged in any of the following transactions with a Waterbury Entity or LHP Entity?

(i) Sold or transferred assets to or purchased assets from or exchanged assets.

X NO ____ YES. If YES, please provide details.

(ii) Leased assets to or leased assets from a Waterbury Entity or LHP Entity.

X NO ____ YES. If YES, please provide details.

(iii) Been indebted to or loaned money to a Waterbury Entity or LHP Entity.

X NO ____ YES. If YES, please provide details.

(iv) Furnished or acquired goods, services or facilities to a Waterbury Entity or LHP Entity.

X NO ____ YES. If YES, please provide details.

I hereby attest that the following information is true and accurate to the best of my knowledge.

Signature

3/6/12
Date

## Conflict of Interest/Financial Disclosure Form

The Application of the Greater Waterbury Health Network, Inc. and its Affiliates ("GWHN") and LHP Southwest Connecticut LLC, a proposed joint venture between LHP Hospital Group, Inc. and its Affiliates ("LHP") and Saint Mary's Health System, Inc. ("SMHS") (as formed, the "Joint Venture"), to the Connecticut Attorney General and the Connecticut Department of Public Health for permission to include GWHN in the Joint Venture.

This Disclosure Form is for (i) SMHS board members, (ii) experts and (iii) senior executives with managerial responsibilities who have direct involvement in the proposed joint venture transaction.

Print Name: William Morris

Company or Employer: H. D. Segar

Title: Partner.

1. **PLEASE COMPLETE AND RETURN THIS QUESTIONNAIRE NO LATER THAN Friday, March 9, 2012 to Ann Ferraro. You can email the completed form to AFerraro@stmh.org or fax it to (203) 709-3238.** If you have any questions regarding this form, please call Silvia Hutcheson at (203) 709-3312 or send an email message to Silvia.Hutcheson@stmh.org.

2. Retain a completed copy of this questionnaire for your files. If, following your return of the questionnaire, any events occur or information comes to your attention that would affect the accuracy of any of your answers in this questionnaire, please notify Silvia Hutcheson of any such event or information as soon as possible.

---

**Definitions:**

**Related Person:** A person related to you by blood, law or marriage such as a spouse, child, stepchild, parent, sibling, grandparent, grandchild or domestic partner (individual not related by blood or marriage, but currently in a committed relationship and residing in a common household sharing joint responsibility for the household), or an entity directly or indirectly controlled by you or any such person or in which you or any such person has a direct or indirect ownership interest of greater than thirty percent.

**LHP Entity:** Entity includes LHP Hospital Group, Inc., LHP Management Services, LLC; CCMP Capital Advisors, LLC; and CPP Investment Board.

**Waterbury Entity:** Entity includes the Greater Waterbury Health Network, Inc., its subsidiaries and affiliates.

1. **Financial Interests**

(a) Do you or any Related Person (see definition on first page) have a direct or indirect ownership interest in any Waterbury Entity or LHP Entity (see definitions on first page)?

X NO _____ YES. If YES, please note the name of the entity, ownership percentage and any income generated from the ownership or investment interest.

_____

(b) Since January 1, 2011, did you or any Related Person have a compensation arrangement, including without limitation, as a employee, consultant, contractor, with any Waterbury Entity or LHP Entity?

X NO _____ YES. If you answered YES, please note the name of the entity and income generated from the entity.

_____

(c) Did or will you or any Related Person receive any payment or other financial benefit as a result of the proposed transaction?

X NO _____ YES. If YES, please provide details.

_____

(d) Do you or any Related Person own stock or options to purchase stock in any LHP Entity?

X NO _____ YES. If YES, please provide details.

_____

2. **Beneficial and/or Employment Interests**

(a) Since January 1, 2011, were you or any Related Person offered a position as a director or trustee of a Waterbury Entity, LHP Entity or the Joint Venture?

X NO _____ YES. If YES, please provide details.

_____

(b) Since January 1, 2011, were you or any Related Person offered a consulting position or employment with a Waterbury Entity, LHP Entity or the Joint Venture?

X NO _____ If YES, please provide details.

_____

(c) Since January 1, 2011, have you or any Related Person engaged in any of the following transactions with a Waterbury Entity or LHP Entity?

(i) Sold or transferred assets to or purchased assets from or exchanged assets.

X NO _____ YES. If YES, please provide details.

_____

(ii) Leased assets to or leased assets from a Waterbury Entity or LHP Entity.

X NO _____ YES. If YES, please provide details.

_____

(iii) Been indebted to or loaned money to a Waterbury Entity or LHP Entity.

X NO _____ YES. If YES, please provide details.

_____

(iv) Furnished or acquired goods, services or facilities to a Waterbury Entity or LHP Entity.

X NO _____ YES. If YES, please provide details.

_____

I hereby attest that the following information is true and accurate to the best of my knowledge.

_____ 3/7/2012

Signature Date

## Conflict of Interest/Financial Disclosure Form

The Application of the Greater Waterbury Health Network, Inc. and its Affiliates ("GWHN") and LHP Southwest Connecticut LLC, a proposed joint venture between LHP Hospital Group, Inc. and its Affiliates ("LHP") and Saint Mary's Health System, Inc. ("SMHS") (as formed, the "Joint Venture"), to the Connecticut Attorney General and the Connecticut Department of Public Health for permission to include GWHN in the Joint Venture.

This Disclosure Form is for (i) SMHS board members, (ii) experts and (iii) senior executives with managerial responsibilities who have direct involvement in the proposed joint venture transaction.

Print Name: Michael A. O'Brien

Company or Employer: Duncaster

Title: President and CEO

1. **PLEASE COMPLETE AND RETURN THIS QUESTIONNAIRE NO LATER THAN Friday, March 9, 2012 to Ann Ferraro. You can email the completed form to AFerraro@stmh.org or fax it to (203) 709-3238.** If you have any questions regarding this form, please call Silvia Hutcheson at (203) 709-3312 or send an email message to Silvia.Hutcheson@stmh.org.

2. Retain a completed copy of this questionnaire for your files. If, following your return of the questionnaire, any events occur or information comes to your attention that would affect the accuracy of any of your answers in this questionnaire, please notify Silvia Hutcheson of any such event or information as soon as possible.

---

**Definitions:**

**Related Person:** A person related to you by blood, law or marriage such as a spouse, child, stepchild, parent, sibling, grandparent, grandchild or domestic partner (individual not related by blood or marriage, but currently in a committed relationship and residing in a common household sharing joint responsibility for the household), or an entity directly or indirectly controlled by you or any such person or in which you or any such person has a direct or indirect ownership interest of greater than thirty percent.

**LHP Entity:** Entity includes LHP Hospital Group, Inc., LHP Management Services, LLC; CCMP Capital Advisors, LLC; and CPP Investment Board.

**Waterbury Entity:** Entity includes the Greater Waterbury Health Network, Inc., its subsidiaries and affiliates.

1. **Financial Interests**

(a) Do you or any Related Person (see definition on first page) have a direct or indirect ownership interest in any Waterbury Entity or LHP Entity (see definitions on first page)?

✓ NO _____ YES. If YES, please note the name of the entity, ownership percentage and any income generated from the ownership or investment interest.

_____

(b) Since January 1, 2011, did you or any Related Person have a compensation arrangement, including without limitation, as a employee, consultant, contractor, with any Waterbury Entity or LHP Entity?

✓ NO _____ YES. If you answered YES, please note the name of the entity and income generated from the entity.

_____

(c) Did or will you or any Related Person receive any payment or other financial benefit as a result of the proposed transaction?

✓ NO _____ YES. If YES, please provide details.

_____

(d) Do you or any Related Person own stock or options to purchase stock in any LHP Entity?

✓ NO _____ YES. If YES, please provide details.

_____

2. **Beneficial and/or Employment Interests**

(a) Since January 1, 2011, were you or any Related Person offered a position as a director or trustee of a Waterbury Entity, LHP Entity or the Joint Venture?

✓ NO _____ YES. If YES, please provide details.

_____

(b) Since January 1, 2011, were you or any Related Person offered a consulting position or employment with a Waterbury Entity, LHP Entity or the Joint Venture?

✓ NO _____ If YES, please provide details.

_____

(c) Since January 1, 2011, have you or any Related Person engaged in any of the following transactions with a Waterbury Entity or LHP Entity?

(i) Sold or transferred assets to or purchased assets from or exchanged assets.

✓ NO _____ YES. If YES, please provide details.

_____

(ii) Leased assets to or leased assets from a Waterbury Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

(iii) Been indebted to or loaned money to a Waterbury Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

(iv) Furnished or acquired goods, services or facilities to a Waterbury Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

I hereby attest that the following information is true and accurate to the best of my knowledge.

_____ 3/7/12

Signature Date

# Conflict of Interest/Financial Disclosure Form

The Application of the Greater Waterbury Health Network, Inc. and its Affiliates ("GWHN") and LHP Southwest Connecticut LLC, a proposed joint venture between LHP Hospital Group, Inc. and its Affiliates ("LHP") and Saint Mary's Health System, Inc. ("SMHS") (as formed, the "Joint Venture"), to the Connecticut Attorney General and the Connecticut Department of Public Health for permission to include GWHN in the Joint Venture.

This Disclosure Form is for (i) SMHS board members, (ii) experts and (iii) senior executives with managerial responsibilities who have direct involvement in the proposed joint venture transaction.

Print Name: OBJIN C ROBINSON

Company or Employer: NONE - RETIRED

Title: _____

1. **PLEASE COMPLETE AND RETURN THIS QUESTIONNAIRE NO LATER THAN Friday, March 9, 2012 to Ann Ferraro. You can email the completed form to AFerraro@stmh.org or fax it to (203) 709-3238.** If you have any questions regarding this form, please call Silvia Hutcheson at (203) 709-3312 or send an email message to Silvia.Hutcheson@stmh.org.

2. Retain a completed copy of this questionnaire for your files. If, following your return of the questionnaire, any events occur or information comes to your attention that would affect the accuracy of any of your answers in this questionnaire, please notify Silvia Hutcheson of any such event or information as soon as possible.

---

**Definitions:**

**Related Person:** A person related to you by blood, law or marriage such as a spouse, child, stepchild, parent, sibling, grandparent, grandchild or domestic partner (individual not related by blood or marriage, but currently in a committed relationship and residing in a common household sharing joint responsibility for the household), or an entity directly or indirectly controlled by you or any such person or in which you or any such person has a direct or indirect ownership interest of greater than thirty percent.

**LHP Entity:** Entity includes LHP Hospital Group, Inc., LHP Management Services, LLC; CCMP Capital Advisors, LLC; and CPP Investment Board.

**Waterbury Entity:** Entity includes the Greater Waterbury Health Network, Inc., its subsidiaries and affiliates.

1. **Financial Interests**

(a) Do you or any Related Person (see definition on first page) have a direct or indirect ownership interest in any Waterbury Entity or LHP Entity (see definitions on first page)?

__✓__ NO ____ YES. If YES, please note the name of the entity, ownership percentage and any income generated from the ownership or investment interest.

_____

(b) Since January 1, 2011, did you or any Related Person have a compensation arrangement, including without limitation, as a employee, consultant, contractor, with any Waterbury Entity or LHP Entity?

__✓__ NO ____ YES. If you answered YES, please note the name of the entity and income generated from the entity.

_____

(c) Did or will you or any Related Person receive any payment or other financial benefit as a result of the proposed transaction?

__✓__ NO ____ YES. If YES, please provide details.

_____

(d) Do you or any Related Person own stock or options to purchase stock in any LHP Entity?

__✓__ NO ____ YES. If YES, please provide details.

_____

2. **Beneficial and/or Employment Interests**

(a) Since January 1, 2011, were you or any Related Person offered a position as a director or trustee of a Waterbury Entity, LHP Entity or the Joint Venture?

__✓__ NO ____ YES. If YES, please provide details.

_____

(b) Since January 1, 2011, were you or any Related Person offered a consulting position or employment with a Waterbury Entity, LHP Entity or the Joint Venture?

__✓__ NO _____ If YES, please provide details.

_____

(c) Since January 1, 2011, have you or any Related Person engaged in any of the following transactions with a Waterbury Entity or LHP Entity?

(i) Sold or transferred assets to or purchased assets from or exchanged assets.

__✓__ NO _____ YES. If YES, please provide details.

_____

(ii) Leased assets to or leased assets from a Waterbury Entity or LHP Entity.

__✓__ NO _____ YES. If YES, please provide details.

_____

(iii) Been indebted to or loaned money to a Waterbury Entity or LHP Entity.

__✓__ NO _____ YES. If YES, please provide details.

_____

(iv) Furnished or acquired goods, services or facilities to a Waterbury Entity or LHP Entity.

__✓__ NO _____ YES. If YES, please provide details.

_____

I hereby attest that the following information is true and accurate to the best of my knowledge.

_____ 3/6/2012

Signature Date

## Conflict of Interest/Financial Disclosure Form

The Application of the Greater Waterbury Health Network, Inc. and its Affiliates ("GWHN") and LHP Southwest Connecticut LLC, a proposed joint venture between LHP Hospital Group, Inc. and its Affiliates ("LHP") and Saint Mary's Health System, Inc. ("SMHS") (as formed, the "Joint Venture"), to the Connecticut Attorney General and the Connecticut Department of Public Health for permission to include GWHN in the Joint Venture.

This Disclosure Form is for (i) SMHS board members, (ii) experts and (iii) senior executives with managerial responsibilities who have direct involvement in the proposed joint venture transaction.

Print Name: Robert R. Rosco

Company or Employer: That's Great News LLC

Title: President

1. **PLEASE COMPLETE AND RETURN THIS QUESTIONNAIRE NO LATER THAN Friday, March 9, 2012 to Ann Ferraro. You can email the completed form to AFerraro@stmh.org or fax it to (203) 709-3238.** If you have any questions regarding this form, please call Silvia Hutcheson at (203) 709-3312 or send an email message to Silvia.Hutcheson@stmh.org.

2. Retain a completed copy of this questionnaire for your files. If, following your return of the questionnaire, any events occur or information comes to your attention that would affect the accuracy of any of your answers in this questionnaire, please notify Silvia Hutcheson of any such event or information as soon as possible.

---

**Definitions:**

**Related Person:** A person related to you by blood, law or marriage such as a spouse, child, stepchild, parent, sibling, grandparent, grandchild or domestic partner (individual not related by blood or marriage, but currently in a committed relationship and residing in a common household sharing joint responsibility for the household), or an entity directly or indirectly controlled by you or any such person or in which you or any such person has a direct or indirect ownership interest of greater than thirty percent.

**LHP Entity:** Entity includes LHP Hospital Group, Inc., LHP Management Services, LLC; CCMP Capital Advisors, LLC; and CPP Investment Board.

**Waterbury Entity:** Entity includes the Greater Waterbury Health Network, Inc., its subsidiaries and affiliates.

1. **Financial Interests**

(a) Do you or any Related Person (see definition on first page) have a direct or indirect ownership interest in any Waterbury Entity or LHP Entity (see definitions on first page)?

X NO _____ YES. If YES, please note the name of the entity, ownership percentage and any income generated from the ownership or investment interest.

_____

(b) Since January 1, 2011, did you or any Related Person have a compensation arrangement, including without limitation, as a employee, consultant, contractor, with any Waterbury Entity or LHP Entity?

MM NO X YES. If you answered YES, please note the name of the entity and income generated from the entity.

Kim (My Wife) is employed by STMH

(c) Did or will you or any Related Person receive any payment or other financial benefit as a result of the proposed transaction?

X NO _____ YES. If YES, please provide details.

_____

(d) Do you or any Related Person own stock or options to purchase stock in any LHP Entity?

X NO _____ YES. If YES, please provide details.

_____

2. **Beneficial and/or Employment Interests**

(a) Since January 1, 2011, were you or any Related Person offered a position as a director or trustee of a Waterbury Entity, LHP Entity or the Joint Venture?

X NO _____ YES. If YES, please provide details.

_____

(b) Since January 1, 2011, were you or any Related Person offered a consulting position or employment with a Waterbury Entity, LHP Entity or the Joint Venture?

X NO X If YES, please provide details.

See Note 3

(c) Since January 1, 2011, have you or any Related Person engaged in any of the following transactions with a Waterbury Entity or LHP Entity?

(i) Sold or transferred assets to or purchased assets from or exchanged assets.

X NO _____ YES. If YES, please provide details.

(ii) Leased assets to or leased assets from a Waterbury Entity or LHP Entity.

X NO _____ YES. If YES, please provide details.

(iii) Been indebted to or loaned money to a Waterbury Entity or LHP Entity.

X NO _____ YES. If YES, please provide details.

(iv) Furnished or acquired goods, services or facilities to a Waterbury Entity or LHP Entity.

X NO _____ YES. If YES, please provide details.

I hereby attest that the following information is true and accurate to the best of my knowledge.

Signature

3/8/12
Date

## Conflict of Interest/Financial Disclosure Form

The Application of the Greater Waterbury Health Network, Inc. and its Affiliates ("GWHN") and LHP Southwest Connecticut LLC, a proposed joint venture between LHP Hospital Group, Inc. and its Affiliates ("LHP") and Saint Mary's Health System, Inc. ("SMHS") (as formed, the "Joint Venture"), to the Connecticut Attorney General and the Connecticut Department of Public Health for permission to include GWHN in the Joint Venture.

This Disclosure Form is for (i) SMHS board members, (ii) experts and (iii) senior executives with managerial responsibilities who have direct involvement in the proposed joint venture transaction.

Print Name: James C. Smith

Company or Employer: Webster Bank, NA

Title: Chairman + CEO

1. **PLEASE COMPLETE AND RETURN THIS QUESTIONNAIRE NO LATER THAN Friday, March 9, 2012 to Ann Ferraro. You can email the completed form to AFerraro@stmh.org or fax it to (203) 709-3238.** If you have any questions regarding this form, please call Silvia Hutcheson at (203) 709-3312 or send an email message to Silvia.Hutcheson@stmh.org.

2. Retain a completed copy of this questionnaire for your files. If, following your return of the questionnaire, any events occur or information comes to your attention that would affect the accuracy of any of your answers in this questionnaire, please notify Silvia Hutcheson of any such event or information as soon as possible.

---

**Definitions:**

**Related Person:** A person related to you by blood, law or marriage such as a spouse, child, stepchild, parent, sibling, grandparent, grandchild or domestic partner (individual not related by blood or marriage, but currently in a committed relationship and residing in a common household sharing joint responsibility for the household), or an entity directly or indirectly controlled by you or any such person or in which you or any such person has a direct or indirect ownership interest of greater than thirty percent.

**LHP Entity:** Entity includes LHP Hospital Group, Inc., LHP Management Services, LLC; CCMP Capital Advisors, LLC; and CPP Investment Board.

**Waterbury Entity:** Entity includes the Greater Waterbury Health Network, Inc., its subsidiaries and affiliates.

1. **Financial Interests**

(a) Do you or any Related Person (see definition on first page) have a direct or indirect ownership interest in any Waterbury Entity or LHP Entity (see definitions on first page)?

✓ NO _____ YES. If YES, please note the name of the entity, ownership percentage and any income generated from the ownership or investment interest.

_____

(b) Since January 1, 2011, did you or any Related Person have a compensation arrangement, including without limitation, as a employee, consultant, contractor, with any Waterbury Entity or LHP Entity?

✓ NO _____ YES. If you answered YES, please note the name of the entity and income generated from the entity.

_____

(c) Did or will you or any Related Person receive any payment or other financial benefit as a result of the proposed transaction?

_____ NO _____ YES. If YES, please provide details.

N/A

(d) Do you or any Related Person own stock or options to purchase stock in any LHP Entity?

✓ NO _____ YES. If YES, please provide details.

_____

2. **Beneficial and/or Employment Interests**

(a) Since January 1, 2011, were you or any Related Person offered a position as a director or trustee of a Waterbury Entity, LHP Entity or the Joint Venture?

✓ NO _____ YES. If YES, please provide details.

please see attached addendum

(b) Since January 1, 2011, were you or any Related Person offered a consulting position or employment with a Waterbury Entity, LHP Entity or the Joint Venture?

✓ NO _____ If YES, please provide details.

_____

(c) Since January 1, 2011, have you or any Related Person engaged in any of the following transactions with a Waterbury Entity or LHP Entity?

(i) Sold or transferred assets to or purchased assets from or exchanged assets.

✓ NO _____ YES. If YES, please provide details.

_____

(ii) Leased assets to or leased assets from a Waterbury Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

(iii) Been indebted to or loaned money to a Waterbury Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

(iv) Furnished or acquired goods, services or facilities to a Waterbury Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

I hereby attest that the following information is true and accurate to the best of my knowledge.

Signature

March 9, 2012
Date

SMHS Conflict of Interest/Financial Disclosure
March 9, 2012
James C. Smith, SMHS Board of Director

Page 2, Question #2
(For CON for WH to enter into Joint Venture)

As part of the ongoing SMHS Joint Venture Taskforce process, there have been discussions regarding potential board member appointments to the new Joint Venture's Board of Directors. Mr. Smith has been included as a potential nominee.

## Conflict of Interest/Financial Disclosure Form

The Application of the Greater Waterbury Health Network, Inc. and its Affiliates ("GWHN") and LHP Southwest Connecticut LLC, a proposed joint venture between LHP Hospital Group, Inc. and its Affiliates ("LHP") and Saint Mary's Health System, Inc. ("SMHS") (as formed, the "Joint Venture"), to the Connecticut Attorney General and the Connecticut Department of Public Health for permission to include GWHN in the Joint Venture.

This Disclosure Form is for (i) SMHS board members, (ii) experts and (iii) senior executives with managerial responsibilities who have direct involvement in the proposed joint venture transaction.

Print Name: Jerome Scott MD

Company or Employer: N Naugatuck Valley Ear Nose & Throat

Title: MD

1. **PLEASE COMPLETE AND RETURN THIS QUESTIONNAIRE NO LATER THAN Friday, March 9, 2012 to Ann Ferraro. You can email the completed form to AFerraro@stmh.org or fax it to (203) 709-3238.** If you have any questions regarding this form, please call Silvia Hutcheson at (203) 709-3312 or send an email message to Silvia.Hutcheson@stmh.org.

2. Retain a completed copy of this questionnaire for your files. If, following your return of the questionnaire, any events occur or information comes to your attention that would affect the accuracy of any of your answers in this questionnaire, please notify Silvia Hutcheson of any such event or information as soon as possible.

---

**Definitions:**

**Related Person:** A person related to you by blood, law or marriage such as a spouse, child, stepchild, parent, sibling, grandparent, grandchild or domestic partner (individual not related by blood or marriage, but currently in a committed relationship and residing in a common household sharing joint responsibility for the household), or an entity directly or indirectly controlled by you or any such person or in which you or any such person has a direct or indirect ownership interest of greater than thirty percent.

**LHP Entity:** Entity includes LHP Hospital Group, Inc., LHP Management Services, LLC; CCMP Capital Advisors, LLC; and CPP Investment Board.

**Waterbury Entity:** Entity includes the Greater Waterbury Health Network, Inc., its subsidiaries and affiliates.

1. **Financial Interests**

(a) Do you or any Related Person (see definition on first page) have a direct or indirect ownership interest in any Waterbury Entity or LHP Entity (see definitions on first page)?

X NO _____ YES. If YES, please note the name of the entity, ownership percentage and any income generated from the ownership or investment interest.

_____

(b) Since January 1, 2011, did you or any Related Person have a compensation arrangement, including without limitation, as a employee, consultant, contractor, with any Waterbury Entity or LHP Entity?

X NO _____ YES. If you answered YES, please note the name of the entity and income generated from the entity.

_____

(c) Did or will you or any Related Person receive any payment or other financial benefit as a result of the proposed transaction?

X NO _____ YES. If YES, please provide details.

_____

(d) Do you or any Related Person own stock or options to purchase stock in any LHP Entity?

X NO _____ YES. If YES, please provide details.

_____

2. **Beneficial and/or Employment Interests**

(a) Since January 1, 2011, were you or any Related Person offered a position as a director or trustee of a Waterbury Entity, LHP Entity or the Joint Venture?

X NO _____ YES. If YES, please provide details.

_____

(b) Since January 1, 2011, were you or any Related Person offered a consulting position or employment with a Waterbury Entity, LHP Entity or the Joint Venture?

X NO _____ If YES, please provide details.

_____

(c) Since January 1, 2011, have you or any Related Person engaged in any of the following transactions with a Waterbury Entity or LHP Entity?

(i) Sold or transferred assets to or purchased assets from or exchanged assets.

X NO _____ YES. If YES, please provide details.

_____

(ii) Leased assets to or leased assets from a Waterbury Entity or LHP Entity.

X NO _____ YES. If YES, please provide details.

_____

(iii) Been indebted to or loaned money to a Waterbury Entity or LHP Entity.

X NO _____ YES. If YES, please provide details.

_____

(iv) Furnished or acquired goods, services or facilities to a Waterbury Entity or LHP Entity.

X NO _____ YES. If YES, please provide details.

_____

I hereby attest that the following information is true and accurate to the best of my knowledge.

Signature _____ Date 3/8/12

## Conflict of Interest/Financial Disclosure Form

The Application of the Greater Waterbury Health Network, Inc. and its Affiliates ("GWHN") and LHP Southwest Connecticut LLC, a proposed joint venture between LHP Hospital Group, Inc. and its Affiliates ("LHP") and Saint Mary's Health System, Inc. ("SMHS") (as formed, the "Joint Venture"), to the Connecticut Attorney General and the Connecticut Department of Public Health for permission to include GWHN in the Joint Venture.

This Disclosure Form is for (i) SMHS board members, (ii) experts and (iii) senior executives with managerial responsibilities who have direct involvement in the proposed joint venture transaction.

Print Name: Christine Sullivan

Company or Employer: Duffy & Fusano / UCHC

Title: Atty

1. **PLEASE COMPLETE AND RETURN THIS QUESTIONNAIRE NO LATER THAN Friday, March 9, 2012 to Ann Ferraro. You can email the completed form to AFerraro@stmh.org or fax it to (203) 709-3238.** If you have any questions regarding this form, please call Silvia Hutcheson at (203) 709-3312 or send an email message to Silvia.Hutcheson@stmh.org.

2. Retain a completed copy of this questionnaire for your files. If, following your return of the questionnaire, any events occur or information comes to your attention that would affect the accuracy of any of your answers in this questionnaire, please notify Silvia Hutcheson of any such event or information as soon as possible.

---

**Definitions:**

**Related Person:** A person related to you by blood, law or marriage such as a spouse, child, stepchild, parent, sibling, grandparent, grandchild or domestic partner (individual not related by blood or marriage, but currently in a committed relationship and residing in a common household sharing joint responsibility for the household), or an entity directly or indirectly controlled by you or any such person or in which you or any such person has a direct or indirect ownership interest of greater than thirty percent.

**LHP Entity:** Entity includes LHP Hospital Group, Inc., LHP Management Services, LLC; CCMP Capital Advisors, LLC; and CPP Investment Board.

**Waterbury Entity:** Entity includes the Greater Waterbury Health Network, Inc., its subsidiaries and affiliates.

1. **Financial Interests**

(a) Do you or any Related Person (see definition on first page) have a direct or indirect ownership interest in any Waterbury Entity or LHP Entity (see definitions on first page)?

__✓__ NO _____ YES. If YES, please note the name of the entity, ownership percentage and any income generated from the ownership or investment interest.

_____

(b) Since January 1, 2011, did you or any Related Person have a compensation arrangement, including without limitation, as a employee, consultant, contractor, with any Waterbury Entity or LHP Entity?

__✓__ NO _____ YES. If you answered YES, please note the name of the entity and income generated from the entity.

_____

(c) Did or will you or any Related Person receive any payment or other financial benefit as a result of the proposed transaction?

__✓__ NO _____ YES. If YES, please provide details.

_____

(d) Do you or any Related Person own stock or options to purchase stock in any LHP Entity?

__✓__ NO _____ YES. If YES, please provide details.

_____

2. **Beneficial and/or Employment Interests**

(a) Since January 1, 2011, were you or any Related Person offered a position as a director or trustee of a Waterbury Entity, LHP Entity or the Joint Venture?

__✓__ NO _____ YES. If YES, please provide details.

_____

(b) Since January 1, 2011, were you or any Related Person offered a consulting position or employment with a Waterbury Entity, LHP Entity or the Joint Venture?

✓ NO _____ If YES, please provide details.

_____

(c) Since January 1, 2011, have you or any Related Person engaged in any of the following transactions with a Waterbury Entity or LHP Entity?

(i) Sold or transferred assets to or purchased assets from or exchanged assets.

✓ NO _____ YES. If YES, please provide details.

_____

(ii) Leased assets to or leased assets from a Waterbury Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

(iii) Been indebted to or loaned money to a Waterbury Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

(iv) Furnished or acquired goods, services or facilities to a Waterbury Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

I hereby attest that the following information is true and accurate to the best of my knowledge.

Signature _____ Date 3/8/12

## Conflict of Interest/Financial Disclosure Form

The Application of the Greater Waterbury Health Network, Inc. and its Affiliates ("GWHN") and LHP Southwest Connecticut LLC, a proposed joint venture between LHP Hospital Group, Inc. and its Affiliates ("LHP") and Saint Mary's Health System, Inc. ("SMHS") (as formed, the "Joint Venture"), to the Connecticut Attorney General and the Connecticut Department of Public Health for permission to include GWHN in the Joint Venture.

This Disclosure Form is for (i) SMHS board members, (ii) experts and (iii) senior executives with managerial responsibilities who have direct involvement in the proposed joint venture transaction.

Print Name: James G. Uberti, MD

Company or Employer: St. Mary's Health System (Franklin Medical Group)

Title: _____

1. **PLEASE COMPLETE AND RETURN THIS QUESTIONNAIRE NO LATER THAN Friday, March 9, 2012 to Ann Ferraro. You can email the completed form to AFerraro@stmh.org or fax it to (203) 709-3238.** If you have any questions regarding this form, please call Silvia Hutcheson at (203) 709-3312 or send an email message to Silvia.Hutcheson@stmh.org.

2. Retain a completed copy of this questionnaire for your files. If, following your return of the questionnaire, any events occur or information comes to your attention that would affect the accuracy of any of your answers in this questionnaire, please notify Silvia Hutcheson of any such event or information as soon as possible.

---

**Definitions:**

**Related Person:** A person related to you by blood, law or marriage such as a spouse, child, stepchild, parent, sibling, grandparent, grandchild or domestic partner (individual not related by blood or marriage, but currently in a committed relationship and residing in a common household sharing joint responsibility for the household), or an entity directly or indirectly controlled by you or any such person or in which you or any such person has a direct or indirect ownership interest of greater than thirty percent.

**LHP Entity:** Entity includes LHP Hospital Group, Inc., LHP Management Services, LLC; CCMP Capital Advisors, LLC; and CPP Investment Board.

**Waterbury Entity:** Entity includes the Greater Waterbury Health Network, Inc., its subsidiaries and affiliates.

1. **Financial Interests**

(a) Do you or any Related Person (see definition on first page) have a direct or indirect ownership interest in any Waterbury Entity or LHP Entity (see definitions on first page)?

__✓__ NO _____ YES. If YES, please note the name of the entity, ownership percentage and any income generated from the ownership or investment interest.

_____

(b) Since January 1, 2011, did you or any Related Person have a compensation arrangement, including without limitation, as a employee, consultant, contractor, with any Waterbury Entity or LHP Entity?

__✓__ NO _____ YES. If you answered YES, please note the name of the entity and income generated from the entity.

_____

(c) Did or will you or any Related Person receive any payment or other financial benefit as a result of the proposed transaction?

__✓__ NO _____ YES. If YES, please provide details.

_____

(d) Do you or any Related Person own stock or options to purchase stock in any LHP Entity?

__✓__ NO _____ YES. If YES, please provide details.

_____

2. **Beneficial and/or Employment Interests**

(a) Since January 1, 2011, were you or any Related Person offered a position as a director or trustee of a Waterbury Entity, LHP Entity or the Joint Venture?

__✓__ NO _____ YES. If YES, please provide details.

_____

(b) Since January 1, 2011, were you or any Related Person offered a consulting position or employment with a Waterbury Entity, LHP Entity or the Joint Venture?

__✓__ NO _____ If YES, please provide details.

_____

(c) Since January 1, 2011, have you or any Related Person engaged in any of the following transactions with a Waterbury Entity or LHP Entity?

(i) Sold or transferred assets to or purchased assets from or exchanged assets.

__✓__ NO _____ YES. If YES, please provide details.

_____

(ii) Leased assets to or leased assets from a Waterbury Entity or LHP Entity.

__✓__ NO _____ YES. If YES, please provide details.

_____

(iii) Been indebted to or loaned money to a Waterbury Entity or LHP Entity.

__✓__ NO _____ YES. If YES, please provide details.

_____

(iv) Furnished or acquired goods, services or facilities to a Waterbury Entity or LHP Entity.

__✓__ NO _____ YES. If YES, please provide details.

_____

I hereby attest that the following information is true and accurate to the best of my knowledge.

_____ 3/8/12

Signature Date

## Conflict of Interest/Financial Disclosure Form

The Application of the Greater Waterbury Health Network, Inc. and its Affiliates ("GWHN") and LHP Southwest Connecticut LLC, a proposed joint venture between LHP Hospital Group, Inc. and its Affiliates ("LHP") and Saint Mary's Health System, Inc. ("SMHS") (as formed, the "Joint Venture"), to the Connecticut Attorney General and the Connecticut Department of Public Health for permission to include GWHN in the Joint Venture.

This Disclosure Form is for (i) SMHS board members, (ii) experts and (iii) senior executives with managerial responsibilities who have direct involvement in the proposed joint venture transaction.

Print Name: Linda T. Wihbey

Company or Employer: City of Waterbury

Title: Corporation Counsel

1. **PLEASE COMPLETE AND RETURN THIS QUESTIONNAIRE NO LATER THAN Friday, March 9, 2012 to Ann Ferraro. You can email the completed form to AFerraro@stmh.org or fax it to (203) 709-3238.** If you have any questions regarding this form, please call Silvia Hutcheson at (203) 709-3312 or send an email message to Silvia.Hutcheson@stmh.org.

2. Retain a completed copy of this questionnaire for your files. If, following your return of the questionnaire, any events occur or information comes to your attention that would affect the accuracy of any of your answers in this questionnaire, please notify Silvia Hutcheson of any such event or information as soon as possible.

---

**Definitions:**

**Related Person:** A person related to you by blood, law or marriage such as a spouse, child, stepchild, parent, sibling, grandparent, grandchild or domestic partner (individual not related by blood or marriage, but currently in a committed relationship and residing in a common household sharing joint responsibility for the household), or an entity directly or indirectly controlled by you or any such person or in which you or any such person has a direct or indirect ownership interest of greater than thirty percent.

**LHP Entity:** Entity includes LHP Hospital Group, Inc., LHP Management Services, LLC; CCMP Capital Advisors, LLC; and CPP Investment Board.

**Waterbury Entity:** Entity includes the Greater Waterbury Health Network, Inc., its subsidiaries and affiliates.

1. **Financial Interests**

(a) Do you or any Related Person (see definition on first page) have a direct or indirect ownership interest in any Waterbury Entity or LHP Entity (see definitions on first page)?

__✓__ NO ____ YES. If YES, please note the name of the entity, ownership percentage and any income generated from the ownership or investment interest.

_____

(b) Since January 1, 2011, did you or any Related Person have a compensation arrangement, including without limitation, as a employee, consultant, contractor, with any Waterbury Entity or LHP Entity?

__✓__ NO ____ YES. If you answered YES, please note the name of the entity and income generated from the entity.

_____

(c) Did or will you or any Related Person receive any payment or other financial benefit as a result of the proposed transaction?

__✓__ NO ____ YES. If YES, please provide details.

_____

(d) Do you or any Related Person own stock or options to purchase stock in any LHP Entity?

__✓__ NO ____ YES. If YES, please provide details.

_____

2. **Beneficial and/or Employment Interests**

(a) Since January 1, 2011, were you or any Related Person offered a position as a director or trustee of a Waterbury Entity, LHP Entity or the Joint Venture?

__✓__ NO ____ YES. If YES, please provide details.

Hudd Leavitt

(b) Since January 1, 2011, were you or any Related Person offered a consulting position or employment with a Waterbury Entity, LHP Entity or the Joint Venture?

✓ NO _____ If YES, please provide details.

_____

(c) Since January 1, 2011, have you or any Related Person engaged in any of the following transactions with a Waterbury Entity or LHP Entity?

(i) Sold or transferred assets to or purchased assets from or exchanged assets.

✓ NO _____ YES. If YES, please provide details.

_____

(ii) Leased assets to or leased assets from a Waterbury Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

(iii) Been indebted to or loaned money to a Waterbury Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

(iv) Furnished or acquired goods, services or facilities to a Waterbury Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

I hereby attest that the following information is true and accurate to the best of my knowledge.

Signature _____ Date 3/7/12

## Conflict of Interest/Financial Disclosure Form

The Application of the Greater Waterbury Health Network, Inc. and its Affiliates ("GWHN") and LHP Southwest Connecticut LLC, a proposed joint venture between LHP Hospital Group, Inc. and its Affiliates ("LHP") and Saint Mary's Health System, Inc. ("SMHS") (as formed, the "Joint Venture"), to the Connecticut Attorney General and the Connecticut Department of Public Health for permission to include GWHN in the Joint Venture.

This Disclosure Form is for (i) SMHS board members, (ii) experts and (iii) senior executives with managerial responsibilities who have direct involvement in the proposed joint venture transaction.

Print Name: Betty Bozzuto

Company or Employer: St. Mary's Hosp.

Title: CNO — VP Surg Services

1. **PLEASE COMPLETE AND RETURN THIS QUESTIONNAIRE NO LATER THAN Friday, March 9, 2012 to Ann Ferraro. You can email the completed form to AFerraro@stmh.org or fax it to (203) 709-3238.** If you have any questions regarding this form, please call Silvia Hutcheson at (203) 709-3312 or send an email message to Silvia.Hutcheson@stmh.org.

2. Retain a completed copy of this questionnaire for your files. If, following your return of the questionnaire, any events occur or information comes to your attention that would affect the accuracy of any of your answers in this questionnaire, please notify Silvia Hutcheson of any such event or information as soon as possible.

---

**Definitions:**

**Related Person:** A person related to you by blood, law or marriage such as a spouse, child, stepchild, parent, sibling, grandparent, grandchild or domestic partner (individual not related by blood or marriage, but currently in a committed relationship and residing in a common household sharing joint responsibility for the household), or an entity directly or indirectly controlled by you or any such person or in which you or any such person has a direct or indirect ownership interest of greater than thirty percent.

**LHP Entity:** Entity includes LHP Hospital Group, Inc., LHP Management Services, LLC; CCMP Capital Advisors, LLC; and CPP Investment Board.

**Waterbury Entity:** Entity includes the Greater Waterbury Health Network, Inc., its subsidiaries and affiliates.

1. **Financial Interests**

(a) Do you or any Related Person (see definition on first page) have a direct or indirect ownership interest in any Waterbury Entity or LHP Entity (see definitions on first page)?

✓ NO _____ YES. If YES, please note the name of the entity, ownership percentage and any income generated from the ownership or investment interest.

_____

(b) Since January 1, 2011, did you or any Related Person have a compensation arrangement, including without limitation, as a employee, consultant, contractor, with any Waterbury Entity or LHP Entity?

✓ NO _____ YES. If you answered YES, please note the name of the entity and income generated from the entity.

_____

(c) Did or will you or any Related Person receive any payment or other financial benefit as a result of the proposed transaction?

✓ NO _____ YES. If YES, please provide details.

_____

(d) Do you or any Related Person own stock or options to purchase stock in any LHP Entity?

✓ NO _____ YES. If YES, please provide details.

_____

2. **Beneficial and/or Employment Interests**

(a) Since January 1, 2011, were you or any Related Person offered a position as a director or trustee of a Waterbury Entity, LHP Entity or the Joint Venture?

✓ NO _____ YES. If YES, please provide details.

_____

(b) Since January 1, 2011, were you or any Related Person offered a consulting position or employment with a Waterbury Entity, LHP Entity or the Joint Venture?

✓ NO _____ If YES, please provide details.

_____

(c) Since January 1, 2011, have you or any Related Person engaged in any of the following transactions with a Waterbury Entity or LHP Entity?

(i) Sold or transferred assets to or purchased assets from or exchanged assets.

✓ NO _____ YES. If YES, please provide details.

_____

(ii) Leased assets to or leased assets from a Waterbury Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

(iii) Been indebted to or loaned money to a Waterbury Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

(iv) Furnished or acquired goods, services or facilities to a Waterbury Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

I hereby attest that the following information is true and accurate to the best of my knowledge.

Betty Brzezicki
Signature

3/6/12
Date

## Conflict of Interest/Financial Disclosure Form

The Application of the Greater Waterbury Health Network, Inc. and its Affiliates ("GWHN") and LHP Southwest Connecticut LLC, a proposed joint venture between LHP Hospital Group, Inc. and its Affiliates ("LHP") and Saint Mary's Health System, Inc. ("SMHS") (as formed, the "Joint Venture"), to the Connecticut Attorney General and the Connecticut Department of Public Health for permission to include GWHN in the Joint Venture.

This Disclosure Form is for (i) SMHS board members, (ii) experts and (iii) senior executives with managerial responsibilities who have direct involvement in the proposed joint venture transaction.

Print Name: Joseph Connolly

Company or Employer: Saint Mary's Hospital

Title: Chief Marketing & Government Relations officer

1. **PLEASE COMPLETE AND RETURN THIS QUESTIONNAIRE NO LATER THAN Friday, March 9, 2012 to Ann Ferraro. You can email the completed form to AFerraro@stmh.org or fax it to (203) 709-3238.** If you have any questions regarding this form, please call Silvia Hutcheson at (203) 709-3312 or send an email message to Silvia.Hutcheson@stmh.org.

2. Retain a completed copy of this questionnaire for your files. If, following your return of the questionnaire, any events occur or information comes to your attention that would affect the accuracy of any of your answers in this questionnaire, please notify Silvia Hutcheson of any such event or information as soon as possible.

---

**Definitions:**

**Related Person:** A person related to you by blood, law or marriage such as a spouse, child, stepchild, parent, sibling, grandparent, grandchild or domestic partner (individual not related by blood or marriage, but currently in a committed relationship and residing in a common household sharing joint responsibility for the household), or an entity directly or indirectly controlled by you or any such person or in which you or any such person has a direct or indirect ownership interest of greater than thirty percent.

**LHP Entity:** Entity includes LHP Hospital Group, Inc., LHP Management Services, LLC; CCMP Capital Advisors, LLC; and CPP Investment Board.

**Waterbury Entity:** Entity includes the Greater Waterbury Health Network, Inc., its subsidiaries and affiliates.

1. **Financial Interests**

(a) Do you or any Related Person (see definition on first page) have a direct or indirect ownership interest in any Waterbury Entity or LHP Entity (see definitions on first page)?

✓ NO _____ YES. If YES, please note the name of the entity, ownership percentage and any income generated from the ownership or investment interest.

_____

(b) Since January 1, 2011, did you or any Related Person have a compensation arrangement, including without limitation, as a employee, consultant, contractor, with any Waterbury Entity or LHP Entity?

✓ NO _____ YES. If you answered YES, please note the name of the entity and income generated from the entity.

_____

(c) Did or will you or any Related Person receive any payment or other financial benefit as a result of the proposed transaction?

✓ NO _____ YES. If YES, please provide details.

_____

(d) Do you or any Related Person own stock or options to purchase stock in any LHP Entity?

✓ NO _____ YES. If YES, please provide details.

_____

2. **Beneficial and/or Employment Interests**

(a) Since January 1, 2011, were you or any Related Person offered a position as a director or trustee of a Waterbury Entity, LHP Entity or the Joint Venture?

✓ NO _____ YES. If YES, please provide details.

_____

(b) Since January 1, 2011, were you or any Related Person offered a consulting position or employment with a Waterbury Entity, LHP Entity or the Joint Venture?

✓ NO _____ If YES, please provide details.

_____

(c) Since January 1, 2011, have you or any Related Person engaged in any of the following transactions with a Waterbury Entity or LHP Entity?

(i) Sold or transferred assets to or purchased assets from or exchanged assets.

✓ NO _____ YES. If YES, please provide details.

_____

(ii) Leased assets to or leased assets from a Waterbury Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

(iii) Been indebted to or loaned money to a Waterbury Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

(iv) Furnished or acquired goods, services or facilities to a Waterbury Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

I hereby attest that the following information is true and accurate to the best of my knowledge.

_____ 3-6-12

Signature Date

## Conflict of Interest/Financial Disclosure Form

The Application of the Greater Waterbury Health Network, Inc. and its Affiliates ("GWHN") and LHP Southwest Connecticut LLC, a proposed joint venture between LHP Hospital Group, Inc. and its Affiliates ("LHP") and Saint Mary's Health System, Inc. ("SMHS") (as formed, the "Joint Venture"), to the Connecticut Attorney General and the Connecticut Department of Public Health for permission to include GWHN in the Joint Venture.

This Disclosure Form is for (i) SMHS board members, (ii) experts and (iii) senior executives with managerial responsibilities who have direct involvement in the proposed joint venture transaction.

Print Name: Stephen T. Holland, MD

Company or Employer: Saint Mary's Hospital

Title: VP CMO

1. **PLEASE COMPLETE AND RETURN THIS QUESTIONNAIRE NO LATER THAN Friday, March 9, 2012 to Ann Ferraro. You can email the completed form to AFerraro@stmh.org or fax it to (203) 709-3238.** If you have any questions regarding this form, please call Silvia Hutcheson at (203) 709-3312 or send an email message to Silvia.Hutcheson@stmh.org.

2. Retain a completed copy of this questionnaire for your files. If, following your return of the questionnaire, any events occur or information comes to your attention that would affect the accuracy of any of your answers in this questionnaire, please notify Silvia Hutcheson of any such event or information as soon as possible.

---

**Definitions:**

**Related Person:** A person related to you by blood, law or marriage such as a spouse, child, stepchild, parent, sibling, grandparent, grandchild or domestic partner (individual not related by blood or marriage, but currently in a committed relationship and residing in a common household sharing joint responsibility for the household), or an entity directly or indirectly controlled by you or any such person or in which you or any such person has a direct or indirect ownership interest of greater than thirty percent.

**LHP Entity:** Entity includes LHP Hospital Group, Inc., LHP Management Services, LLC; CCMP Capital Advisors, LLC; and CPP Investment Board.

**Waterbury Entity:** Entity includes the Greater Waterbury Health Network, Inc., its subsidiaries and affiliates.

1. **Financial Interests**

(a) Do you or any Related Person (see definition on first page) have a direct or indirect ownership interest in any Waterbury Entity or LHP Entity (see definitions on first page)?

✓ NO _____ YES. If YES, please note the name of the entity, ownership percentage and any income generated from the ownership or investment interest.

_____

(b) Since January 1, 2011, did you or any Related Person have a compensation arrangement, including without limitation, as a employee, consultant, contractor, with any Waterbury Entity or LHP Entity?

✓ NO _____ YES. If you answered YES, please note the name of the entity and income generated from the entity.

_____

(c) Did or will you or any Related Person receive any payment or other financial benefit as a result of the proposed transaction?

✓ NO _____ YES. If YES, please provide details.

_____

(d) Do you or any Related Person own stock or options to purchase stock in any LHP Entity?

✓ NO _____ YES. If YES, please provide details.

_____

2. **Beneficial and/or Employment Interests**

(a) Since January 1, 2011, were you or any Related Person offered a position as a director or trustee of a Waterbury Entity, LHP Entity or the Joint Venture?

✓ NO _____ YES. If YES, please provide details.

_____

(b) Since January 1, 2011, were you or any Related Person offered a consulting position or employment with a Waterbury Entity, LHP Entity or the Joint Venture?

✓ NO _____ If YES, please provide details.

_____

(c) Since January 1, 2011, have you or any Related Person engaged in any of the following transactions with a Waterbury Entity or LHP Entity?

(i) Sold or transferred assets to or purchased assets from or exchanged assets.

✓ NO _____ YES. If YES, please provide details.

_____

(ii) Leased assets to or leased assets from a Waterbury Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

(iii) Been indebted to or loaned money to a Waterbury Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

(iv) Furnished or acquired goods, services or facilities to a Waterbury Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

I hereby attest that the following information is true and accurate to the best of my knowledge.

_____ 3/6/12

Signature Date

## Conflict of Interest/Financial Disclosure Form

The Application of the Greater Waterbury Health Network, Inc. and its Affiliates ("GWHN") and LHP Southwest Connecticut LLC, a proposed joint venture between LHP Hospital Group, Inc. and its Affiliates ("LHP") and Saint Mary's Health System, Inc. ("SMHS") (as formed, the "Joint Venture"), to the Connecticut Attorney General and the Connecticut Department of Public Health for permission to include GWHN in the Joint Venture.

This Disclosure Form is for (i) SMHS board members, (ii) experts and (iii) senior executives with managerial responsibilities who have direct involvement in the proposed joint venture transaction.

Print Name: Clark Kearney

Company or Employer: Saint Mary's Hospital

Title: V.P. Human Resources

1. **PLEASE COMPLETE AND RETURN THIS QUESTIONNAIRE NO LATER THAN Friday, March 9, 2012 to Ann Ferraro. You can email the completed form to AFerraro@stmh.org or fax it to (203) 709-3238.** If you have any questions regarding this form, please call Silvia Hutcheson at (203) 709-3312 or send an email message to Silvia.Hutcheson@stmh.org.

2. Retain a completed copy of this questionnaire for your files. If, following your return of the questionnaire, any events occur or information comes to your attention that would affect the accuracy of any of your answers in this questionnaire, please notify Silvia Hutcheson of any such event or information as soon as possible.

---

**Definitions:**

**Related Person:** A person related to you by blood, law or marriage such as a spouse, child, stepchild, parent, sibling, grandparent, grandchild or domestic partner (individual not related by blood or marriage, but currently in a committed relationship and residing in a common household sharing joint responsibility for the household), or an entity directly or indirectly controlled by you or any such person or in which you or any such person has a direct or indirect ownership interest of greater than thirty percent.

**LHP Entity:** Entity includes LHP Hospital Group, Inc., LHP Management Services, LLC; CCMP Capital Advisors, LLC; and CPP Investment Board.

**Waterbury Entity:** Entity includes the Greater Waterbury Health Network, Inc., its subsidiaries and affiliates.

1. **Financial Interests**

(a) Do you or any Related Person (see definition on first page) have a direct or indirect ownership interest in any Waterbury Entity or LHP Entity (see definitions on first page)?

X NO _____ YES. If YES, please note the name of the entity, ownership percentage and any income generated from the ownership or investment interest.

_____

(b) Since January 1, 2011, did you or any Related Person have a compensation arrangement, including without limitation, as a employee, consultant, contractor, with any Waterbury Entity or LHP Entity?

X NO _____ YES. If you answered YES, please note the name of the entity and income generated from the entity.

_____

(c) Did or will you or any Related Person receive any payment or other financial benefit as a result of the proposed transaction?

X NO _____ YES. If YES, please provide details.

_____

(d) Do you or any Related Person own stock or options to purchase stock in any LHP Entity?

X NO _____ YES. If YES, please provide details.

_____

2. **Beneficial and/or Employment Interests**

(a) Since January 1, 2011, were you or any Related Person offered a position as a director or trustee of a Waterbury Entity, LHP Entity or the Joint Venture?

X NO _____ YES. If YES, please provide details.

_____

(b) Since January 1, 2011, were you or any Related Person offered a consulting position or employment with a Waterbury Entity, LHP Entity or the Joint Venture?

X NO _____ If YES, please provide details.

_____

(c) Since January 1, 2011, have you or any Related Person engaged in any of the following transactions with a Waterbury Entity or LHP Entity?

(i) Sold or transferred assets to or purchased assets from or exchanged assets.

X NO _____ YES. If YES, please provide details.

_____

(ii) Leased assets to or leased assets from a Waterbury Entity or LHP Entity.

X NO _____ YES. If YES, please provide details.

_____

(iii) Been indebted to or loaned money to a Waterbury Entity or LHP Entity.

X NO _____ YES. If YES, please provide details.

_____

(iv) Furnished or acquired goods, services or facilities to a Waterbury Entity or LHP Entity.

X NO _____ YES. If YES, please provide details.

_____

I hereby attest that the following information is true and accurate to the best of my knowledge.

Signature

3/6/12

Date

## Conflict of Interest/Financial Disclosure Form

The Application of the Greater Waterbury Health Network, Inc. and its Affiliates ("GWHN") and LHP Southwest Connecticut LLC, a proposed joint venture between LHP Hospital Group, Inc. and its Affiliates ("LHP") and Saint Mary's Health System, Inc. ("SMHS") (as formed, the "Joint Venture"), to the Connecticut Attorney General and the Connecticut Department of Public Health for permission to include GWHN in the Joint Venture.

This Disclosure Form is for (i) SMHS board members, (ii) experts and (iii) senior executives with managerial responsibilities who have direct involvement in the proposed joint venture transaction.

Print Name: Michael A. Novak

Company or Employer: Saint Mary's Hospital

Title: VP of Operations & Ambulatory care

1. **PLEASE COMPLETE AND RETURN THIS QUESTIONNAIRE NO LATER THAN Friday, March 9, 2012 to Ann Ferraro. You can email the completed form to AFerraro@stmh.org or fax it to (203) 709-3238.** If you have any questions regarding this form, please call Silvia Hutcheson at (203) 709-3312 or send an email message to Silvia.Hutcheson@stmh.org.

2. Retain a completed copy of this questionnaire for your files. If, following your return of the questionnaire, any events occur or information comes to your attention that would affect the accuracy of any of your answers in this questionnaire, please notify Silvia Hutcheson of any such event or information as soon as possible.

---

**Definitions:**

**Related Person:** A person related to you by blood, law or marriage such as a spouse, child, stepchild, parent, sibling, grandparent, grandchild or domestic partner (individual not related by blood or marriage, but currently in a committed relationship and residing in a common household sharing joint responsibility for the household), or an entity directly or indirectly controlled by you or any such person or in which you or any such person has a direct or indirect ownership interest of greater than thirty percent.

**LHP Entity:** Entity includes LHP Hospital Group, Inc., LHP Management Services, LLC; CCMP Capital Advisors, LLC; and CPP Investment Board.

**Waterbury Entity:** Entity includes the Greater Waterbury Health Network, Inc., its subsidiaries and affiliates.

1. **Financial Interests**

(a) Do you or any Related Person (see definition on first page) have a direct or indirect ownership interest in any Waterbury Entity or LHP Entity (see definitions on first page)?

✓ NO _____ YES. If YES, please note the name of the entity, ownership percentage and any income generated from the ownership or investment interest.

_____

(b) Since January 1, 2011, did you or any Related Person have a compensation arrangement, including without limitation, as a employee, consultant, contractor, with any Waterbury Entity or LHP Entity?

✓ NO _____ YES. If you answered YES, please note the name of the entity and income generated from the entity.

_____

(c) Did or will you or any Related Person receive any payment or other financial benefit as a result of the proposed transaction?

✓ NO _____ YES. If YES, please provide details.

_____

(d) Do you or any Related Person own stock or options to purchase stock in any LHP Entity?

✓ NO _____ YES. If YES, please provide details.

_____

2. **Beneficial and/or Employment Interests**

(a) Since January 1, 2011, were you or any Related Person offered a position as a director or trustee of a Waterbury Entity, LHP Entity or the Joint Venture?

✓ NO _____ YES. If YES, please provide details.

_____

(b) Since January 1, 2011, were you or any Related Person offered a consulting position or employment with a Waterbury Entity, LHP Entity or the Joint Venture?

✓ NO _____ If YES, please provide details.

_____

(c) Since January 1, 2011, have you or any Related Person engaged in any of the following transactions with a Waterbury Entity or LHP Entity?

(i) Sold or transferred assets to or purchased assets from or exchanged assets.

✓ NO _____ YES. If YES, please provide details.

_____

(ii) Leased assets to or leased assets from a Waterbury Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

(iii) Been indebted to or loaned money to a Waterbury Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

(iv) Furnished or acquired goods, services or facilities to a Waterbury Entity or LHP Entity.

✓ NO _____ YES. If YES, please provide details.

_____

I hereby attest that the following information is true and accurate to the best of my knowledge.

_____ 3/6/12

Signature Date

## Conflict of Interest/Financial Disclosure Form

The Application of the Greater Waterbury Health Network, Inc. and its Affiliates ("GWHN") and LHP Southwest Connecticut LLC, a proposed joint venture between LHP Hospital Group, Inc. and its Affiliates ("LHP") and Saint Mary's Health System, Inc. ("SMHS") (as formed, the "Joint Venture"), to the Connecticut Attorney General and the Connecticut Department of Public Health for permission to include GWHN in the Joint Venture.

This Disclosure Form is for (i) SMHS board members, (ii) experts and (iii) senior executives with managerial responsibilities who have direct involvement in the proposed joint venture transaction.

Print Name: Carolyn Orrell

Company or Employer: Saint Mary's Hospital

Title: CIO

1. PLEASE COMPLETE AND RETURN THIS QUESTIONNAIRE NO LATER THAN Friday, March 9, 2012 to Ann Ferraro. You can email the completed form to AFerraro@stmh.org or fax it to (203) 709-3238. If you have any questions regarding this form, please call Silvia Hutcheson at (203) 709-3312 or send an email message to Silvia.Hutcheson@stmh.org.

2. Retain a completed copy of this questionnaire for your files. If, following your return of the questionnaire, any events occur or information comes to your attention that would affect the accuracy of any of your answers in this questionnaire, please notify Silvia Hutcheson of any such event or information as soon as possible.

---

**Definitions:**

**Related Person:** A person related to you by blood, law or marriage such as a spouse, child, stepchild, parent, sibling, grandparent, grandchild or domestic partner (individual not related by blood or marriage, but currently in a committed relationship and residing in a common household sharing joint responsibility for the household), or an entity directly or indirectly controlled by you or any such person or in which you or any such person has a direct or indirect ownership interest of greater than thirty percent.

**LHP Entity:** Entity includes LHP Hospital Group, Inc., LHP Management Services, LLC; CCMP Capital Advisors, LLC; and CPP Investment Board.

**Waterbury Entity:** Entity includes the Greater Waterbury Health Network, Inc., its subsidiaries and affiliates.

1. Financial Interests

(a) Do you or any Related Person (see definition on first page) have a direct or indirect ownership interest in any Waterbury Entity or LHP Entity (see definitions on first page)?

__✓__ NO _____ YES. If YES, please note the name of the entity, ownership percentage and any income generated from the ownership or investment interest.

_____

(b) Since January 1, 2011, did you or any Related Person have a compensation arrangement, including without limitation, as a employee, consultant, contractor, with any Waterbury Entity or LHP Entity?

__✓__ NO _____ YES. If you answered YES, please note the name of the entity and income generated from the entity.

_____

(c) Did or will you or any Related Person receive any payment or other financial benefit as a result of the proposed transaction?

__✓__ NO _____ YES. If YES, please provide details.

_____

(d) Do you or any Related Person own stock or options to purchase stock in any LHP Entity?

__✓__ NO _____ YES. If YES, please provide details.

_____

2. Beneficial and/or Employment Interests

(a) Since January 1, 2011, were you or any Related Person offered a position as a director or trustee of a Waterbury Entity, LHP Entity or the Joint Venture?

__✓__ NO _____ YES. If YES, please provide details.

_____

(b) Since January 1, 2011, were you or any Related Person offered a consulting position or employment with a Waterbury Entity, LHP Entity or the Joint Venture?

__✓__ NO _____ If YES, please provide details.

_____

(c) Since January 1, 2011, have you or any Related Person engaged in any of the following transactions with a Waterbury Entity or LHP Entity?

(i) Sold or transferred assets to or purchased assets from or exchanged assets.

__✓__ NO _____ YES. If YES, please provide details.

_____

(ii) Leased assets to or leased assets from a Waterbury Entity or LHP Entity.

__✓__ NO _____ YES. If YES, please provide details.

_____

(iii) Been indebted to or loaned money to a Waterbury Entity or LHP Entity.

__✓__ NO _____ YES. If YES, please provide details.

_____

(iv) Furnished or acquired goods, services or facilities to a Waterbury Entity or LHP Entity.

__✓__ NO _____ YES. If YES, please provide details.

_____

I hereby attest that the following information is true and accurate to the best of my knowledge.

Carolyn Orrell _____ 3-9-12 _____

Signature Date

## Conflict of Interest/Financial Disclosure Form

The Application of the Greater Waterbury Health Network, Inc. and its Affiliates ("GWHN") and LHP Southwest Connecticut LLC, a proposed joint venture between LHP Hospital Group, Inc. and its Affiliates ("LHP") and Saint Mary's Health System, Inc. ("SMHS") (as formed, the "Joint Venture"), to the Connecticut Attorney General and the Connecticut Department of Public Health for permission to include GWHN in the Joint Venture.

This Disclosure Form is for (i) SMHS board members, (ii) experts and (iii) senior executives with managerial responsibilities who have direct involvement in the proposed joint venture transaction.

Print Name: Steven Schneider

Company or Employer: Franklin Medical Group

Title: President

1. **PLEASE COMPLETE AND RETURN THIS QUESTIONNAIRE NO LATER THAN Friday, March 9, 2012 to Ann Ferraro. You can email the completed form to AFerraro@stmh.org or fax it to (203) 709-3238.** If you have any questions regarding this form, please call Silvia Hutcheson at (203) 709-3312 or send an email message to Silvia.Hutcheson@stmh.org.

2. Retain a completed copy of this questionnaire for your files. If, following your return of the questionnaire, any events occur or information comes to your attention that would affect the accuracy of any of your answers in this questionnaire, please notify Silvia Hutcheson of any such event or information as soon as possible.

---

**Definitions:**

**Related Person:** A person related to you by blood, law or marriage such as a spouse, child, stepchild, parent, sibling, grandparent, grandchild or domestic partner (individual not related by blood or marriage, but currently in a committed relationship and residing in a common household sharing joint responsibility for the household), or an entity directly or indirectly controlled by you or any such person or in which you or any such person has a direct or indirect ownership interest of greater than thirty percent.

**LHP Entity:** Entity includes LHP Hospital Group, Inc., LHP Management Services, LLC; CCMP Capital Advisors, LLC; and CPP Investment Board.

**Waterbury Entity:** Entity includes the Greater Waterbury Health Network, Inc., its subsidiaries and affiliates.

1. **Financial Interests**

(a) Do you or any Related Person (see definition on first page) have a direct or indirect ownership interest in any Waterbury Entity or LHP Entity (see definitions on first page)?

_____X NO _____ YES. If YES, please note the name of the entity, ownership percentage and any income generated from the ownership or investment interest.

_____

(b) Since January 1, 2011, did you or any Related Person have a compensation arrangement, including without limitation, as a employee, consultant, contractor, with any Waterbury Entity or LHP Entity?

_X____ NO_____ YES. If you answered YES, please note the name of the entity and income generated from the entity.

_____

(c) Did or will you or any Related Person receive any payment or other financial benefit as a result of the proposed transaction?

___X__ NO _____ YES. If YES, please provide details.

_____

(d) Do you or any Related Person own stock or options to purchase stock in any LHP Entity?

___X__ NO _____ YES. If YES, please provide details.

_____

2. **Beneficial and/or Employment Interests**

(a) Since January 1, 2011, were you or any Related Person offered a position as a director or trustee of a Waterbury Entity, LHP Entity or the Joint Venture?

____X_ NO _____ YES. If YES, please provide details.

_____

(b) Since January 1, 2011, were you or any Related Person offered a consulting position or employment with a Waterbury Entity, LHP Entity or the Joint Venture?

____X_ NO_____ If YES, please provide details.

_____

(c) Since January 1, 2011, have you or any Related Person engaged in any of the following transactions with a Waterbury Entity or LHP Entity?

(i) Sold or transferred assets to or purchased assets from or exchanged assets.

____X_ NO_____ YES. If YES, please provide details.

_____

(ii) Leased assets to or leased assets from a Waterbury Entity or LHP Entity.

___X__ NO _____ YES. If YES, please provide details.

_____

(iii) Been indebted to or loaned money to a Waterbury Entity or LHP Entity.

___X__ NO _____ YES. If YES, please provide details.

_____

(iv) Furnished or acquired goods, services or facilities to a Waterbury Entity or LHP Entity.

___X_ NO _____ YES. If YES, please provide details.

_____

I hereby attest that the following information is true and accurate to the best of my knowledge.

3/07/12

Signature Date

## Conflict of Interest/Financial Disclosure Form

The Application of the Greater Waterbury Health Network, Inc. and its Affiliates ("GWHN") and LHP Southwest Connecticut LLC, a proposed joint venture between LHP Hospital Group, Inc. and its Affiliates ("LHP") and Saint Mary's Health System, Inc. ("SMHS") (as formed, the "Joint Venture"), to the Connecticut Attorney General and the Connecticut Department of Public Health for permission to include GWHN in the Joint Venture.

This Disclosure Form is for (i) SMHS board members, (ii) experts and (iii) senior executives with managerial responsibilities who have direct involvement in the proposed joint venture transaction.

Print Name: Chad W. Wable, FACHE

Company or Employer: Saint Mary's Hospital

Title: President and Chief Executive Officer

1. **PLEASE COMPLETE AND RETURN THIS QUESTIONNAIRE NO LATER THAN Friday, March 9, 2012 to Ann Ferraro. You can email the completed form to AFerraro@stmh.org or fax it to (203) 709-3238.** If you have any questions regarding this form, please call Silvia Hutcheson at (203) 709-3312 or send an email message to Silvia.Hutcheson@stmh.org.

2. Retain a completed copy of this questionnaire for your files. If, following your return of the questionnaire, any events occur or information comes to your attention that would affect the accuracy of any of your answers in this questionnaire, please notify Silvia Hutcheson of any such event or information as soon as possible.

---

**Definitions:**

**Related Person:** A person related to you by blood, law or marriage such as a spouse, child, stepchild, parent, sibling, grandparent, grandchild or domestic partner (individual not related by blood or marriage, but currently in a committed relationship and residing in a common household sharing joint responsibility for the household), or an entity directly or indirectly controlled by you or any such person or in which you or any such person has a direct or indirect ownership interest of greater than thirty percent.

**LHP Entity:** Entity includes LHP Hospital Group, Inc., LHP Management Services, LLC; CCMP Capital Advisors, LLC; and CPP Investment Board.

**Waterbury Entity:** Entity includes the Greater Waterbury Health Network, Inc., its subsidiaries and affiliates.

1. **Financial Interests**

(a) Do you or any Related Person (see definition on first page) have a direct or indirect ownership interest in any Waterbury Entity or LHP Entity (see definitions on first page)?

✓ NO _____ YES. If YES, please note the name of the entity, ownership percentage and any income generated from the ownership or investment interest.

_____

(b) Since January 1, 2011, did you or any Related Person have a compensation arrangement, including without limitation, as a employee, consultant, contractor, with any Waterbury Entity or LHP Entity?

✓ NO _____ YES. If you answered YES, please note the name of the entity and income generated from the entity.

_____

(c) Did or will you or any Related Person receive any payment or other financial benefit as a result of the proposed transaction?

✓ NO _____ YES. If YES, please provide details.

_____

(d) Do you or any Related Person own stock or options to purchase stock in any LHP Entity?

✓ NO _____ YES. If YES, please provide details.

_____

2. **Beneficial and/or Employment Interests**

(a) Since January 1, 2011, were you or any Related Person offered a position as a director or trustee of a Waterbury Entity, LHP Entity or the Joint Venture?

✓ NO _____ YES. If YES, please provide details.

_____

(b) Since January 1, 2011, were you or any Related Person offered a consulting position or employment with a Waterbury Entity, LHP Entity or the Joint Venture?

____ NO ____ If YES, please provide details.

_____

(c) Since January 1, 2011, have you or any Related Person engaged in any of the following transactions with a Waterbury Entity or LHP Entity?

(i) Sold or transferred assets to or purchased assets from or exchanged assets.

____ NO ____ YES. If YES, please provide details.

_____

(ii) Leased assets to or leased assets from a Waterbury Entity or LHP Entity.

____ NO ____ YES. If YES, please provide details.

_____

(iii) Been indebted to or loaned money to a Waterbury Entity or LHP Entity.

____ NO ____ YES. If YES, please provide details.

_____

(iv) Furnished or acquired goods, services or facilities to a Waterbury Entity or LHP Entity.

____ NO ____ YES. If YES, please provide details.

_____

I hereby attest that the following information is true and accurate to the best of my knowledge.

_____ _____

Signature Date

## Conflict of Interest/Financial Disclosure Form

The Application of the Greater Waterbury Health Network, Inc. and its Affiliates ("GWHN") and LHP Southwest Connecticut LLC, a proposed joint venture between LHP Hospital Group, Inc. and its Affiliates ("LHP") and Saint Mary's Health System, Inc. ("SMHS") (as formed, the "Joint Venture"), to the Connecticut Attorney General and the Connecticut Department of Public Health for permission to include GWHN in the Joint Venture.

This Disclosure Form is for (i) SMHS board members, (ii) experts and (iii) senior executives with managerial responsibilities who have direct involvement in the proposed joint venture transaction.

Print Name: Gregory Hammond

Company or Employer: Hammond Hanlon Camp LLC

Title: Associate

1. **PLEASE COMPLETE AND RETURN THIS QUESTIONNAIRE NO LATER THAN Friday, March 9, 2012 to Ann Ferraro. You can email the completed form to AFerraro@stmh.org or fax it to (203) 709-3238.** If you have any questions regarding this form, please call Silvia Hutcheson at (203) 709-3312 or send an email message to Silvia.Hutcheson@stmh.org.

2. Retain a completed copy of this questionnaire for your files. If, following your return of the questionnaire, any events occur or information comes to your attention that would affect the accuracy of any of your answers in this questionnaire, please notify Silvia Hutcheson of any such event or information as soon as possible.

---

**Definitions:**

**Related Person:** A person related to you by blood, law or marriage such as a spouse, child, stepchild, parent, sibling, grandparent, grandchild or domestic partner (individual not related by blood or marriage, but currently in a committed relationship and residing in a common household sharing joint responsibility for the household), or an entity directly or indirectly controlled by you or any such person or in which you or any such person has a direct or indirect ownership interest of greater than thirty percent.

**LHP Entity:** Entity includes LHP Hospital Group, Inc., LHP Management Services, LLC; CCMP Capital Advisors, LLC; and CPP Investment Board.

**Waterbury Entity:** Entity includes the Greater Waterbury Health Network, Inc., its subsidiaries and affiliates.

1. **Financial Interests**

(a) Do you or any Related Person (see definition on first page) have a direct or indirect ownership interest in any Waterbury Entity or LHP Entity (see definitions on first page)?

____X_ NO _____ YES. If YES, please note the name of the entity, ownership percentage and any income generated from the ownership or investment interest.

_____

(b) Since January 1, 2011, did you or any Related Person have a compensation arrangement, including without limitation, as a employee, consultant, contractor, with any Waterbury Entity or LHP Entity?

__X___ NO_____ YES. If you answered YES, please note the name of the entity and income generated from the entity.

_____

(c) Did or will you or any Related Person receive any payment or other financial benefit as a result of the proposed transaction?

__X___ NO _____ YES. If YES, please provide details.

_____

(d) Do you or any Related Person own stock or options to purchase stock in any LHP Entity?

___X__ NO _____ YES. If YES, please provide details.

_____

2. **Beneficial and/or Employment Interests**

(a) Since January 1, 2011, were you or any Related Person offered a position as a director or trustee of a Waterbury Entity, LHP Entity or the Joint Venture?

___X__ NO_____ YES. If YES, please provide details.

_____

(b) Since January 1, 2011, were you or any Related Person offered a consulting position or employment with a Waterbury Entity, LHP Entity or the Joint Venture?

___X__ NO _____ If YES, please provide details.

_____

(c) Since January 1, 2011, have you or any Related Person engaged in any of the following transactions with a Waterbury Entity or LHP Entity?

(i) Sold or transferred assets to or purchased assets from or exchanged assets.

_X____ NO_____ YES. If YES, please provide details.

_____

(ii) Leased assets to or leased assets from a Waterbury Entity or LHP Entity.

__X___ NO _____ YES. If YES, please provide details.

_____

(iii) Been indebted to or loaned money to a Waterbury Entity or LHP Entity.

__X___ NO _____ YES. If YES, please provide details.

_____

(iv) Furnished or acquired goods, services or facilities to a Waterbury Entity or LHP Entity.

__X___ NO _____ YES. If YES, please provide details.

_____

I hereby attest that the following information is true and accurate to the best of my knowledge.

Signature

March 6, 2012
Date

# Conflict of Interest/Financial Disclosure Form

The Application of the Greater Waterbury Health Network, Inc. and its Affiliates ("GWHN") and LHP Southwest Connecticut LLC, a proposed joint venture between LHP Hospital Group, Inc. and its Affiliates ("LHP") and Saint Mary's Health System, Inc. ("SMHS") (as formed, the "Joint Venture"), to the Connecticut Attorney General and the Connecticut Department of Public Health for permission to include GWHN in the Joint Venture.

This Disclosure Form is for (i) SMHS board members, (ii) experts and (iii) senior executives with managerial responsibilities who have direct involvement in the proposed joint venture transaction.

Print Name: Michael Hammond

Company or Employer: Hammond Hanlon Camp LLC

Title: Principal

1. **PLEASE COMPLETE AND RETURN THIS QUESTIONNAIRE NO LATER THAN Friday, March 9, 2012 to Ann Ferraro. You can email the completed form to AFerraro@stmh.org or fax it to (203) 709-3238.** If you have any questions regarding this form, please call Silvia Hutcheson at (203) 709-3312 or send an email message to Silvia.Hutcheson@stmh.org.

2. Retain a completed copy of this questionnaire for your files. If, following your return of the questionnaire, any events occur or information comes to your attention that would affect the accuracy of any of your answers in this questionnaire, please notify Silvia Hutcheson of any such event or information as soon as possible.

---

**Definitions:**

**Related Person:** A person related to you by blood, law or marriage such as a spouse, child, stepchild, parent, sibling, grandparent, grandchild or domestic partner (individual not related by blood or marriage, but currently in a committed relationship and residing in a common household sharing joint responsibility for the household), or an entity directly or indirectly controlled by you or any such person or in which you or any such person has a direct or indirect ownership interest of greater than thirty percent.

**LHP Entity:** Entity includes LHP Hospital Group, Inc., LHP Management Services, LLC; CCMP Capital Advisors, LLC; and CPP Investment Board.

**Waterbury Entity:** Entity includes the Greater Waterbury Health Network, Inc., its subsidiaries and affiliates.

1. **Financial Interests**

(a) Do you or any Related Person (see definition on first page) have a direct or indirect ownership interest in any Waterbury Entity or LHP Entity (see definitions on first page)?

____X_ NO _____ YES. If YES, please note the name of the entity, ownership percentage and any income generated from the ownership or investment interest.

_____

(b) Since January 1, 2011, did you or any Related Person have a compensation arrangement, including without limitation, as a employee, consultant, contractor, with any Waterbury Entity or LHP Entity?

__X___ NO_____ YES. If you answered YES, please note the name of the entity and income generated from the entity.

_____

(c) Did or will you or any Related Person receive any payment or other financial benefit as a result of the proposed transaction?

__X___ NO _____ YES. If YES, please provide details.

_____

(d) Do you or any Related Person own stock or options to purchase stock in any LHP Entity?

___X__ NO _____ YES. If YES, please provide details.

_____

2. **Beneficial and/or Employment Interests**

(a) Since January 1, 2011, were you or any Related Person offered a position as a director or trustee of a Waterbury Entity, LHP Entity or the Joint Venture?

___X__ NO_____ YES. If YES, please provide details.

_____

(b) Since January 1, 2011, were you or any Related Person offered a consulting position or employment with a Waterbury Entity, LHP Entity or the Joint Venture?

___X__ NO_____ If YES, please provide details.

_____

(c) Since January 1, 2011, have you or any Related Person engaged in any of the following transactions with a Waterbury Entity or LHP Entity?

(i) Sold or transferred assets to or purchased assets from or exchanged assets.

_X____ NO_____ YES. If YES, please provide details.

_____

(ii) Leased assets to or leased assets from a Waterbury Entity or LHP Entity.

__X___ NO _____ YES. If YES, please provide details.

_____

(iii) Been indebted to or loaned money to a Waterbury Entity or LHP Entity.

__X___ NO _____ YES. If YES, please provide details.

_____

(iv) Furnished or acquired goods, services or facilities to a Waterbury Entity or LHP Entity.

__X___ NO _____ YES. If YES, please provide details.

_____

I hereby attest that the following information is true and accurate to the best of my knowledge.

Signature

March 6, 2012_____
Date

## Conflict of Interest/Financial Disclosure Form

The Application of the Greater Waterbury Health Network, Inc. and its Affiliates ("GWHN") and LHP Southwest Connecticut LLC, a proposed joint venture between LHP Hospital Group, Inc. and its Affiliates ("LHP") and Saint Mary's Health System, Inc. ("SMHS") (as formed, the "Joint Venture"), to the Connecticut Attorney General and the Connecticut Department of Public Health for permission to include GWHN in the Joint Venture.

This Disclosure Form is for (i) SMHS board members, (ii) experts and (iii) senior executives with managerial responsibilities who have direct involvement in the proposed joint venture transaction.

Print Name: KYLE JURCZYK

Company or Employer: SAINT MARY'S HEALTH SYSTEM

Title: INTERIM FINANCE MANAGER

1. **PLEASE COMPLETE AND RETURN THIS QUESTIONNAIRE NO LATER THAN Friday, March 9, 2012 to Ann Ferraro. You can email the completed form to AFerraro@stmh.org or fax it to (203) 709-3238.** If you have any questions regarding this form, please call Silvia Hutcheson at (203) 709-3312 or send an email message to Silvia.Hutcheson@stmh.org.

2. Retain a completed copy of this questionnaire for your files. If, following your return of the questionnaire, any events occur or information comes to your attention that would affect the accuracy of any of your answers in this questionnaire, please notify Silvia Hutcheson of any such event or information as soon as possible.

---

**Definitions:**

**Related Person:** A person related to you by blood, law or marriage such as a spouse, child, stepchild, parent, sibling, grandparent, grandchild or domestic partner (individual not related by blood or marriage, but currently in a committed relationship and residing in a common household sharing joint responsibility for the household), or an entity directly or indirectly controlled by you or any such person or in which you or any such person has a direct or indirect ownership interest of greater than thirty percent.

**LHP Entity:** Entity includes LHP Hospital Group, Inc., LHP Management Services, LLC; CCMP Capital Advisors, LLC; and CPP Investment Board.

**Waterbury Entity:** Entity includes the Greater Waterbury Health Network, Inc., its subsidiaries and affiliates.

1. Financial Interests

(a) Do you or any Related Person (see definition on first page) have a direct or indirect ownership interest in any Waterbury Entity or LHP Entity (see definitions on first page)?

X NO _____ YES. If YES, please note the name of the entity, ownership percentage and any income generated from the ownership or investment interest.

_____

(b) Since January 1, 2011, did you or any Related Person have a compensation arrangement, including without limitation, as a employee, consultant, contractor, with any Waterbury Entity or LHP Entity?

X NO _____ YES. If you answered YES, please note the name of the entity and income generated from the entity.

_____

(c) Did or will you or any Related Person receive any payment or other financial benefit as a result of the proposed transaction?

X NO _____ YES. If YES, please provide details.

_____

(d) Do you or any Related Person own stock or options to purchase stock in any LHP Entity?

X NO _____ YES. If YES, please provide details.

_____

2. Beneficial and/or Employment Interests

(a) Since January 1, 2011, were you or any Related Person offered a position as a director or trustee of a Waterbury Entity, LHP Entity or the Joint Venture?

X NO _____ YES. If YES, please provide details.

_____

(b) Since January 1, 2011, were you or any Related Person offered a consulting position or employment with a Waterbury Entity, LHP Entity or the Joint Venture?

X NO ____ If YES, please provide details.

_____

(c) Since January 1, 2011, have you or any Related Person engaged in any of the following transactions with a Waterbury Entity or LHP Entity?

(i) Sold or transferred assets to or purchased assets from or exchanged assets.

X NO ____ YES. If YES, please provide details.

_____

(ii) Leased assets to or leased assets from a Waterbury Entity or LHP Entity.

X NO ____ YES. If YES, please provide details.

_____

(iii) Been indebted to or loaned money to a Waterbury Entity or LHP Entity.

X NO ____ YES. If YES, please provide details.

_____

(iv) Furnished or acquired goods, services or facilities to a Waterbury Entity or LHP Entity.

X NO ____ YES. If YES, please provide details.

_____

I hereby attest that the following information is true and accurate to the best of my knowledge.

Signature

3/6/12
Date

## Conflict of Interest/Financial Disclosure Form

The Application of the Greater Waterbury Health Network, Inc. and its Affiliates ("GWHN") and LHP Southwest Connecticut LLC, a proposed joint venture between LHP Hospital Group, Inc. and its Affiliates ("LHP") and Saint Mary's Health System, Inc. ("SMHS") (as formed, the "Joint Venture"), to the Connecticut Attorney General and the Connecticut Department of Public Health for permission to include GWHN in the Joint Venture.

This Disclosure Form is for (i) SMHS board members, (ii) experts and (iii) senior executives with managerial responsibilities who have direct involvement in the proposed joint venture transaction.

Print Name: JOHN K. SHARP

Company or Employer: SMHS

Title: Interim CFO

1. **PLEASE COMPLETE AND RETURN THIS QUESTIONNAIRE NO LATER THAN Friday, March 9, 2012 to Ann Ferraro. You can email the completed form to AFerraro@stmh.org or fax it to (203) 709-3238.** If you have any questions regarding this form, please call Silvia Hutcheson at (203) 709-3312 or send an email message to Silvia.Hutcheson@stmh.org.

2. Retain a completed copy of this questionnaire for your files. If, following your return of the questionnaire, any events occur or information comes to your attention that would affect the accuracy of any of your answers in this questionnaire, please notify Silvia Hutcheson of any such event or information as soon as possible.

---

**Definitions:**

**Related Person:** A person related to you by blood, law or marriage such as a spouse, child, stepchild, parent, sibling, grandparent, grandchild or domestic partner (individual not related by blood or marriage, but currently in a committed relationship and residing in a common household sharing joint responsibility for the household), or an entity directly or indirectly controlled by you or any such person or in which you or any such person has a direct or indirect ownership interest of greater than thirty percent.

**LHP Entity:** Entity includes LHP Hospital Group, Inc., LHP Management Services, LLC; CCMP Capital Advisors, LLC; and CPP Investment Board.

**Waterbury Entity:** Entity includes the Greater Waterbury Health Network, Inc., its subsidiaries and affiliates.

1. **Financial Interests**

(a) Do you or any Related Person (see definition on first page) have a direct or indirect ownership interest in any Waterbury Entity or LHP Entity (see definitions on first page)?

__✓__ NO _____ YES. If YES, please note the name of the entity, ownership percentage and any income generated from the ownership or investment interest.

_____

(b) Since January 1, 2011, did you or any Related Person have a compensation arrangement, including without limitation, as a employee, consultant, contractor, with any Waterbury Entity or LHP Entity?

__✓__ NO _____ YES. If you answered YES, please note the name of the entity and income generated from the entity.

_____

(c) Did or will you or any Related Person receive any payment or other financial benefit as a result of the proposed transaction?

__✓__ NO _____ YES. If YES, please provide details.

_____

(d) Do you or any Related Person own stock or options to purchase stock in any LHP Entity?

__✓__ NO _____ YES. If YES, please provide details.

_____

2. **Beneficial and/or Employment Interests**

(a) Since January 1, 2011, were you or any Related Person offered a position as a director or trustee of a Waterbury Entity, LHP Entity or the Joint Venture?

__✓__ NO _____ YES. If YES, please provide details.

_____

(b) Since January 1, 2011, were you or any Related Person offered a consulting position or employment with a Waterbury Entity, LHP Entity or the Joint Venture?

____ NO ✓ If YES, please provide details.

CFO position AT Seton Medical Center Harker Heights - A ~~=~~ LHP

(c) Since January 1, 2011, have you or any Related Person engaged in any of the following transactions with a Waterbury Entity or LHP Entity?

(i) Sold or transferred assets to or purchased assets from or exchanged assets.

✓ NO ____ YES. If YES, please provide details.

(ii) Leased assets to or leased assets from a Waterbury Entity or LHP Entity.

✓ NO ____ YES. If YES, please provide details.

(iii) Been indebted to or loaned money to a Waterbury Entity or LHP Entity.

✓ NO ____ YES. If YES, please provide details.

(iv) Furnished or acquired goods, services or facilities to a Waterbury Entity or LHP Entity.

✓ NO ____ YES. If YES, please provide details.

I hereby attest that the following information is true and accurate to the best of my knowledge.

Signature

2/6/12
Date

## Conflict of Interest/Financial Disclosure Form

The Application of the Greater Waterbury Health Network, Inc. and its Affiliates ("GWHN") and LHP Southwest Connecticut LLC, a proposed joint venture between LHP Hospital Group, Inc. and its Affiliates ("LHP") and Saint Mary's Health System, Inc. ("SMHS") (as formed, the "Joint Venture"), to the Connecticut Attorney General and the Connecticut Department of Public Health for permission to include GWHN in the Joint Venture.

This Disclosure Form is for (i) SMHS board members, (ii) experts and (iii) senior executives with managerial responsibilities who have direct involvement in the proposed joint venture transaction.

Print Name: Barbara Sullivan, RN, MSN

Company or Employer: Saint Mary's Hospital

Title: Director corporate Compliance/Risk Management

1. **PLEASE COMPLETE AND RETURN THIS QUESTIONNAIRE NO LATER THAN Friday, March 9, 2012 to Ann Ferraro. You can email the completed form to AFerraro@stmh.org or fax it to (203) 709-3238.** If you have any questions regarding this form, please call Silvia Hutcheson at (203) 709-3312 or send an email message to Silvia.Hutcheson@stmh.org.

2. Retain a completed copy of this questionnaire for your files. If, following your return of the questionnaire, any events occur or information comes to your attention that would affect the accuracy of any of your answers in this questionnaire, please notify Silvia Hutcheson of any such event or information as soon as possible.

---

**Definitions:**

**Related Person:** A person related to you by blood, law or marriage such as a spouse, child, stepchild, parent, sibling, grandparent, grandchild or domestic partner (individual not related by blood or marriage, but currently in a committed relationship and residing in a common household sharing joint responsibility for the household), or an entity directly or indirectly controlled by you or any such person or in which you or any such person has a direct or indirect ownership interest of greater than thirty percent.

**LHP Entity:** Entity includes LHP Hospital Group, Inc., LHP Management Services, LLC; CCMP Capital Advisors, LLC; and CPP Investment Board.

**Waterbury Entity:** Entity includes the Greater Waterbury Health Network, Inc., its subsidiaries and affiliates.

1. **Financial Interests**

(a) Do you or any Related Person (see definition on first page) have a direct or indirect ownership interest in any Waterbury Entity or LHP Entity (see definitions on first page)?

_____X NO _____ YES. If YES, please note the name of the entity, ownership percentage and any income generated from the ownership or investment interest.

_____

(b) Since January 1, 2011, did you or any Related Person have a compensation arrangement, including without limitation, as a employee, consultant, contractor, with any Waterbury Entity or LHP Entity?

__X___ NO_____ YES. If you answered YES, please note the name of the entity and income generated from the entity.

_____

(c) Did or will you or any Related Person receive any payment or other financial benefit as a result of the proposed transaction?

___X_ NO _____ YES. If YES, please provide details.

_____

(d) Do you or any Related Person own stock or options to purchase stock in any LHP Entity?

___X_ NO _____ YES. If YES, please provide details.

_____

2. **Beneficial and/or Employment Interests**

(a) Since January 1, 2011, were you or any Related Person offered a position as a director or trustee of a Waterbury Entity, LHP Entity or the Joint Venture?

___X_ NO _____ YES. If YES, please provide details.

_____

(b) Since January 1, 2011, were you or any Related Person offered a consulting position or employment with a Waterbury Entity, LHP Entity or the Joint Venture?

___X_ NO _____ If YES, please provide details.

_____

(c) Since January 1, 2011, have you or any Related Person engaged in any of the following transactions with a Waterbury Entity or LHP Entity?

(i) Sold or transferred assets to or purchased assets from or exchanged assets.

___X_ NO _____ YES. If YES, please provide details.

_____

(ii) Leased assets to or leased assets from a Waterbury Entity or LHP Entity.

___X_ NO _____ YES. If YES, please provide details.

_____

(iii) Been indebted to or loaned money to a Waterbury Entity or LHP Entity.

___X_ NO _____ YES. If YES, please provide details.

_____

(iv) Furnished or acquired goods, services or facilities to a Waterbury Entity or LHP Entity.

___X_ NO _____ YES. If YES, please provide details.

_____

I hereby attest that the following information is true and accurate to the best of my knowledge.

Barbara J. Sheffield, RA/MSW ___3/6/2012_____

Signature Date

# Conflict of Interest/Financial Disclosure Form

The Application of the Greater Waterbury Health Network, Inc. and its Affiliates ("GWHN") and LHP Southwest Connecticut LLC, a proposed joint venture between LHP Hospital Group, Inc. and its Affiliates ("LHP") and Saint Mary's Health System, Inc. ("SMHS") (as formed, the "Joint Venture"), to the Connecticut Attorney General and the Connecticut Department of Public Health for permission to include GWHN in the Joint Venture.

This Disclosure Form is for (i) SMHS board members, (ii) experts and (iii) senior executives with managerial responsibilities who have direct involvement in the proposed joint venture transaction.

Print Name: Elaine Yao

Company or Employer: Hammond Hanlon Camp LLC

Title: Managing Director

1. **PLEASE COMPLETE AND RETURN THIS QUESTIONNAIRE NO LATER THAN Friday, March 9, 2012 to Ann Ferraro. You can email the completed form to AFerraro@stmh.org or fax it to (203) 709-3238.** If you have any questions regarding this form, please call Silvia Hutcheson at (203) 709-3312 or send an email message to Silvia.Hutcheson@stmh.org.

2. Retain a completed copy of this questionnaire for your files. If, following your return of the questionnaire, any events occur or information comes to your attention that would affect the accuracy of any of your answers in this questionnaire, please notify Silvia Hutcheson of any such event or information as soon as possible.

---

**Definitions:**

**Related Person:** A person related to you by blood, law or marriage such as a spouse, child, stepchild, parent, sibling, grandparent, grandchild or domestic partner (individual not related by blood or marriage, but currently in a committed relationship and residing in a common household sharing joint responsibility for the household), or an entity directly or indirectly controlled by you or any such person or in which you or any such person has a direct or indirect ownership interest of greater than thirty percent.

**LHP Entity:** Entity includes LHP Hospital Group, Inc., LHP Management Services, LLC; CCMP Capital Advisors, LLC; and CPP Investment Board.

**Waterbury Entity:** Entity includes the Greater Waterbury Health Network, Inc., its subsidiaries and affiliates.

1. **Financial Interests**

(a) Do you or any Related Person (see definition on first page) have a direct or indirect ownership interest in any Waterbury Entity or LHP Entity (see definitions on first page)?

____X_ NO _____ YES. If YES, please note the name of the entity, ownership percentage and any income generated from the ownership or investment interest.

_____

(b) Since January 1, 2011, did you or any Related Person have a compensation arrangement, including without limitation, as a employee, consultant, contractor, with any Waterbury Entity or LHP Entity?

__X___ NO_____ YES. If you answered YES, please note the name of the entity and income generated from the entity.

_____

(c) Did or will you or any Related Person receive any payment or other financial benefit as a result of the proposed transaction?

__X___ NO _____ YES. If YES, please provide details.

_____

(d) Do you or any Related Person own stock or options to purchase stock in any LHP Entity?

___X__ NO _____ YES. If YES, please provide details.

_____

2. **Beneficial and/or Employment Interests**

(a) Since January 1, 2011, were you or any Related Person offered a position as a director or trustee of a Waterbury Entity, LHP Entity or the Joint Venture?

___X__ NO_____ YES. If YES, please provide details.

_____

(b) Since January 1, 2011, were you or any Related Person offered a consulting position or employment with a Waterbury Entity, LHP Entity or the Joint Venture?

___X__ NO_____ If YES, please provide details.

_____

(c) Since January 1, 2011, have you or any Related Person engaged in any of the following transactions with a Waterbury Entity or LHP Entity?

(i) Sold or transferred assets to or purchased assets from or exchanged assets.

_X____ NO_____ YES. If YES, please provide details.

_____

(ii) Leased assets to or leased assets from a Waterbury Entity or LHP Entity.

__X___ NO _____ YES. If YES, please provide details.

_____

(iii) Been indebted to or loaned money to a Waterbury Entity or LHP Entity.

__X___ NO _____ YES. If YES, please provide details.

_____

(iv) Furnished or acquired goods, services or facilities to a Waterbury Entity or LHP Entity.

__X___ NO _____ YES. If YES, please provide details.

_____

I hereby attest that the following information is true and accurate to the best of my knowledge.

Elaine Yao

Signature

March 6, 2012
Date

# EXHIBIT 11:  FAIRNESS OPINION

PV11.0742

# FAIRNESS OPINION

## GREATER WATERBURY HEALTH NETWORK, INC.
## 64 ROBBINS STREET
## WATERBURY, CONNECTICUT 06708

**SUBMITTED TO:**
**GREATER WATERBURY HEALTH NETWORK, INC.**
**ATTENTION: MS. DARLENE STROMSTAD, FACHE**
**64 ROBBINS STREET**
**WATERBURY, CONNECTICUT 06708**

Principle Valuation, LLC
PEOPLE AND VALUES YOU CAN TRUST

March 27, 2012

Greater Waterbury Health Network, Inc.
64 Robbins Street
Waterbury, Connecticut 06708

Attention: Ms. Darlene Stromstad, FACHE

Re: Fairness Opinion for Conversion of Greater Waterbury Health Network, Inc.

Ladies and Gentlemen:

Pursuant to the draft Contribution Agreement, dated February 8, 2012, Greater Waterbury Health Network, Inc. and its affiliates ("GWHN") will contribute substantially all of their operating assets to a new joint venture (the "Transaction"). The new joint venture will be known as Southwest Connecticut Health System, LLC ("SWC" or "NEWCO") and will include the contribution of assets and commitments from Saint Mary's Health System, Inc. ("St. Mary's"), a subsidiary of LHP Hospital Group, Inc. ("LHP") and GWHN. In connection with this transaction, you have asked us to prepare a fairness evaluation as to whether, in our opinion, the consideration set for in the Transaction is fair from a financial point of view in order to assist the Board in meeting its fiduciary duties and to address the requirements of Connecticut General Statutes § 19a-486 et seq. ("Conversion Statute"). The date of our analysis is March 1, 2012 giving consideration to historical data available as of September 30, 2011.

**KEY ELEMENTS OF THE TRANSACTION**

We have included the draft Contribution Agreement and Second Amended and Restated Operating Agreement provided to us in the Addenda of this report. Key elements of the transaction include the following:

- GWHN will combine with St. Mary's and a subsidiary of LHP to form Southwest Connecticut Health System, LLC;
- The overall stated mission for NEWCO is to maintain and expand the healthcare services in the markets currently being served by St. Mary's and GWHN and to provide for a replacement facility within the next four years that will replace the St. Mary's and GWHN current physical plants and offer expanded modern healthcare services;
- SWC will be owned 80% by LHP and 10% by each GWHN and St. Mary's;

- The governance of the new organization will be structured to provide significant input by the minority members on the overall operations and strategic mission of SWC;
- No initial cash consideration will be given to GWHN;
- A Capital Contribution Promissory Note in the amount of $108,000,000 from LHP will be contributed to NEWCO to cover costs associated with the construction costs of the replacement hospital;
- A Line of Credit to fund the post-conversion Foundation obligations will be granted to GWHN and supported by future NEWCO distributions;
- The Contribution Agreement calls for specific remedies should construction of the replacement facility not be timely commenced including a cash payment of $66,000,000;
- After the conversion, both existing facilities, and later the replacement facility will be maintained as teaching hospitals and carry out similar community benefits as GWHN; and
- The agreements include buy-sell provisions to the minority members.

The Contribution Agreement and Operating Agreement include additional understandings and terms not directly related to the financial aspects of the transaction. Although we recognize that these terms may have a bearing on the overall acceptance of the transaction by either party; we have not independently analyzed all of these non-financial items.

**SCOPE**

In determining whether the consideration is fair from a financial point of view, we have compared the financial rights and responsibilities that currently are held by GWHN with the proposed sales terms. In arriving at the opinion set forth below, we have among other things:

- Visited the Waterbury Hospital Site to describe and assess the overall condition of the physical assets and improvements;
- Reviewed and relied upon certain information contained in the Confidential Information Memorandum ("CIM") prepared by Cain Brothers in April 2011 that was used to solicit offers of interest for GWHN;
- Been provided and reviewed certain available business and financial information relating to the GWHN that was provided by GWHN's management team and produced subsequent to the CIM;
- Been provided and relied upon income statement estimates prepared by GWHN as a Stand-Still organization if the transaction does not occur;
- Reviewed the initial offer outlines by Vanguard and LHP to GWHN;

- Reviewed and relied upon certain available business and financial information relating to LHP provided to us by LHP management;
- Provided and relied upon financial and operating forecasts prepared by LHP and approved by GWHN for NEWCO that includes provisions for combining the operations of St. Mary's and GWHN and building a Replacement Hospital to be operational within a four-year period;
- Considered the criteria set forth in Conversion Statute;
- Interviewed members of GWHN's management;
- Reviewed the Draft Contribution Agreement by and among Greater Waterbury Health Network, Inc., Southwest Connecticut Health System, LLC, LHP Southwest Connecticut, LLC, and LHP Hospital Group, Inc. dated February 8, 2012;
- Reviewed the Draft Second Amended and Restated Operating Agreement of Southwest Connecticut Health System, LLC dated February 8, 2012;
- Review the Draft Management agreement by and between NEWCO and an affiliate of LHP dated September 7, 2011;
- Researched relevant interest rates found in the market place for debt and money market instruments;
- Reviewed such other financial studies and analysis and took into account such other matters as we deemed necessary, including our assessment of general economic market and monetary conditions.
- Reviewed the historical market prices, trading activity and valuation multiples of certain publicly traded companies that we deemed to be relevant and used them as benchmarks to estimate relative criteria in our analysis; and
- Compared the proposed financial terms of the proposed purchase with certain other transactions that we deemed relevant.

It is noted and emphasized that while Principle Valuation LLC has obtained, reviewed, and analyzed financial information about LHP, our findings or analysis should not be construed or interpreted in any manner to be representative of a formal due diligence study or opinion regarding the financial or operational strength of LHP. Our findings are based upon the underlying assumption that LHP's Capital Contribution Promissory Note will indeed be convertible to cash upon its demand and that the other credit facilities will be available to the joint venture enterprise at times and rates commensurate with the capital structure proposed through the Operating Agreement and the financial estimates presented to Principle Valuation. Our report should not in any way be construed or understood to be considered as an endorsement or affirmation of the financial or operational commitments and representations of LHP.

In preparing our opinion, we have assumed and relied on the accuracy and completeness of all information supplied or otherwise made available to us, discussed with or reviewed by or for us,

or publically available, and we have not assumed any responsibility for independently verifying such information. Nor have we evaluated the solvency or fair value of GWHN under any state or federal laws relating to bankruptcy, insolvency, or similar matters. The Contribution Agreement speaks to specific remedies and obligations based upon future potential events occurring. In deriving our opinion, to the extent reasonably possible, we have considered the financial impact of these events and their overall impact on the consideration offered.

We have made a physical visit to the Waterbury Hospital and have assessed the contributory value of the depreciated replacement cost of the fixed assets currently present at the site. With respect to the financial forecast and building project costs provided to or discussed with us by representatives of GWHN and LHP, we have assumed that they have been reasonably prepared and reflect the best currently available estimates and judgment of GWHN and LHP as to the expected future financial performance and costs of the joint venture. We have also assumed that the final form of any agreements presented to us will be substantially similar to the drafts reviewed by us dated February 8, 2012 and September 7, 2011.

Our opinion is necessarily based upon market, economic and other conditions as they exist and can be evaluated, and on the information made available to us as of the date hereof. We have assumed that there are no undisclosed or unexpected conditions that would affect the value of GWHN's assets or the financial condition or operations of GWHN or the expected future financial performance of the GWHN or the newly formed joint venture. We have assumed that that in the course of obtaining the necessary regulatory or other consents or approvals (contractual or otherwise) for the Transaction, no restrictions, including any amendment or modifications, will be imposed that will have a material adverse effect on the transaction.

In connection with the preparation of this opinion, we have not been authorized by GWHN to solicit, nor have we solicited, third-party indications of interest for the acquisition of GWHN's interest.

We are not acting as a financial advisor to any party in this arrangement. Our fees for this engagement are not at all dependent upon the opinion rendered. We have not performed work for LHP, GWHN or their affiliates; but may do so in the future. As you know, we are preparing a similar evaluation of the transaction between LHP and Saint Mary's. GWHN has agreed to indemnify us for certain liabilities arising out of our engagement.

**USE**

These valuation-consulting services are intended to assist the Board in meeting its fiduciary duties and obligations under the Conversion Statute. Our work is not intended to establish specific pricing recommendations; rather, it is designed to provide the Board with relevant data that will allow it to make an informed decision. Our opinion does not constitute a recommendation regarding the proposed transaction, or any matter related thereto.

We understand that the report may be requested by Connecticut's Attorney General in his overall assessment of the transaction and that we may be required to respond to some of his inquiries about our overall analysis.

**CONCLUSIONS**

We understand that under the Conversion Statute, the Attorney General shall deny an application as not in the public interest if the Attorney General determines that one or more of the following conditions exist and, as requested by GWHN, we respond to these criteria below to the best of our knowledge and expertise:

**(1) The transaction is prohibited by Connecticut statutory or common law governing nonprofit entities, trusts or charities;**

Please note that we are not admitted to practice law in Connecticut and are not qualified to make this opinion. GWHN and their Transaction attorney have indicated to us that there is no known prohibition of the Transaction by Connecticut statutory or common law governing nonprofit entities, trusts or charities, other than that the requirements of the Conversion Statute must be satisfied.

**(2) The nonprofit hospital failed to exercise due diligence in (A) deciding to transfer, (B) selecting the purchaser, (C) obtaining a fairness evaluation from an independent person expert in such agreements, or (D) negotiating the terms and conditions of the transfer**;

Having reviewed the minutes of the Board and the task force and speaking with GWHN's management, counsel and financial advisors, we find that the Board has exercised due diligence in deciding to transfer, selecting LHP as the purchaser and negotiating the terms and conditions of the transfer.

This firm responded to an RFP issued by GWHN, provided its qualifications and was chosen after review of those qualification and an interview. Principle Valuations, Inc. is independent; it is being paid a flat non-contingent fee for its work on the Transaction. Its expertise in such transactions is enumerated in the Addendum.

**(3) The nonprofit hospital failed to disclose any conflict of interest, including, but not limited to, conflicts of interest pertaining to board members, officers, key employees and experts of the hospital, the purchaser or any other party to the transaction;**

We are aware that GWHN circulated and received responses to queries of its board members, officers, key employees and experts as well as those of the purchaser with respect to conflicts of interest. While we have not conducted any review in this regard, we are not aware of any undisclosed conflict of interest.

**(4) The nonprofit hospital will not receive fair market value for its assets, which, for purposes of this subsection, means the most likely price that the assets would bring in a**

**sale in a competitive and open market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably and in their own best interest, and with a reasonable time being allowed for exposure in the open market;**

On the basis of and subject to the foregoing, we are of the opinion that, as of March 1, 2012, the Consideration set forth in the Transaction is fair from a financial point of view to the GWHN.

**(5) The fair market value of the assets has been manipulated by any person in a manner that causes the value of the assets to decrease;**

As noted previously, we have performed reviews of GWHN's financials and assets and find no indication that the fair market value of its assets has been manipulated by any person in a manner that causes the value of the assets to decrease;

**(6) The financing of the transaction by the nonprofit hospital will place the nonprofit hospital's assets at an unreasonable risk;**

No financing by the purchaser is required for the completion of this transaction; consequently, there is no financing of the proposed transaction that would place the nonprofit hospital's assets at an unreasonable risk upon commencement of the Joint Venture. The future operations of the replacement facility appear to be financially supported and do not place the hospital's asset at an unreasonable risk.

**(7) Any management contract contemplated under the transaction is not for reasonable fair value;**

We have reviewed the draft management contract dated September 7, 2011 and based on our knowledge of similar contracts, we find this arrangement to be at a commercially fair rate.

**(8) A sum equal to the fair market value of the nonprofit hospital's assets (A) is not being transferred to one or more persons to be selected by the superior court for the judicial district where the nonprofit hospital is located who are not affiliated through corporate structure, governance or membership with either the nonprofit hospital or the purchaser, unless the nonprofit hospital continues to operate on a nonprofit basis after the transaction and such sum is transferred to the nonprofit hospital to provide health care services, and (B) is not being used for one of the following purposes: (i) For appropriate charitable health care purposes consistent with the nonprofit hospital's original purpose, (ii) for the support and promotion of health care generally in the affected community, or (iii) with respect to any assets held by the nonprofit hospital that are subject to a use restriction imposed by a donor, for a purpose consistent with the intent of said donor;**

Based on the materials and interviews referenced in this letter and our review of the proposed plans for a post conversion foundation, (a) the fair market value of GWHN's assets will be received and (b) the existing Waterbury Hospital will continue to operate for the support and

promotion of health care generally in the hospital's service area. GWHN and their Transaction Attorney have indicated to us that the restricted assets will be used for a purpose consistent with the intent of their donors. Principle Valuation has conducted no investigation into the source, limitations, or value of the restricted use assets.

**(9) The nonprofit hospital or the purchaser has failed to provide the Attorney General with information and data sufficient to evaluate the proposed agreement adequately.**

Principle Valuation is not acting, in any fashion, as an agent of the Transaction between the hospital, purchaser and the Attorney General's office and therefore has no opinion as to whether or not all data and information sufficient to evaluate the proposed transaction has been provided to the Attorney General. GWHN advises us that the Attorney General has not concluded its request for information with respect to the Transaction nor has, as of the date, hereof, GWHN submitted its application.

Respectfully submitted,

PRINCIPLE VALUATION, LLC

Principle Valuation LLC

PV11.0742/ms

# EXHIBIT 12:  FAIRNESS OPINION PRESENTATION

Principle Valuation, LLC

PEOPLE AND VALUES YOU CAN TRUST

**Greater Waterbury Health Network – Qualitative & Quantitative Considerations**

**Fairness Opinion**

Greater Waterbury Health Network, Inc. and its affiliates ("GWHN") are considering contributing substantially all of their operating assets to a new joint venture ("the "Transaction"). The Transaction will include Saint. Mary's Health System, Inc. ( "St. Mary's"), an affiliate of LHP Hospital Group ("LHP") and GWHN. Pursuant to the proposed transaction, the Board of GWHN has asked Principle Valuation to provide the Board a fairness evaluation of the Transaction to fulfill its fiduciary duties and obligations under the State of Connecticut's General Statute 19a-486 et seq. ("Conversion Statute").

The Fairness Opinion will be provided in a separate letter. This document is presented to the Board and Financial Advisors of GWHN as a supplemental document to highlight the overall process and primary assumptions utilized at arriving at our final conclusion. This document is not being specifically prepared to present to the Attorney General ("AG"); it is a high level document that should be reviewed by the Board and its Financial Advisors for accuracy with respect to the historical information contained herein and general agreement as to underlying operating assumptions utilized. Similar schedules or explanations may be required by the AG upon his review of the final Fairness Opinion and the Transaction in general.

In the proposed transaction, GWHN will enter into a joint venture to be formed by St. Mary's and LHP that will be known as Southwest Connecticut Health System, LLC ("SWC" or "NEWCO"). NEWCO's stated mission is to maintain and expand the healthcare services to the markets currently being served by St. Mary's and GWHN and to provide for a replacement hospital facility ("Replacement Hospital") within the next four years that will replace the St. Mary's and GWHN current physical plants and offer expanded modern healthcare services.

NEWCO will be owned 80% by LHP and 10% each by GWHN and St. Mary's with the governance of the new organization structured to provide significant input by the minority members on the overall operations and strategic mission of NEWCO.

In consideration of the contribution of its assets to NEWCO, GWHN will receive the benefits of:

- A 10% ownership interest in NEWCO;
- Development and commencement of construction of a new replacement facility within two years after all regulatory approvals for the facility have been achieved;
- A Capital Contribution Promissory Note in the amount of $108M from LHP that will be contributed to NEWCO to cover costs associated with the construction costs of the Replacement Hospital;
- Provisions that require payment of $66M to the post-conversion Foundation if the Replacement hospital is not constructed with two years of all approvals;
- A $5M Line of Credit supported by future NEWCO distributions to fund Foundation obligations.

# Assets Anticipated to Transfer

GWHN will transfer substantially all of its operating assets or equity interest in its affiliates into NEWCO. This would include all the tangible and intangible assets currently utilized in the hospital's operations. Tangible assets would include the receivables, inventories, prepaid insurance, other prepaid expenses, the real estate and equipment. Intangible assets would included all of the ownership interests held in the affiliate companies, the operating licenses, contracts, tradenames, trademark, web sites, etc. All assets will be transferred essentially free and clear of any encumbrances.

The post-conversion Foundation will maintain Cash and Cash Equivalents, Assets whose Use is Limited, Other Assets, and Assets Due From Affiliates. It will also maintain all Noncurrent Assets Whose Use is Limited. The Foundation will remain responsible for the Pension Liability, amounts Due to Affiliates and Third Party Payors and all other Long-Term Liabilities currently held in the GWHN and other liabilities.

As contemplated, no cash will be delivered to GWHN at closing. GWHN's does not anticipate that its post-conversion Foundation to have a capital deficit at the closing of the transaction.

The Net Proceeds Calculation prepared by Management is presented on the following schedules.

# Net Proceeds Calculation Prepared By Managment

**Greater Waterbury Health Network**
**Balance Sheet**
**As of December 31, 2011**

| | Balance Sheet as of 12/31/11 | Pro Forma: Retained by GWHN | Pro Forma: Purchased/ Assumed by Buyer |
|---|---|---|---|
| **Assets** | | | |
| Current Assets: | | | |
| Cash and Cash Equivalents | $ 18,333,902 | $ 18,333,902 | $ - |
| Assets Whose Use is Limited | $ 882,423 | $ 882,423 | $ - |
| Net Accounts Receivable | $ 42,449,153 | $ 14,964,865 | $ 27,484,288 |
| Accts Receivable - Other | $ 2,206,499 | $ 2,206,499 | $ - |
| Inventories | $ 903,450 | $ - | $ 903,450 |
| Prepaid Insurance | $ 1,446,443 | $ - | $ 1,446,443 |
| Prepaid Expenses - Other | $ 1,714,078 | $ - | $ 1,714,078 |
| Other Assets | $ 2,422,551 | $ 2,422,551 | $ - |
| Due From Affiliates | $ 3,404,167 | $ - | $ 3,404,167 |
| Total Current Assets | $ 73,762,666 | $ 38,810,239 | $ 34,952,426 |
| Noncurrent Assets Who Use Is Limited: | | | |
| CHEFA Obligations | $ 3,150,615 | $ 3,150,615 | $ - |
| Investments | $ 21,010,082 | $ 21,010,082 | $ - |
| Board Designated Funds | $ 2,677,642 | $ 2,677,642 | $ - |
| Investments in Subs | $ 719,418 | $ 718,418 | $ 1,000 |
| Loans and Other Receivables | $ 237,217 | $ 237,217 | $ - |
| Other Investments | $ 613,379 | $ 613,379 | $ - |
| Funds Held in Trust by Others | $ 39,193,532 | $ 39,193,532 | |
| Net PP&E | $ 66,095,987 | $ - | $ 66,095,987 |
| Investments in JV | | $ 27,000,000 | |
| **Total Assets** | **$ 207,460,536** | **$ 133,411,124** | **$ 101,049,413** |
| **Liabilities** | | | |
| Current Liabilities: | | | |
| Accounts Payable | ($16,378,640) | $ - | ($16,378,640) |
| Accrued Salaries, Wages, and Benefits | (13,038,712) | - | (13,038,712) |
| Other Accrued Expenses | (629,700) | - | (629,700) |
| Pension Liability | (10,793,433) | (10,793,433) | - |
| Due to Affiliates | (5,194,246) | - | (5,194,246) |
| Due to Third-Party Payors | 2,272,898 | 2,272,898 | - |
| Total Current Liabilities | ($43,761,833) | ($8,520,535) | ($35,241,298) |
| Long-Term Debt | (33,052,413) | (33,052,413) | - |
| Other Long-Term Liabilities: | | | |
| Workers Comp - LT Liability | (5,074,054) | (5,074,054) | - |
| Tail Coverage - Professional Liability | (2,502,439) | (2,502,439) | - |
| Asbestos Abatement | (2,716,459) | - | (2,716,459) |
| Other Long-Term Liabilities | (404,117) | (404,117) | - |
| Minority Interest in Subsidiaries | (12,427,645) | - | (12,427,645) |
| Total Other Liabilities | (23,124,714) | (7,980,611) | (15,144,104) |
| **Total Liabilities** | **(99,938,960)** | **(49,553,558)** | **(50,385,401)** |
| Net Assets | ($107,521,577) | ($83,857,565) | ($50,664,012) |
| **Net Balance Sheet Items** | **207,460,536** | **133,411,124** | **101,049,413** |

# Net Proceeds Calculation Prepared By Management

| | | |
|---|---|---|
| ***Net Assets Before Adjustments*** | ***$*** | ***83,857,565*** |
| ***Adjustments to Balance Sheet Liquidation:*** | | |
| Write-off of Other Assets [1] | $ | (2,347,372) |
| Account Receivable Adjustment [2] | $ | (1,496,487) |
| Restricted Funds from Trustee Accounts [3] | $ | (39,193,532) |
| Cash From Restricted Funds [4] | $ | 1,555,612 |
| Donor restricted investments [5] | $ | (9,456,717) |
| Equity value of JV [6] | $ | (27,000,000) |
| Pension Liability [7] | $ | 10,793,433 |
| Workers Comp. [8] | $ | 5,074,054 |
| Bond Defeasance Costs [9] | $ | (315,949) |
| Estimated Transaction Costs | $ | (3,500,000) |
| Contingencies | $ | (1,500,000) |
| **Total Adjustments** | **$** | **(67,386,957)** |
| ***Net Foundation Assets after Adjustments*** | | ***$16,470,608*** |

1. Write-off of goodwill ($75,179 value to foundation for various deposits)
2. Accounts receivables retained in foundation include Medicare and Medicaid receivables. We assume 10% reduction in collection.
3. Funds Held in Trust by outside trustee and foundation may not use any funds to payoff debts.
4. Restricted funds from Trustee paid $1,555,612 in 2011 which can be used by foundation. The similar amount is expected annually.
5. Investment include donor restriction and could not be used to pay off of debt.
6. Assumes no immediate monetary value of JV
7. Foundation is assuming pension obligation for duration of liability.
8. Foundation is assuming Worker's Comp. liability for duration.
9. Bond Defeasance Cost assumed at 1% of par.

# Scope of Principle Valuation's Analysis to Arrive at Fairness Opinion

In deriving our "Fairness Opinion", we considered the value of the assets transferred against the value of the benefits to be received from a financial point of view. While we recognize that all parties to the transaction anticipate that the joint venture will enhance the quality and access to healthcare in the community, these factors are difficult to quantify economically and have only been incidentally factored into our conclusions. We have also considered the economic benefit that the Foundation provides to the community through its Community Benefits Programs and its Health Professions Education ("Teaching") programs.

In assessing the value of the assets transferred we considered the three traditional valuation methodologies: the Cost Approach, Market Approach, and Income Approach.

In assessing the value of the benefits received by the transaction we considered the value that a 10% interest in NEWCO would have to the Foundation plus the economic benefits that the Foundation inherently receives by insuring the continuation of its Community Benefits and Teaching programs in NEWCO beyond the limited time horizon of GWHN if it does not join the joint venture. In deriving these estimates, we primarily relied upon an Income Approach. We have also considered the value of a fall-back payment should commencement of construction of the new Replacement Hospital not take place within 24 months of all regulatory approvals.

In deriving our "Fairness Opinion" we have among other things:

- Visited the Waterbury Hospital Site to describe and assess the overall condition of the physical assets and improvements;
- Reviewed and relied upon certain information contained in the Confidential Information Memorandum ("CIM") prepared by Cain Brothers in April 2011 that was used to solicit offers of interest for Waterbury Hospital;
- Been provided and reviewed certain available business and financial information relating to the Hospital that was provided by GWHN's management team and produced subsequent to the CIM;
- Been provided and relied upon income statement estimates prepared by GWHN as a Stand-Still organization if the transaction does not occur;
- Reviewed the initial offer outlines by Vanguard and LHP for GWHN;
- Reviewed certain available business and financial information relating to LHP provided to us by LHP management;
- Provided and relied upon financial and operating forecasts prepared by LHP and approved by GWHN and St. Mary's for the Joint Venture that includes provisions for combining the operations of St. Mary's and GWHN and building a Replacement Hospital to be operational within a four-year period;
- Reviewed the historical market prices, trading activity and valuation multiples of certain publicly traded companies that we deemed to be relevant and used them as benchmarks to estimate relative criteria in our analysis; and
- Compared the proposed financial terms of the proposed purchase with certain other transactions that we deemed relevant.

(Continued)

In deriving our "Fairness Opinion" we have among other things:

- Reviewed the Draft Contribution Agreement by and among Greater Waterbury Health Network, Inc. Southwest Connecticut Health System, LLC., LHP, Southwest Connecticut, LLC, and LHP Hospital Group, Inc. dated February 8, 2012;
- Reviewed the Draft Second Amended and Restated Operating Agreement of Southwest Connecticut Health System, LLC dated February 8, 2012;
- Reviewed the Draft Management Agreement between NEWCO and an affiliate of LHP dated September 7, 2011;
- Researched relevant interest rates found in the market place for debt and money market instruments; and
- Reviewed such other financial studies and analysis and took account such other matters as we deemed necessary, including our assessment of general economic market and monetary conditions.

**It is noted and emphasized that while Principle Valuation LLC has reviewed, obtained, and analyzed financial information about LHP; our findings or analysis should not be construed or interpreted in any manner to be representative of a formal due diligence study or opinion regarding the financial or operational strength of LHP. Our findings are based upon the underlying assumption that LHP's $108M promissory note will indeed be convertible to cash upon its demand and that the other credit facilities will be available to the joint venture enterprise at times and rates commensurate with the capital structure proposed through the Operating Agreement and the financial estimates presented. Our report should not in any way be construed or understood to be considered an endorsement or affirmation of the financial or operational commitments and representations of LHP.**

The following critical facts and assumptions among other factors were considered in deriving our overall estimates:

- St. Mary's and GWHN represent the two primary healthcare providers in the Greater Waterbury market area;

- In the absence of this transaction, GWHN will face increased competition from St. Mary's and other nearby hospitals:

- Waterbury's physical plant is approaching the end of its economic life and needs substantial renovation or replacement within the next five year period. Based upon a physical inspection, discussions with management, and the actual age and condition of the property, we have assigned a remaining economic life for the Waterbury Campus of five years;

- It is anticipated by management that GWHN's earnings will continue to deteriorate due to the increased competition, lower volumes and costs associated with its physical plant to the point that within five years the overall business operations will begin to generate marginal to negative cash flows;

- GWNN's current and foreseeable future negative earnings will continue to restrict GWHN from accessing the capital needed to build a more modern efficient hospital facility or alternative delivery system;

- In the absence of this Transaction and in consideration of the factors stated above the overall economic viability of the organization and its ability to continue its Community Healthcare Benefits and Teaching mission will be in jeopardy beyond a five year time horizon.

In deriving the the value of the assets to be contributed to NEWCO, we considered the three principal methods of valuation The Cost Approach (Adjusted Book Value Approach), The Market Approach, and the Income Approach. Each Approach as applied to GWHN is briefly explained below:

- In the Cost Approach, the tangible assets of GWHN were valued by deriving a depreciated replacement cost for the tangible assets in use. The land was valued at its current value assuming current market data. The Net Working Capital was valued based upon the stated value on the Balance Sheets provided. A Summary of this Approach is shown on Schedule 1A.

- In the Income Approach to Value we, considered the value of GWHN utilizing a Discounted Cash Flow approach based upon market based cost of capital considerations and the anticipated limited earning capacity of GWHN in a “Stand-Still” strategic choice. This analysis is shown in Schedule 1B. We have also considered the value of the assets assuming that the limited life of the assets could be leased to a third party/joint venture during the construction and start-up phase of the Replacement Hospital. This analysis is shown on Schedule 1C.

- We considered two Market Based approaches in estimating the value of the subject; Guideline Company Approach and Guideline Transaction Approaches to value. These approaches are shown on Schedules 1D and 1E, respectively. We also considered an offer made by Vanguard Health System for GWHN during the open bid process. A summary of the terms of this proposed transaction are shown on Schedule 1F.

After considering the strengths and weakness of each approach, we derived an overall weighted value for the assets contributed. This is shown on Schedule 1G.

# Schedule 1A – Cost Approach Summary

**WATERBURY HOSPITAL - Schedule 1A**

**VALUATION SUMMARY AS OF OCTOBER 31, 2011 Cost Approach Five Year Remaining Life**

| Building/Name | Land Value | Building Depreciated Cost | Land Improvements Depreciated Cost | Total Real Estate Value | FF&E | Grand Total |
|---|---|---|---|---|---|---|
| Waterbury Hospital | $ 7,450,000 | $ 18,628,358 | $ 344,603 | $ 26,422,961 | $10,200,000 | $ 36,622,961 |
| Grandview Building | - | 590,456 | - | 590,456 | - | 590,456 |
| Apartment A & B | - | 121,897 | - | 121,897 | - | 121,897 |
| Children's Center of Greater Waterbury | - | 1,470,256 | - | 1,470,256 | - | 1,470,256 |
| Baker House | - | 130,000 | - | 130,000 | - | 130,000 |
| 72 Hale Street | - | 400,000 | - | 400,000 | - | 400,000 |
| 101 Robbins Street | - | 190,000 | - | 190,000 | - | 190,000 |
| 36 Grandview Avenue | - | 200,000 | - | 200,000 | - | 200,000 |
| 140 Grandview Avenue, Suite 104 | - | 150,000 | - | 150,000 | - | 150,000 |
| 140 Grandview Avenue, Suite L02/L03 | - | 270,000 | - | 270,000 | - | 270,000 |
| 134 Grandview Avenue, Suite 104 | - | 290,000 | - | 290,000 | - | 290,000 |
| 134 Grandview Avenue, Suite 108 | - | 390,000 | - | 390,000 | - | 390,000 |
| **TOTALS** | **$ 7,450,000** | **$ 22,830,966** | **$ 344,603** | **$30,625,569** | **$10,200,000** | **$ 40,825,569** |

| **Tangible Asset Value Summary** | |
|---|---|
| Net Working Capital | $ (288,871) |
| Land | 7,450,000 |
| Land Improvements | 344,603 |
| Buildings | 22,830,966 |
| Equipment | 10,200,000 |
| **Total Tangible Assets** | **$ 40,536,698** |
| **Rounded To** | **$ 40,540,000** |

# Schedule 1B – DCF Stand Still

| Discounted Cash Flow GWHN - Stand Still - Shedule 1B | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Implied Rate of Return | | | | | 12.40% | | | | |
| Effective Corporate Tax Rate in U.S, CT | | | | | 39.88% | | | | |
| Normal Debt Free Net Working Capital as % of Revenues | | | | | 11.00% | | | | |
| Perpetuity Grow th Rate | | | | | 2.00% | | | | |
| | | FY 2010 Actual | FY 2011 Actual | FY 2012 Budget | FY 2013 Projected | FY 2014 Projected | FY 2015 Projected | FY 2016 Projected | FY 2017 Projected |
| NET PATIENT REVENUE | | | | | | | | | |
| Non-Government | | | | | | | | | |
| Medicare | | | | | | | | | |
| Medicaid and Other Medical Assistance | | | | | | | | | |
| Other Government | | - | - | - | | | | | |
| Total Net Patient Revenue | | 259,811,962 | 270,732,398 | 282,428,050 | 285,921,604 | 289,642,975 | 293,599,419 | 299,471,407 | 305,460,836 |
| Other Operating Revenue | | 15,954,248 | 15,494,380 | 15,525,159 | 15,925,027 | 16,335,572 | 16,757,090 | 17,092,232 | 17,434,076 |
| Revenue from Operations | | 275,766,210 | 286,226,778 | 297,953,209 | 301,846,631 | 305,978,547 | 310,356,509 | 316,563,639 | 322,894,912 |
| OPERATING EXPENSES | | | | | | | | | |
| Salaries and Fringe Benefits | v | 158,857,461 | 174,329,776 | 170,467,772 | 173,227,296 | 175,998,971 | 178,781,042 | 183,250,568 | 187,831,832 |
| Professional / Contracted Services | v | 12,476,799 | 37,396,854 | 44,574,050 | 45,911,272 | 47,288,610 | 48,707,268 | 50,168,486 | 51,673,541 |
| Supplies and Drugs | v | 43,869,794 | 45,310,475 | 41,573,955 | 42,821,174 | 44,105,809 | 45,428,983 | 46,791,852 | 48,195,608 |
| Bad Debts | v | 15,713,175 | 11,672,244 | 13,637,472 | 12,695,159 | 12,695,607 | 12,696,069 | 12,727,809 | 12,759,629 |
| Other Operating Expense | f | 35,765,455 | 12,827,229 | 13,195,136 | 14,127,784 | 14,551,618 | 14,988,166 | 15,287,929 | 15,593,688 |
| Subtotal | | 266,682,684 | 281,536,578 | 283,448,385 | 288,782,685 | 294,640,615 | 300,601,528 | 308,226,645 | 316,054,298 |
| Depreciation/Amortization | f | 9,815,349 | 9,637,638 | 10,482,665 | 10,525,934 | 10,570,501 | 10,616,405 | 10,669,487 | 10,722,834 |
| Interest Expense | f | 1,915,699 | 1,156,320 | 1,373,735 | 1,355,548 | 1,338,003 | 1,321,096 | 1,304,582 | 1,291,536 |
| Lease Expense | f | 2,560,962 | 2,648,577 | 2,689,783 | 2,708,285 | 2,789,534 | 2,873,220 | 2,959,416 | 3,048,199 |
| Total Operating Expense | | 280,974,694 | 294,979,113 | 297,994,568 | 303,372,452 | 309,338,653 | 315,412,249 | 323,160,131 | 331,116,867 |
| Gain/(Loss) from Operations | | (5,208,484) | (8,752,335) | (41,359) | (1,525,821) | (3,360,106) | (5,055,740) | (6,596,491) | (8,221,955) |
| EBITDA | | 6,522,564 | 2,041,623 | 11,815,041 | 10,355,661 | 8,548,398 | 6,881,761 | 5,377,578 | 3,792,416 |
| EBIT | | $ (3,292,785) | $ (7,596,015) | $ 1,332,376 | $ (170,273) | $ (2,022,103) | $ (3,734,644) | $ (5,291,909) | $ (6,930,419) |

# Schedule 1B – DCF Stand Still (Continued)

| Discounted Cash Flow GWHN - Stand Still - Schedule 1B (Continued) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 (Reversion) |
| NET INCOME FOR DISCOUNTING (EBIT) | | | $ 1,332,376 | $ (170,273) | $ (2,022,103) | $ (3,734,644) | $ (5,291,909) | $ (6,930,419) |
| ESTIMATED INCOME TAXES | | | - | - | - | - | - | - |
| **NET INCOME** | | | **$ 1,332,376** | **$ (170,273)** | **$ (2,022,103)** | **$ (3,734,644)** | **$ (5,291,909)** | **N/A** |
| Less Incremental Working Capital | | | $ - | $ (428,276) | $ (454,511) | $ (481,576) | $ (682,784) | **N/A** |
| Less Capital Expenditures | | | (1,000,000) | (1,000,000) | (1,000,000) | (1,000,000) | (1,000,000) | **N/A** |
| Plus Depreciation | | | 10,482,665 | 10,525,934 | 10,570,501 | 10,616,405 | 10,669,487 | **N/A** |
| Cash Flow to Discount | | | $ 10,815,041 | $ 8,927,385 | $ 7,093,888 | $ 5,400,186 | $ 3,694,794 | $ - |
| Discount Periods | | | 0.50 | 1.50 | 2.50 | 3.50 | 4.50 | |
| Present Value Factor | | | 0.943228347 | 0.839171128 | 0.74659353 | 0.664229119 | 0.590951174 | |
| Present Value of Periodic Cash Flows | | | $10,201,053 | $7,491,603 | $5,296,251 | $3,586,960 | $2,183,443 | |
| Sum of PV Periodic Cash Flows | | | | | $28,759,310 | | | |
| Perpetuity Value (Land Value) | | | | $7,700,000 | | | | |
| PV of Perpetuity Value | | | | | $4,550,324 | | | |
| Total Asset Value as Unencumbered | | | | | **$33,300,000** | | | |
| Adjustment For Current Working Capital Balance | | | | | | | | |
| Subtract Required Net Working Capital | | | | | -$31,484,900 | | | |
| Add Actual Working Capital Balance | | | | | -$288,871 | | | |
| Excess/(Deficient) Market Based Working Capital Balance | | | | | **-$31,773,771** | | | |
| Indicated Investment Capital Value | | | | | **$1,526,229** | | | |
| Rounded Value | | | | | **$1,526,000** | | | |

# Schedule 1B – DCF Stand Still (Continued)

| DEVELOPMENT OF WACC - GHWN | | | | | |
|---|---|---|---|---|---|
| | | | | % in | |
| | | | Cost of | Capital | Weighted |
| | | | Capital | Structure | Cost |
| Debt | | | 3.61% | 25% | 0.90% |
| Equity | | | 15.31% | 75% | 11.48% |
| Weighted Average Cost of Capital | | | | | 12.39% |
| **Concluded WACC** | | | | | **12.40%** |
| **Cost of Equity** | | | | | |
| Risk Free Rate of Return | | 2.66% | | | |
| Plus Equity Risk Premium | | | | | |
| Market Risk Premium[1] | 5.50% | | | | |
| Times Beta | 1.30 | | | | |
| Adjusted Market Risk Premium | | 7.15% | | | |
| Plus Size Premium[2] | | 5.50% | | | |
| **Indicated Cost of Equity** | | **15.31%** | | | |
| **Cost of Debt** | | | | | |
| Concluded Pre-Tax Cost of Debt | 6.00% | | | | |
| Income Tax Rate | 39.88% | | | | |
| **Concluded After-Tax Cost of Debt** | | **3.61%** | | | |
| **Selected Yields and Interest Rates** | | | | | |
| Rates as of 9/30/2011 | | | | | |
| Prime Rate | | | 3.25% | | |
| 5-Year Treasury Rates | | | 0.96% | | |
| 10-Year Treasury Rates | | | 1.92% | | |
| 20-year Treasury Rates | | | 2.66% | | |
| Moody's Aaa | | | 3.96% | | |
| Baa | | | 5.22% | | |
| (1) Long-horizon expected equity risk premium recommended by Duff & Phelps Risk Premium Study 2011 | | | | | |
| (2)Estimated based on Duff & Phelps Risk Premium Study 2011 | | | | | |

CT Corporate Tax Rate: 7.50%

**Value of Facility Based Upon Rental - Schedule 1C**

| | | | | |
|---|---|---|---|---|
| Market Based Rental Area | | | | |
| Number of Operating Beds | | 192 | | |
| Square Foot Required Per Bed Per M&S | | 2,425 | | |
| Market Based Rental Area Square Feet | | 465,600 | | |
| Average Rental Rate Per Square Foot | $ 15.00 | | | |
| Annual Rental Rate For Facility | | $ 6,984,000 | | |
| Rental Rate EBITDA Coverage Ratio (Declining) | | 1.603996379 | | |
| Discount Factor Applied to Rental Stream | | 15% | | |
| Discount Factor for Payments Over Five Year Useful Life | | 3.85 | | |
| Total Value of Real Estate Payments | | | $ | 26,888,400 |
| Add Value of Equipment | | | $ | 10,200,000 |
| Add Discounted Value of Residual at 6% Rate of Return | | | $ | 5,978,065 |
| Add Value of Net Working Capital Forwarded | | | $ | (288,871) |
| **Total Value** | | | | **$ 42,777,594** |

# Schedule 1D – Guideline Company Approach

Guideline Company Approach -Schedule 1D

| Company Name | Share Price | Adjusted Equity Value[1] | Adjusted Enterprise Value | % Debt | Revenues | EBITDA | Debt Free NWC | % Debt Free NWC | Beta | EBITDA Margin | Revenue Multiple | EBITDA Multiple |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Community Health Systems, Inc. | $ 16.64 | 1,767,966,720 | 11,266,883,720 | 80.47% | 13,901,300,000 | 1,775,681,000 | 1,194,434,000 | 8.59% | 1.40 | 12.77% | 0.81 | 6.35 |
| LifePoint Hospitals, Inc. | $ 36.64 | 2,117,059,200 | 3,937,459,200 | 44.36% | 3,496,700,000 | 579,300,000 | 492,400,000 | 14.08% | 0.96 | 16.57% | 1.13 | 6.80 |
| Universal Health Services, Inc. | $ 34.00 | 3,938,832,000 | 7,851,431,000 | 51.25% | 7,220,877,000 | 1,100,033,000 | 541,566,000 | 7.50% | 0.94 | 15.23% | 1.09 | 7.14 |
| Tenet Healthcare Corporation Co | $ 4.11 | 2,142,214,200 | 6,300,214,200 | 68.90% | 9,523,000,000 | 1,106,000,000 | 626,000,000 | 6.57% | 1.38 | 11.61% | 0.66 | 5.70 |
| Health Management Associates, I | $ 6.92 | 2,110,046,400 | 5,949,490,400 | 64.25% | 5,591,806,000 | 798,061,000 | 632,741,000 | 11.32% | 1.51 | 14.27% | 1.06 | 7.45 |
| HCA Holdings, Inc. Common Stock | $ 20.16 | 10,561,259,520 | 38,289,259,520 | 72.81% | 31,813,000,000 | 5,653,000,000 | 3,147,000,000 | 9.89% | 1.60 | 17.77% | 1.20 | 6.77 |
| **HIGH:** | | | $38,289,259,520 | 80.47% | $31,813,000,000 | | | 14.08% | 1.51 | 16.57% | 1.13 | 7.45 |
| **LOW:** | | | $3,937,459,200 | 44.36% | $3,496,700,000 | | | 6.57% | 0.94 | 11.61% | 0.66 | 5.70 |
| **AVERAGE:** | | | | 63.67% | | | | 9.66% | 1.30 | 14.71% | 0.99 | 6.70 |
| | | | | | | | Stan Still | | | 0.71% | | |

Qualitative Comparisons (Subject Compared to Market Comparables as a Group

| Unit of Comparison | Status | Adjustment |
|---|---|---|
| Size of Company | Inferior | Downward |
| Diversity of Market Served | Inferior | Downward |
| EBITDA Margin | Inferior | Downward |
| Age of Plant | Inferior | Downward |
| **Overall Adjustment** | **Downward** | |

(1) Adjusted upward 20% to account for a control premium

**Stand - Still Market**

| Description | Revenues | EBITDA |
|---|---|---|
| **Adjustment** | **-50%** | **-50%** |
| **Adjusted Multiple*** | **0.496** | **3.350** |
| **Subject Comparable Units** | **$ 286,226,778** | **$ 2,041,623** |
| **Value Indication** | **$ 141,991,915** | **$ 6,840,130** |
| Weighting | 25% | 75% |
| **Total Asset Value as Unencumbered and assuming market based working capital (Rounded)** | **$40,600,000** | |
| Market Required Working Capital Balance | $ (28,622,678) | |
| Actual Working Capital Balance | $ (288,871) | |
| **Less Deficient (Excess) Working Capital** | **$ (28,911,549)** | |
| **Less Long Term Debt Obligations** | | |
| **Overall Value Rounded** | **$12,000,000** | |

# Schedule 1E – Guideline Transaction Approach

| Announcement Date | Acquirer | Seller | Number of Beds | Consideration | Revenue Multiple | EBITDA Multiple | Price/Bed |
|---|---|---|---|---|---|---|---|
| 4/20/2011 | Health Management Associates | Tri-Lakes Medical Center (95%) | 112 | $43,263,158 | 0.95 | 6.29 | $386,278 |
| 5/15/2011 | WakeMed Health & Hospitals | UNC Healthcare System Rex Healthcare System | 439 | $750,000,000 | N/A | N/A | $1,708,428 |
| 6/25/2011 | Highmark Inc | West Penn Allegheny Health System Inc | 1200 | $1,500,000,000 | N/A | N/A | $1,250,000 |
| 6/7/2011 | Steward Health Care System | Lanmdark Medical Center, Wonsocket RI | 214 | $65,000,000 | N/A | N/A | $303,738 |
| 5/31/2011 | Steward Health Care System | Morton Hospital and Medical Center | 119 | $168,500,000 | N/A | N/A | $1,415,966 |
| 5/13/2011 | South Georgia Medical Center | Ameris Helath Systems LLC ; Smith Northview Hospital, Valdo | 29 | $40,000,000 | 1.00 | 6.60 | $1,379,310 |
| 5/12/2011 | Health Management Associates | Mercy Health Partners Knoxville (7 hospitals) | 803 | $525,000,000 | 0.90 | | $653,798 |
| 4/25/2011 | HUMC Holdco LLC | Hoboken University Medical Center | 177 | $91,700,000 | 0.80 | N/A | $518,079 |
| 3/31/2011 | Sabra Health Care Reit | Texas Regional Medical Center | 70 | $62,700,000 | N/A | N/A | $895,714 |
| 3/25/2011 | Yale-New Haven Hospital | Hospital of Saint Raphael | 423 | $135,000,000 | N/A | N/A | $319,149 |
| 3/22/2011 | LHP Hospital Group Inc | St. Mary's Hospital Waterbury Connecticut | 347 | $135,000,000 | N/A | N/A | $389,049 |
| 3/18/2011 | IASIS Healthcare | St. Joseph Medical Center Houston Texas ( 78.2%) | 792 | $210,997,442 | N/A | N/A | $266,411 |
| 3/18/2011 | RegionalCare Hospital Partners Inc. | Cheyenne Regional Medical Center | 217 | $181,500,000 | 0.70 | N/A | $836,406 |
| 2/23/2011 | Steward Health Care System | Jackson Health System | 2482 | $1,100,000,000 | N/A | N/A | $443,191 |
| 2/8/2011 | Community Health Systems | Mercy Health Partners Scranton, PA | 389 | $150,000,000 | 0.57 | 12.57 | $385,604 |
| 28-Dec-10 | Anderson Regional Medical Center | Riley Hospital | 140 | $24,000,000 | 0.42 | 20.00 | $171,429 |
| 9-Dec-10 | Steward Health Care System, LLC | Two Essent Hospitals | 179 | $40,000,000 | 0.41 | 8.33 | $223,464 |
| 11/19/2010 | KPC Global Care Inc. | Victor Valley Community Hospital | 101 | $37,000,000 | 0.70 | 11.90 | $366,337 |
| 19-Nov-10 | Victor Valley Hospital Acquisition, Inc. | Victor Valley Community Hospital | 115 | $37,000,000 | 0.66 | 11.94 | $321,739 |
| 10/11/2010 | SUNY Downstate Medical Center | Long Island College Hospital | 567 | $110,000,000 | N/A | N/A | $194,004 |
| 1-Oct-10 | New Directions Health Systems, LLC | Pike County Memorial Hospital | 32 | $2,000,000 | 0.57 | 8.10 | $62,500 |
| 9/16/2010 | West Virginia United Health | St. Joseph's Hospital West VA | 184 | $87,000,000 | 0.90 | N/A | $472,826 |
| 9/1/2010 | Adventist Health Systems, Inc. | Univeristy Community Health | 923 | $355,000,000 | 0.70 | N/A | $384,615 |
| 8/16/2010 | Leanord Green and Partners LP | Fve Hospital in Southern California | 759 | $363,000,000 | 0.80 | 6.70 | $478,261 |
| 8/2/2010 | Vanguard Health Systems | Two Ressurrection Hospitals in Chicago Suburbs | 569 | $45,000,000 | 0.17 | N/A | $79,086 |
| 7/27/2010 | Health Management Associates | Wuesthoff Health System | 413 | $145,600,000 | 0.49 | 6.39 | $352,542 |
| 17-Jun-10 | RegionalCare Hospital Partners | Clinton Memorial Hospital | 85 | $82,137,477 | 0.79 | 11.73 | $966,323 |
| 24-May-10 | RegionalCare Hospital Partners | Coffee Health Group | 517 | $150,000,000 | 1.05 | 11.54 | $290,135 |
| 15-Apr-10 | University of Southern California | USC University Hospital | 471 | $300,000,000 | 0.81 | 8.93 | $636,943 |
| 9-Apr-10 | Symbion, Inc. | Mountain View Hospital | 43 | $69,724,771 | 1.59 | 3.96 | $1,621,506 |
| 5-Apr-10 | Community Health Systems, Inc. | Marion Regional Healthcare System | 169 | $28,300,000 | 0.48 | 3.93 | $167,456 |
| 4/1/2010 | LifePoint Hospitals, Inc. | Clark Regional Medical Center | 100 | $60,000,000 | 1.12 | 15.79 | $600,000 |
| 3/25/2010 | Cerberus Capital Management, LP | Caritas Christi Health | 1,552 | $830,000,000 | 0.63 | 15.29 | $534,794 |
| 12/1/2009 | Health Management Associates, Inc. | Sparks Health System | 510 | $138,200,000 | 0.54 | N/A | $270,980 |
| 4/1/2009 | Community Health Systems | Medical Center of South Arkansas | 166 | $52,000,000 | 0.54 | N/A | $313,253 |
| 2/24/2009 | Brim Healthcare | Wadley Health System | 370 | $21,000,000 | 0.22 | N/A | $56,757 |
| 2/2/2009 | Community Health Systems, Inc. | Siloam Springs Memorial Hospital | 74 | $42,700,000 | 1.19 | 9.93 | $577,027 |
| 1/7/2009 | Texas Health Resources, Inc | Presbyterian Hospital of Denton | 208 | $128,750,000 | 0.89 | 8.64 | $618,990 |
| 20-Aug-08 | Community Health Systems, Inc. | Wyoming Valley Health Care System | 429 | $150,000,000 | 0.66 | 6.64 | $349,650 |
| 7/30/2008 | MSMC Investor, LLC | St. Francis Hospital and Health Center | 309 | $65,000,000 | 0.41 | N/A | $210,356 |
| 7/23/2008 | Montefiore Medical Center | Our Lady of Mercy Medical Center | 369 | $38,000,000 | 0.18 | N/A | $102,981 |
| 4/1/2008 | Catholic Health East | North Ridge Medical Center | 332 | $20,000,000 | 0.22 | N/A | $60,241 |
| 4/1/2008 | Catholic Health Initiatives | Saint Clares Health System | 655 | $145,800,000 | 0.61 | N/A | $222,595 |
| 9/1/2010 | IASIS Healthcare | Wadley Regional Medical Center; Pikes Peak Hospital | 385 | $95,000,000 | 0.80 | N/A | $246,753 |
| 11/18/2010 | Sanford Health | North Country Health Services | 118 | $75,000,000 | 0.80 | N/A | $635,593 |

| | | | |
|---|---|---|---|
| Mean | 0.69 | 9.76 | 523,075 |
| Low (Primary) | 0.17 | 3.93 | 56,757 |
| High | 1.59 | 20.00 | 1,708,428 |
| Median | 0.70 | 8.79 | 385,941 |
| Multiple | $ 286,226,778 | $ 2,041,623 | 357 |
| Indications Stand-Still | $ 48,660,000 | $ 8,020,000 | $ 20,260,000 |
| Weighted Conclusion | $ 25,646,667 | | |
| Add Net Working Capital | $ (288,871) | | |
| **Total Value (rounded)** | **$ 25,360,000** | | |

The only other potential purchaser that made a definitive offer to GWHN was Vanguard Health Systems, a publicly traded healthcare organization that has targeted and purchased hospitals similar to GWHN. The key points of their offer:

- An asset purchase; but was willing to discuss a possible 20% joint venture arrangement;
- Offer was approximately $18M; ($10M plus assumption of pension fund liabilities)
- Minimum Capital Investment of $90M over 7 years
- Some local community Board Involvement possible
- Continuation of Services of up to 10 years

# Summary and Reconciliation of Assets Transferred

In arriving at the value of the assets transferred, we considered six different indicators under the three different appraisal approaches. In determining a final estimate, we weighted each approach giving consideration to the strengths and weakness of each indication. Based upon this weighting we derived an overall value estimate of $21, 200,000 for the assets to be transferred. This calculation is shown on the following schedule.

| Summary and Conclusion of Assets to Transfer | | Conclusion | Weighting | Weighted Contribution |
|---|---|---|---|---|
| Cost Based Approach (Schedule 1 A) | Scheudule 1A | $ 40,540,000 | 20% | $ 8,108,000 |
| Income Appoaches | | | | |
| DCF Income Approach-Stand Still (5-Year Life) | Schedule 1B | $ 1,526,000 | 20% | $ 305,200 |
| Income Approach - Rental of Facility | Schedule 1C | $ 42,777,594 | 10% | $ 4,277,759 |
| Market Based Approaches | | | | |
| Guideline Company Approach | Schedule 1D | $ 12,000,000 | 20% | $ 2,400,000 |
| Guideline Transaction Approach | Schedule 1E | $ 25,360,000 | 10% | $ 2,536,000 |
| Direct Bid Process | | | | |
| Vanguard | Schedule 1F | $ 18,000,000 | 20% | $ 3,600,000 |
| **Total Value of Assets Transferred (Rounded)** | | | **100%** | **$ 21,200,000** |

In assessing the value of the benefits received by GWHN if the transaction moves forward, we considered the value that a 10% interest in NEWCO plus the economic benefits that the Foundation inherently receives by insuring the continuation of its Community Benefits and Teaching programs in NEWCO, beyond what may be a limited time horizon in the absence of joining the joint venture. In deriving these estimates, we primarily relied upon Income Approach Methods. We have also considered the value of the fall-back position should the Replacement Hospital not be constructed in the timeline in the contract and the Commencement Delay Fee be applicable.

- The 10% equity interest in NEWCO has been developed utilizing a Discounted Cash Flow method under a market based Weighted Average Cost of Capital model based upon the distribution schedule anticipated by NEWCO. This is shown in Schedule 2A. Consideration has been given to the lack of marketability of the interest.

- The value of the Continuing Education Benefits and Teaching programs has been established in Schedule 2B. The future value of the benefits has been established by capitalizing the anticipated future costs of the benefits at a rate 20% above the cost of equity of NEWCO. These future benefits have then been discounted to their current contribution by five years. This methodology assumes that in a “Stand-Still” position these benefits could only continue for a five year period.

- The value of the fall-back position assumes that the Commencement Delay Fee would be made at the end of the second year. This estimate is shown in Schedule 2C.

# Baseline Income Statement

LHP
LHP Hospital Group, Inc.

| Saint Mary's Health System & Greater Waterbury Health Network<br>Joint Venture with SMHS & GWHN to Comp | | Dec 31/10 | Base Year<br>Dec 31/12<br>(9/30/2011) | Pro Forma<br>Dec 31/13<br>2013 | Pro Forma<br>Dec 31/14<br>2014 | Pro Forma<br>Dec 31/15<br>2015 | Pro Forma<br>Dec 31/16<br>2016 | Pro Forma<br>Dec 31/17<br>2017 | Pro Forma<br>Dec 31/18<br>2018 | Pro Forma<br>Dec 31/19<br>2019 | Pro Forma<br>Dec 31/20<br>2020 | Pro Forma<br>Dec 31/21<br>2021 | Pro Forma<br>Dec 31/22<br>2022 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Income Statement ($000's)** | | | | | | | | | | | | | |
| PATIENT REVENUES | | | | | | | | | | | | | |
| Inpatient Revenues | - | 731,570 | 754,303 | 803,899 | 856,755 | 913,087 | 973,122 | 1,047,323 | 1,121,683 | 1,201,322 | 1,286,616 | 1,377,966 | 1,475,802 |
| Outpatient Revenues | - | 623,484 | 685,677 | 730,760 | 778,808 | 830,014 | 884,588 | 952,038 | 1,019,632 | 1,092,026 | 1,169,560 | 1,252,599 | 1,341,533 |
| Total PATIENT REVENUES | - | 1,355,054 | 1,439,980 | 1,534,659 | 1,635,563 | 1,743,101 | 1,857,710 | 1,999,360 | 2,141,315 | 2,293,348 | 2,456,176 | 2,630,565 | 2,817,335 |
| Other Revenue | - | 16,847 | 15,990 | 16,070 | 16,150 | 16,231 | 16,312 | 16,394 | 16,476 | 16,558 | 16,641 | 16,724 | 16,808 |
| Total GROSS REVENUES | - | 1,371,901 | 1,455,970 | 1,550,729 | 1,651,713 | 1,759,332 | 1,874,022 | 2,015,754 | 2,157,791 | 2,309,907 | 2,472,817 | 2,647,289 | 2,834,143 |
| Contractual Adjustments | - | (850,903) | (921,625) | (990,114) | (1,063,504) | (1,142,139) | (1,226,385) | (1,329,603) | (1,437,668) | (1,554,097) | (1,679,518) | (1,814,608) | (1,960,091) |
| HMO/PPO Discounts | - | - | - | | | | | | | | | | |
| Charity Care | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total DEDUCTIONS | - | (850,903) | (921,625) | (990,114) | (1,063,504) | (1,142,139) | (1,226,385) | (1,329,603) | (1,437,668) | (1,554,097) | (1,679,518) | (1,814,608) | (1,960,091) |
| **TOTAL NET REVENUE** | - | **520,998** | **534,346** | **560,615** | **588,209** | **617,193** | **647,638** | **686,151** | **720,123** | **755,810** | **793,299** | **832,681** | **874,052** |
| OPERATING EXPENSES | | | | | | | | | | | | | |
| Salaries & Wages | - | 227,916 | 248,850 | 249,788 | 253,479 | 259,697 | 261,844 | 267,536 | 280,060 | 293,164 | 306,875 | 321,221 | 336,232 |
| Employee Benefits | - | 64,296 | 64,373 | 64,616 | 65,571 | 67,179 | 67,735 | 69,207 | 72,447 | 75,837 | 79,384 | 83,095 | 86,978 |
| Supplies | - | 65,817 | 64,125 | 65,819 | 68,476 | 71,241 | 74,117 | 76,730 | 79,047 | 81,434 | 83,894 | 86,427 | 89,037 |
| Professional Fees | - | 13,328 | 22,681 | 22,886 | 23,101 | 21,574 | 21,808 | 22,298 | 22,843 | 23,401 | 23,973 | 24,558 | 25,158 |
| Contract Services | - | 47,296 | 45,366 | 45,468 | 46,126 | 46,842 | 47,119 | 48,991 | 51,027 | 53,148 | 55,355 | 57,654 | 60,048 |
| Repairs & Maintenance | - | 12,529 | 11,675 | 11,969 | 12,270 | 11,831 | 11,408 | 10,524 | 11,056 | 10,150 | 9,318 | 8,553 | 7,852 |
| Rents & Leases | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Utilities | - | 10,070 | 8,526 | 10,271 | 10,477 | 10,686 | 10,900 | 10,355 | 9,837 | 9,345 | 8,878 | 8,434 | 8,012 |
| Insurance | - | 12,176 | 12,993 | 13,383 | 13,784 | 14,198 | 14,624 | 14,879 | 15,326 | 15,786 | 16,259 | 16,747 | 17,249 |
| Bad Debts | - | 28,963 | 21,271 | 22,317 | 23,416 | 24,569 | 25,781 | 27,315 | 28,667 | 30,088 | 31,580 | 33,148 | 34,795 |
| Non-Income Taxes | - | - | - | 6,150 | 6,304 | 6,461 | 6,623 | 6,788 | 6,958 | 7,132 | 7,310 | 7,493 | 7,681 |
| Other Operating Expenses | - | 18,439 | 29,542 | 28,935 | 29,105 | 27,803 | 26,029 | 24,623 | 25,845 | 27,110 | 28,420 | 29,776 | 31,181 |
| Total OPERATING EXPENSES | - | 500,830 | 529,403 | 541,601 | 552,107 | 562,082 | 567,988 | 579,246 | 603,113 | 626,594 | 651,246 | 677,108 | 704,223 |
| **EBITDA** | - | **20,168** | **4,943** | **19,014** | **36,102** | **55,110** | **79,650** | **106,905** | **117,010** | **129,216** | **142,053** | **155,573** | **169,829** |
| Other income / (expenses) | | | | | | | | | | | | | |
| Depreciation | - | (18,443) | (18,468) | (10,915) | (14,258) | (18,626) | (22,226) | (24,304) | (25,275) | (26,246) | (24,275) | (25,075) | (25,875) |
| Goodwill Amortization | | (1,895) | (2,774) | - | - | - | - | - | - | - | - | - | - |
| Other Amortization | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest Expense | - | (3,684) | (2,649) | - | (960) | (7,738) | (14,037) | (14,338) | (10,661) | (5,031) | - | - | - |
| Interest Income | - | 11,694 | (2,206) | - | - | - | - | - | - | - | - | - | - |
| Management Fees | - | - | - | (11,212) | (11,764) | (12,344) | (12,953) | (13,723) | (14,402) | (15,116) | (15,866) | (16,654) | (17,481) |
| Total other income / (expenses) | | (12,328) | (26,096) | (22,127) | (26,982) | (38,709) | (49,216) | (52,364) | (50,338) | (46,393) | (40,141) | (41,729) | (43,356) |
| PRETAX INCOME/(LOSS) | - | 7,839 | (21,154) | (3,113) | 9,120 | 16,402 | 30,434 | 54,541 | 66,671 | 82,822 | 101,912 | 113,844 | 126,473 |
| Federal & State Taxes | - | | | - | - | - | - | - | - | - | - | - | - |
| NET INCOME | - | 7,839 | (21,154) | (3,113) | 9,120 | 16,402 | 30,434 | 54,541 | 66,671 | 82,822 | 101,912 | 113,844 | 126,473 |

# Baseline Distributions

LHP
LHP Hospital Group, Inc.

| Saint Mary's Health System & Greater Waterbury Health Network<br>Joint Venture with SMHS & GWHN to Complete Repla<br>Cash Flow Statement ($000's) | Dec 31/13<br>2013 | Dec 31/14<br>2014 | Dec 31/15<br>2015 | Dec 31/16<br>2016 | Dec 31/17<br>2017 | Dec 31/18<br>2018 | Dec 31/19<br>2019 | Dec 31/20<br>2020 | Dec 31/21<br>2021 | Dec 31/22<br>2022 |
|---|---|---|---|---|---|---|---|---|---|---|
| Cash Flow From Operations | | | | | | | | | | |
| Net Income | (3,113) | 9,120 | 16,402 | 30,434 | 54,541 | 66,671 | 82,822 | 101,912 | 113,844 | 126,473 |
| Depreciation | 10,915 | 14,258 | 18,626 | 22,226 | 24,304 | 25,275 | 26,246 | 24,275 | 25,075 | 25,875 |
| Goodwill Amortization | - | - | - | - | - | - | - | - | - | - |
| Other Amortization | - | - | - | - | - | - | - | - | - | - |
| Change in Working Capital | (4,971) | (2,348) | (3,400) | (3,351) | (3,929) | (3,516) | (2,957) | (3,105) | (3,263) | (3,433) |
| Tax Adjustments | - | - | - | - | - | - | - | - | - | - |
| Cash flow from operations | 2,831 | 21,030 | 31,628 | 49,308 | 74,916 | 88,430 | 106,112 | 123,082 | 135,656 | 148,915 |
| Cash Flow From Investing | | | | | | | | | | |
| Capital Expenditures in: | | | | | | | | | | |
| Land | - | - | - | - | - | - | - | - | - | - |
| Construction in Progress | (39,750) | (150,000) | (121,750) | (88,500) | - | - | - | - | - | - |
| Buildings | - | - | - | - | - | - | - | - | - | - |
| Fixed Equipment | - | - | - | - | - | - | - | - | - | - |
| Major Equipment | (4,000) | (4,000) | (4,000) | (4,000) | (4,000) | (4,000) | (4,000) | (8,000) | (8,000) | (8,000) |
| Minor Equipment | (4,000) | (4,000) | (4,000) | (4,000) | (4,000) | (4,000) | (4,000) | (4,000) | (4,000) | (4,000) |
| Leasehold Improvements | - | - | - | - | - | - | - | - | - | - |
| Total cash flow from investing | (47,750) | (158,000) | (129,750) | (96,500) | (8,000) | (8,000) | (8,000) | (12,000) | (12,000) | (12,000) |
| Subtotal - cash flows before financing | (44,919) | (136,970) | (98,122) | (47,192) | 66,916 | 80,430 | 98,112 | 111,082 | 123,656 | 136,915 |
| Cash Flow From Financing | 2,831 | 21,030 | 31,628 | 49,308 | | | | | | |
| Equity investment | 24,929 | 63,071 | - | - | - | | | | | |
| Drawdown of LHP note | - | - | - | - | - | | | | | |
| Debt issuance / (repayment) | - | 73,900 | 98,122 | 47,192 | (66,916) | (80,430) | (71,867) | - | - | - |
| Subtotal - financing cash flow before the undernoted | 24,929 | 136,970 | 98,122 | 47,192 | (66,916) | (80,430) | (71,867) | - | - | - |
| Cash for equity distributions | (19,990) | - | - | - | - | - | 26,245 | 111,082 | 123,656 | 136,915 |
| Opening cash | 20,000 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| Minimum cash balance | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| Cash available for distribution | - | - | - | - | - | - | 26,245 | 111,082 | 123,656 | 136,915 |
| Percentage of cash distributed | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| Equity distributions | - | - | - | - | - | - | 26,245 | 111,082 | 123,656 | 136,915 |
| Ending cash | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |

# Schedule 2A – Valuation of 10% Interest in NEWCO – Waterbury Distributions

| Baseline Scenario (1000's) | Base Year Dec 31/12 | Pro Forma Dec 31/13 | Pro Forma Dec 31/14 | Pro Forma Dec 31/15 | Pro Forma Dec 31/16 | Pro Forma Dec 31/17 | Pro Forma Dec 31/18 | Pro Forma Dec 31/19 | Pro Forma Dec 31/20 | Pro Forma Dec 31/21 | Pro Forma Dec 31/22 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Waterbury Distributions Received | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 2,625 | $ 11,108 | $ 12,366 | $ 13,692 |
| Discount Periods | 0.50 | 1.50 | 2.50 | 3.50 | 4.50 | 5.50 | 6.50 | 7.50 | 8.50 | 9.50 | |
| Present Value Factor | 0.931250 | 0.807606 | 0.700378 | 0.607387 | 0.526743 | 0.456806 | 0.396155 | 0.343556 | 0.297941 | 0.258383 | |
| Present Value of Periodic Cash Flows | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $902 | $3,310 | $3,195 | |
| Sum of PV Periodic Cash Flows | | | | $7,406 | | | | | | | |
| Perpetuity Value | | | $111,223 | | | | | | | | |
| PV of Perpetuity Value | | | | $28,738 | | | | | | | |
| Cash received at closing | | | | $0 | | | | | | | |
| Net Present Value of Total Economic Benefits | | | | **$36,100** | | | | | | | |

| +5% Volume Scenario (1,000's) | Base Year Dec 31/12 | Pro Forma Dec 31/13 | Pro Forma Dec 31/14 | Pro Forma Dec 31/15 | Pro Forma Dec 31/16 | Pro Forma Dec 31/17 | Pro Forma Dec 31/18 | Pro Forma Dec 31/19 | Pro Forma Dec 31/20 | Pro Forma Dec 31/21 | Pro Forma Dec 31/22 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Waterbury Distributions Received | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 10,572 | $ 14,962 | $ 17,443 | $ 20,235 |
| Discount Periods | 0.50 | 1.50 | 2.50 | 3.50 | 4.50 | 5.50 | 6.50 | 7.50 | 8.50 | 9.50 | |
| Present Value Factor | 0.931250 | 0.807606 | 0.700378 | 0.607387 | 0.526743 | 0.456806 | 0.396155 | 0.343556 | 0.297941 | 0.258383 | |
| Present Value of Periodic Cash Flows | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $3,632 | $4,458 | $4,507 | |
| Sum of PV Periodic Cash Flows | | | | $12,597 | | | | | | | |
| Perpetuity Value | | | $164,381 | | | | | | | | |
| PV of Perpetuity Value | | | | $42,473 | | | | | | | |
| Cash received at closing | | | | $0 | | | | | | | |
| Net Present Value of Total Economic Benefits | | | | **$55,100** | | | | | | | |

| -5% Volume Scenario (1,000's) | Base Year Dec 31/12 | Pro Forma Dec 31/13 | Pro Forma Dec 31/14 | Pro Forma Dec 31/15 | Pro Forma Dec 31/16 | Pro Forma Dec 31/17 | Pro Forma Dec 31/18 | Pro Forma Dec 31/19 | Pro Forma Dec 31/20 | Pro Forma Dec 31/21 | Pro Forma Dec 31/22 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Waterbury Distributions Received | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 2,405 | $ 7,731 | $ 7,983 |
| Discount Periods | 0.50 | 1.50 | 2.50 | 3.50 | 4.50 | 5.50 | 6.50 | 7.50 | 8.50 | 9.50 | |
| Present Value Factor | 0.931250 | 0.807606 | 0.700378 | 0.607387 | 0.526743 | 0.456806 | 0.396155 | 0.343556 | 0.297941 | 0.258383 | |
| Present Value of Periodic Cash Flows | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $716 | $1,998 | |
| Sum of PV Periodic Cash Flows | | | | $2,714 | | | | | | | |
| Perpetuity Value | | | $64,848 | | | | | | | | |
| PV of Perpetuity Value | | | | $16,756 | | | | | | | |
| Cash received at closing | | | | $0 | | | | | | | |
| Net Present Value of Total Economic Benefits | | | | **$19,500** | | | | | | | |

The preceding tables represent the anticipated distributions under three primary operating scenarios; the most anticipated volume levels, Baseline, and operating scenarios with a 5% increase in volumes and 5% decrease in volumes from the baseline. These equity distributions were then discounted at the equity rate of return and weighted to derive a value for the 10% interest received in NEWCO. This estimate was then adjusted downward by 10% for lack of marketability. The overall calculation is summarized below.

| | | |
|---|---|---|
| Baseline Scenario | 45% | $16,245,000 |
| 5% Volume Increase | 10% | $5,510,000 |
| 5% Volume Decrease | 45% | $8,775,000 |
| Overall Value of Interest | | $30,530,000 |
| | | |
| Less Discount for Lack of Marketability | | -$3,053,000 |
| | | |
| Value of 10% Interest | | $27,477,000 |

# Schedule 2B – Valuation of Community and Teaching Benefits

**Valuation of Community and Teaching Benefits - Schedule 2B**

| Net Community Health Benefit | Average | Fiscal 2010 | 2009 | 2008 |
|---|---|---|---|---|
| Community Health Improvement Services | | $ 11,243,883 | $ 7,588,904 | $ 17,773,636 |
| Health Professions Education | | $ 15,077,718 | $ 8,678,772 | $ 7,572,611 |
| Cash and In-Kind Contributions to Community Groups | | $ 900,103 | $ 980,871 | $ 93,588 |
| Total Annual Benefits (a) | $ 18,192,563 | $ 27,221,704 | $ 17,248,547 | $ 10,107,437 |
| | | | | |
| Equity Return Rate plus 20% Premium (b) | | 18.37% | | |
| | | | | |
| Future Value of Benefits Beyond "Stand-Still" Five Year Remaining Business Life (a/b) | | | $ 99,023,311 | |
| Present Value Factor assuming provision in Five Years | | | 0.43028 | |
| **Present Value of Community and Teaching Benefits** | | | | **$ 42,608,134.06** |

# Schedule 2C – Valuation of Fall-Back Position

**Valuation of Fall Back Position**

| | |
|---|---|
| Payment of $66M Payment in 24 -months assuming delay in construction Discounted at 9.5% | $55,044,724 |
| Less discounted value of Cash Flow Forfeited | (17,403,786) |
| **Current Value Fall Back Position If New Facility is Not Built** | **$ 37,640,000** |

The following table summarizes the benefits that GWHN can reasonably anticipate to achieve given the assumptions and expectations as outlined in our analysis.

**Summary of Benefits Received**

| | | |
|---|---|---|
| **Valuation Upon Asset Transfer with New Facility** | | |
| Value of 10% Interest | Schedule 2A | $27,477,000 |
| Value of Community and Teaching Benefit Extension | Schedule 2B | $ 42,608,134 |
| **Total Value of Benefits Received If NEWCO Constructs New Facility Rounded** | | **$ 70,090,000** |

| | |
|---|---|
| **Valuation of Fall Back Position** | |
| Payment of $66M Payment in 24 -months assuming delay in construction Discounted at 9.5% | $55,044,724 |
| Less discounted value of Cash Flow Forfeited | (17,403,786) |
| **Current Value Fall Back Position If New Facility is Not Built** | **$ 37,640,000** |

The following table summarizes the value of the assets to be contributed against the benefits that GWHN can reasonably anticipate to achieve given the assumptions and expectations associated with the proposed joint venture transaction as contained herein. Based upon a comparison of these economic expectations it is our conclusion that the transaction is fair from a financial point of view as the value received appears to be equal to or greater than the value of the assets contributed.

**Overall Summary**

| | |
|---|---|
| **Value of Assets Contributed** | **$ 21,200,000** |
| **Value of Benefits Received with NEWCO Replacement Hospital** | **$ 70,090,000** |
| **Value of Benefits Received on Fall Back Position** | **$ 37,640,000** |

# EXHIBIT 13:  CHARITABLE GIFT INSTRUMENTS (cd)

# EXHIBIT 14:  ANALYSIS OF GIFT INSTRUMENTS

**Trusts and Other Dispositions Benefiting Waterbury Hospital**

**Schedule A. Waterbury Hospital, Trustee – Not Use Restricted**

| Name<br>Date | Trustee | Value as of 9/30/11 | Language of Disposition | Language of Succession | Endowment Y/N | Non-Endowment Y/N | Use Restricted Y/N | Solicited under §21a-175 Y/N | Instrument of disposition in file Y/N |
|---|---|---|---|---|---|---|---|---|---|
| Charles F. Brooker Will and Codicil | | $140,033 | "in trust for the following purposes to wit: To be invested in the manner prescribed by law for trust funds, said fund to be known as the "CHARLES F. BROOKER FUND" and held in trust as a permanent fund, and the income therefrom to be used for the expenses and carrying on of the purposes of said Hospital.<br><br>"I request said WATERBURY HOSPITAL of Waterbury in their respective use of the income from the aforesaid trust funds to give the preference to employees of the American Brass Company and its successors … | None | Y | N | N | N | No<br>Gift Summary |
| Clara A. Forester (Richard A. Forester Memorial Fund)<br>5/15/1956 | | $66,617 | "the principal to be held by it in a perpetual trust to be known as 'The Richard A. Forester Memorial Fund' and the income only thereof to be used for the general purposes of said organization." | None | Y | N | N | N | Yes<br>Trust u/w |
| Karl & Margaret Hallden Memorial Fund<br>7/25/1967 | Bank of America, Agent | $78,965 | principal distributed from Memorial Fund 6/1/1986 – consent to distribution in file | None | N | Y | N | N | Yes<br>Will, Consent to Distribution and 12/20/85 letter from Colonial Bank detailing provisions of gift, Agreement between Waterbury Hospital and Colonial Bank |

**Trusts and Other Dispositions Benefiting Waterbury Hospital**

**Schedule A. Waterbury Hospital, Trustee – Not Use Restricted**

| Name<br>Date | Trustee | Value as of 9/30/11 | Language of Disposition | Language of Succession | Endowment Y/N | Non-Endowment Y/N | Use Restricted Y/N | Solicited under §21a-175 Y/N | Instrument of disposition in file Y/N |
|---|---|---|---|---|---|---|---|---|---|
| George R. Lamb (George B. Lamb and Harriet Welton Lamb Endowment Fund) 7/12/1923 | | $228,565 | "the principal of said fund to be kept intact . . . and only the income therefrom used as the Board of Directors may determine for promoting and maintaining the Hospital and its work"<br><br>"income therefrom used as the Board of Trustees may determine for promoting and maintaining the Hospital and its work" | "If for any reason said Waterbury Hospital shall fail or refuse to accept said fund upon the conditions above stated, the Trustee shall . . . set over all of the . . . assets belonging to the Trust Fund to such person . . . as shall have been designated by me in my last will and testament . . . ." | Y | N | N | N | Extract from Trust and Trust Agreement between Waterbury Hospital and Colonial Bank Trustee dated 1967 |

**Trusts and Other Dispositions Benefiting Waterbury Hospital**

**Schedule A. Waterbury Hospital, Trustee –Use Restricted**

| Name<br>Date | Trustee | Value as of 9/30/11 | Language of Disposition | Language of Succession | Endowment Y/N | Non-Endowment Y/N | Use Restricted Y/N | Solicited under §21a-175 Y/N | Instrument of disposition in file Y/N |
|---|---|---|---|---|---|---|---|---|---|
| Hattie Schlegel Anderson<br>May, 1986<br>July 21, 1986 | | $75,138 | "income therefrom to be used to provide for the ongoing education of nurses at the Hospital through in-service programs, outside speakers, conference fees and expenses, tuition assistance in obtaining advanced degreees, or for other employees to become Registered Nurses, and books periodicals and other educational support systems" | None | Y | N | Y | N | Proposed language re distribution, and Custodial Agreement |
| At Risk Kids<br>1999 | | $812 | Income will be used to "underwrite operations, after grant income has been exhausted, for programs that focus on preventive strategies designed to decrease serious emotional and behavioral problems." | None | Y | N | Y | Y | Yes<br>Resolution |
| Theodore Bevans<br>10/16/1963 | | $8,752 | "used for the benefit of children hospitalized in the Waterbury Hospital." | None | N | Y | Y | N | Yes<br>Contribution letter |
| Edith M. Chase (Henry Sabin Chase Memorial Fund)<br>1/24/1972 | The Waterbury Hospital | $635,198 | "to establish and maintain a dispensary under the name, 'The Henry Sabin Chase Memorial Dispensary." | None | Y | N | Y | N | Yes<br>Will |

**Trusts and Other Dispositions Benefiting Waterbury Hospital**

**Schedule A. Waterbury Hospital, Trustee –Use Restricted**

| Name<br>Date | Trustee | Value as of 9/30/11 | Language of Disposition | Language of Succession | Endowment Y/N | Non-Endowment Y/N | Use Restricted Y/N | Solicited under §21a-175 Y/N | Instrument of disposition in file Y/N |
|---|---|---|---|---|---|---|---|---|---|
| Mildred Crozier<br>12/28/1988 | The Waterbury Hospital | $254,846 | "the income of the Fund, and such amount of the net appreciation (realized and unrealized) thereof…be used…to provide scholarship assistance to children of Hospital employees so as to enable them to pursue their professional education in medicine and related fields of caring." "…it is my desire that no part of the value of any contribution made by me…be so expended" | None | Y | N | Y | Y | Yes<br>Instrument of Gift |
| Marguerite B. Fulling<br>3/21/66<br>6/19/96 | | $78,524 | "to be known as the Marguerite B. Fulling Research Fund, only the income from which is to be used for research of breast cancer". | Unknown – trust document not located | Y | N | Y | N | Gift letter and Waterbury Hospital Receipt & Release |
| Grad Nurse<br>1/30/1979 | | $7,352 | To provide loans to graduate nurses for further education | None | Y | N | Y | Y | Yes<br>Memorandum |

**Trusts and Other Dispositions Benefiting Waterbury Hospital**

**Schedule A. Waterbury Hospital, Trustee –Use Restricted**

| Name<br>Date | Trustee | Value as of 9/30/11 | Language of Disposition | Language of Succession | Endowment Y/N | Non-Endowment Y/N | Use Restricted Y/N | Solicited under §21a-175 Y/N | Instrument of disposition in file Y/N |
|---|---|---|---|---|---|---|---|---|---|
| Margery K. Hayden (Elizabeth K. Hayden Fund) 02/03/1975 | The Waterbury Hospital | $27,629 | "the sum of Twenty Thousand Dollars ($20,000) to be known as "The Elizabeth K. Hayden Fund", to establish a bed fund, the income from which shall be used for the purpose of providing free bed and medical care to patients of Southmayd Home, Incorporated, of said Waterbury, who shall be designated by the Board of Directors of said Southmayd Home, Incorporated, as being eligible to receive said free bed and medical care. In the event that all or any portion of said income in any consecutive twelve months period (said period to be determined by said Hospital, in its sole discretion) shall not be needed for the purpose of providing free bed and medical care, same may be used by said Hospital for its general purposes." | None | Y | N | Y | N | Yes<br>Will |

## Trusts and Other Dispositions Benefiting Waterbury Hospital

### Schedule A. Waterbury Hospital, Trustee –Use Restricted

| Name<br>Date | Trustee | Value as of 9/30/11 | Language of Disposition | Language of Succession | Endowment Y/N | Non-Endowment Y/N | Use Restricted Y/N | Solicited under §21a-175 Y/N | Instrument of disposition in file Y/N |
|---|---|---|---|---|---|---|---|---|---|
| Merrit Heminway (Merrit Heminway Bed Fund)<br>1914 (extract from executive committee report) | Waterbury Hospital | $193,818 | From Hospital Records: "Income to maintain bed for Watertown poor."<br>Letter 10/31/60 from Katherine H. Heminway: "wish of his family that the income from this sum be added to that of the Merritt Heminway Bed Fund and administered as that fund has been administered in the past . . . . We wish that the word "poor" be interpreted to mean anyone whose hospital bills (not being otherwise fully covered) are such that the patient would be burdened thereby so that help in their payment might be considered of curative value. It is also our wish that any income from this fund left at the end of each hospital fiscal year be turned over to the hospital's general funds." | "The Board of the hospital should feel free to request the family of Merrit Heminway to change the above provisos if in their opinion the fund is no longer serving a useful purpose. If the time should arise when there were no family left to confer with, the interest and principal of the fund should be used in such a way as best to serve Watertown patients." | Y | N | Y | N | Instrument of Gift – Addition to Bed Fund |
| Junior League Fund<br>2/1937 (memo from The Colonial Trust Co.) | The Waterbury Hospital | $1,718 | "condition of gift: To be used as a special Medical Fund." – memo from The Colonial Trust Company<br><br>"Amount of Gift - $1,500.00" | None | Y | N | Y | N | Yes<br>Instrument of Gift |

## Trusts and Other Dispositions Benefiting Waterbury Hospital

### Schedule A. Waterbury Hospital, Trustee –Use Restricted

| Name<br>Date | Trustee | Value as of 9/30/11 | Language of Disposition | Language of Succession | Endowment Y/N | Non-Endowment Y/N | Use Restricted Y/N | Solicited under §21a-175 Y/N | Instrument of disposition in file Y/N |
|---|---|---|---|---|---|---|---|---|---|
| Sarann B. Kazanjian (Sarann B. Kazanjian Memorial Fund)<br>10/17/1974 | The Waterbury Hospital | $56,632 | "Fifty Thousand Dollars ($50,000.00) to The Waterbury Hospital,…and that the income from it be used to purchase equipment for medical and surgical purposes."<br>_____<br>"If any of the principal or net income of the Residuary Trust shall remain undisposed of after compliance with all of the foregoing provisions of this Article VI, I direct my then Trustees to pay, transfer and deliver said undistributed portion to The Waterbury Hospital, to be to it absolutely." | None<br>_____<br>None | Y<br>_____<br>N | N<br>_____<br>Y | Y<br>_____<br>N | N<br>_____<br>N | Yes<br>Will |
| Sarann B. Kazanjian (Sarann B. Kazanjian Student Nurse Scholarship Fund)<br>8/12/1955 (citation to letter in unknown memo) | The Waterbury Hospital | $38,703 | "$10,000.00 payable to the Waterbury Hospital… and the annual income therefrom be used to defray expenses of a student nurse or nurses during her or their period of nursing training. She further requests that preference be given to those student nurses residing in Waterbury and the surrounding towns of Naugatuck, Woodbury, Middlebury and Watertown…" | None | Y | N | Y | N | Yes<br>Instrument of Gift – Student Nurse Scholarship Fund |
| Scovill-Kingsbury Bed Fund<br>1915 (extract from Executive Committee Report) | Waterbury Hospital | $196,888 | "extract from Report of Executive Committee 1915: 'endowing a free cot for the benefit of the poor of St. John's parish Waterbury'." - undated Waterbury Hospital record | None | Y | N | Y | N | Yes<br>Acknowledgment of $5,000 gift by hospital |
| LJ Mayo | | $13,382 | Scholarships for nursing students<br><br>Gift in memory of Lewis Mayo, former pharmacist at Waterbury Hospital | None | N | Y | Y | Y | Yes<br>Hospital Summary |

**Trusts and Other Dispositions Benefiting Waterbury Hospital**

**Schedule A. Waterbury Hospital, Trustee –Use Restricted**

| Name<br>Date | Trustee | Value as of 9/30/11 | Language of Disposition | Language of Succession | Endowment Y/N | Non-Endowment Y/N | Use Restricted Y/N | Solicited under §21a-175 Y/N | Instrument of disposition in file Y/N |
|---|---|---|---|---|---|---|---|---|---|
| Mary L. Meigs (The Meigs Fund) 7/17/1952 | The Waterbury Hospital | $971,715 | "... the principal thereof to be held as a perpetual trust to be known as the "Meigs Fund", and the income only thereof to be used for the care at said hospital of persons in reduced circumstances in such manner as the Board of Directors of said Hospital may determine" | None | Y | N | Y | N | Yes<br>Trust u/w |
| Dr. M.H. Merriman 9/22/1964 | | $5,483 | "to be established as a fund, the income of which is to be used to defray the expenses of personnel in the Waterbury Hospital Clinical and Pathological Laboratories in attending scientific meetings." | None | Y | N | Y | Y | Yes<br>Draft Memorandum |
| Edith F. Poole 4/11/1928 (Francis A. and Florence A. Poole Fund) | Waterbury Hospital | $120,465 which is 50% of total | "($10,000.000), to the Waterbury Hospital…to be held as a permanent fund and invested and reinvested, and the net income thereof applied towards the establishment and maintenance of a free room in said hospital for the use of such person or persons as the minister in charge for the time being, of the Second Congregational Church, of Waterbury, Connecticut, may designate. | None | Y | N | Y | N | Yes<br>Will |

## Trusts and Other Dispositions Benefiting Waterbury Hospital

### Schedule A. Waterbury Hospital, Trustee –Use Restricted

| Name<br>Date | Trustee | Value as of 9/30/11 | Language of Disposition | Language of Succession | Endowment Y/N | Non-Endowment Y/N | Use Restricted Y/N | Solicited under §21a-175 Y/N | Instrument of disposition in file Y/N |
|---|---|---|---|---|---|---|---|---|---|
| Ruth Sperry (Mr. and Mrs. Mark L. Sperry, Sr. Memorial Fund)<br>Letter 12/3/1947<br>Letter 7/13/1976 | The Waterbury Hospital | $154,304 | "$2,500. to be used toward a hospital Bed Fund. .. 1. For employees and their families of the Scovill Mfg. Co. 2. For members of the Sperry family. 3. For such persons as I, or somebody that I might designate, might direct. I wish the unexpended balance in the fund to be carried over to the next year until the Fund reaches the sum of $10,000. After that it may be turned over to the Superintendent for general purposes of the institution."<br>———<br>"I give to the Waterbury Hospital…approximately $10,000 to be added to the Mark L. Sperry and Julia P. Sperry Bed Fund. The income to be used preferably for members of The First Congregational Church and employees of The Scovill Manufacturing Company or to anyone in need of hospital assistance." | None | Y<br>———<br>Y | N<br>———<br>N | Y<br>———<br>Y | N<br>———<br>N | See Bed Fund Binder |
| Dwight H. Terry And Martha Terry (The Dwight H. and Martha J. Terry Fund)<br>3/08/1919<br>11/21/1918 | The Waterbury Hospital | $538,371 | "only the proceeds thereof shall be used for the purpose of providing free beds and medical care and attention for the poor and needy of the Towns of Plymouth and Thomaston . . . and that the surplus of said income, if any, may be used for the general uses of said institution" | None | Y | N | Y | N | Yes<br>Trust u/w Dwight Terry and<br>Trust u/w Martha Terry |

## Trusts and Other Dispositions Benefiting Waterbury Hospital

### Schedule A. Waterbury Hospital, Trustee –Use Restricted

| Name<br>Date | Trustee | Value as of 9/30/11 | Language of Disposition | Language of Succession | Endowment Y/N | Non-Endowment Y/N | Use Restricted Y/N | Solicited under §21a-175 Y/N | Instrument of disposition in file Y/N |
|---|---|---|---|---|---|---|---|---|---|
| Olive Rogers Warner (The Richard Vincent Warner Memorial Fund)<br>4/22/1926 | The Waterbury Hospital | $1,119,633 | "as a trust fund . . . . only the proceeds thereof shall be used for the purpose of providing accommodations and medical care and attention for the residents of the Borough of Naugatuck . . . and that the surplus of said income, if any, may be used for the general uses of said institution" | None | Y | N | N | N | Yes<br>Will |

## Trusts and Other Dispositions Benefiting Waterbury Hospital

## Schedule B. Third Party Trustee

| Name<br>Date | Trustee | Value as of 9/30/11 | Language of Disposition | Language of Succession | Endowment Y/N | Non-Endowment Y/N | Use Restricted Y/N | Solicited under §21a-175 Y/N | Instrument of disposition in file Y/N |
|---|---|---|---|---|---|---|---|---|---|
| Harriet S. Anderson<br>9/21/1943 | Bank of America | $95,830 | "income to be used by said Waterbury Hospital Corporation to provide or assist in providing hospital care to deserving and needy residents of the City of Waterbury, Connecticut." | None | N | Y | Y | N | Yes<br>Instrument of Gift |
| Edith Blakesley Fund<br>03/08/1961 | JPMorgan Chase | $1,993,463 | "net income to be used by Hospital as a free bed fund for members of the Second Congregational Church who are considered as worthy ill cases requiring financial assistance". | "In the event that said The Waterbury Hospital shall be merged into or taken over by another private nonprofit hospital the said Trustee shall make payment to the successor corporation. In the event that the said The Waterbury Hospital shall terminate its existence, the said Trustee shall have the power to send such income to such hospital operating in the City of Waterbury, or serving the public of the City of Waterbury, as it may, in its judgment , select." | N | Y | Y | N | Yes<br>Trust u/w |
| Mary Kingsbury Bull Fund (established by Edith Kingsbury)<br>1/24/1951 | Bank of America | $17,958 | "for the furnishing and providing an endowment of the Children's Ward in The Waterbury Hospital. When the furnishing is completed enough of the bonds are to be sold for payment to the Hospital and the balance to be carried in separate account with int. accruing against future withdrawal for replenishment." | None | N | Y | Y | N | Yes<br>Record of Gift/Trust Agreement with Hospital |

## Trusts and Other Dispositions Benefiting Waterbury Hospital

## Schedule B. Third Party Trustee

| Name<br>Date | Trustee | Value as of 9/30/11 | Language of Disposition | Language of Succession | Endowment Y/N | Non-Endowment Y/N | Use Restricted Y/N | Solicited under §21a-175 Y/N | Instrument of disposition in file Y/N |
|---|---|---|---|---|---|---|---|---|---|
| Almon B. Dayton<br>8/23/1940 | Bank of America | $92,466 which is 6.67% of the total | "one-fifth of the net annual income of said trust shall be paid … annually in equal shares unto The Waterbury Hospital …, The Waterbury Anti-Tuberculosis League of Waterbury, Incorporated… and The Gaylord Farm Sanitorium…, in perpetuity. | "If any one or more of aforesaid religious and philanthropic organizations named as beneficiaries herein shall cease to exist or shall relinquish its corporate charter, or shall fail for any reason to function in the territory in which it is now located, its share of the income as hereinbefore determined shall be paid by my said trustee to The Waterbury Foundation Incorporated of Waterbury, Connecticut, to be used by the directors of said Foundation for religious or charitable purposes, preferably for some use similar to that performed by the corporation previously receiving said income." | N | Y | N | N | Yes<br>Trust u/w |
| Natalie M. Dodd f/b/o Paul Heroux<br>5/18/76<br>9/13/84 | J.P. Morgan & Co. | $0 | "the balance of the remaining principal of the trust as follows: … 15% thereof to The Waterbury Hospital" | "In the event that an organization to which a portion or all of the remaining principal of the trust is directed to be paid…shall not be an exempt organization at the time of the Settlor's death, such portion…of the remaining principal of the trust shall be paid, in the same proportions as aforementioned, to such of the aforementioned organizations as shall then be in existence and exempt organizations, or, if none of the aforementioned organizations shall then be in existence and an exempt organization, the same shall be paid only to such exempt organization or exempt organizations…as the Trustee, in its absolute discretion, shall determine." | N | Y | N | N | Yes<br>Amended and Restated Agreement and Will |

**Trusts and Other Dispositions Benefiting Waterbury Hospital**

**Schedule B. Third Party Trustee**

| Name<br>Date | Trustee | Value as of 9/30/11 | Language of Disposition | Language of Succession | Endowment Y/N | Non-Endowment Y/N | Use Restricted Y/N | Solicited under §21a-175 Y/N | Instrument of disposition in file Y/N |
|---|---|---|---|---|---|---|---|---|---|
| John Elton #2 for St. John's Parish<br>11/29/46<br>6/26/1947 | Bank of America | $265,228 which is 50% of total | "net income. . . in equal shares, to St. John's Parish of the Protestant Episcopal Church . . . and to The Waterbury Hospital . . . to be to each of them absolutely." | None | N | Y | N | N | Yes<br>Will and Codicil |
| J. Lincoln Fenn<br>10/23/1950 | Stanhope Fenn Cunningham | $0 | 1 of 5 contingent remaindermen –<br>Petition to Superior Court of California for transfer of trust to California was granted. | "…. To the Waterbury Hospital of Waterbury, Connecticut.<br>I request that the shares of property that may be received by the above named institutions shall be added to their principal funds and kept safely, invested, and that only the income be used for the general purposes of said institutions respectively." | N | Y | N | N | Yes<br>Trust u/w |
| I. Kent Fulton<br>10/02/1939 and<br>12/15/1939 | Bank of America | $5,462,246 | "To my trustee … I give and bequeath the sum of Twenty-five Thousand Dollars ($25,000), to be held by it in trust and the net income thereof to be paid over annually to the Waterbury Hospital… to be used by said Hospital for its general uses and purposes." | None | N | Y | N | N | Yes<br>Trust u/w and Codicil |
| Donald F. Gibson<br>9/24/1983 | JPMorgan Chase | $0 | remainder beneficiary- approximate value $30,000 | None | N | Y | N | N | Yes<br>Trust u/w |

**Trusts and Other Dispositions Benefiting Waterbury Hospital**

**Schedule B. Third Party Trustee**

| Name<br>Date | Trustee | Value as of 9/30/11 | Language of Disposition | Language of Succession | Endowment Y/N | Non-Endowment Y/N | Use Restricted Y/N | Solicited under §21a-175 Y/N | Instrument of disposition in file Y/N |
|---|---|---|---|---|---|---|---|---|---|
| Charles Hellmann (Sibilla Hellmann Fund)<br>6/13/1955 | Bank of America | $8,355,354 which is 50% of total | "yearly income shall be divided equally between The Waterbury Hospital, Inc. and The St. Mary's Hospital Corporation . . . income to be used by each hospital as it may deem for the best interests of each hospital." | "In the event that either hospital goes out of existence, the entire net income shall be paid to the remaining hospital. If either hospital shall merge with another hospital and my Trustees believe that the corporation so formed carries out the purposes of the hospital so merged, then my Trustees shall pay one-half of the income to such amalgamated corporation, but, if my Trustees believe that the amalgamated corporation does not carry out the purposes of the hospital so merged and mentioned herein, then the entire income shall be paid to the remaining hospital. Should both hospitals mentioned herein cease to exist and there shall be no corporation or corporations formed as aforesaid so that there will be no charitable or eleemosynary corporation or corporations to which the income from the trust shall be paid, then my Trustees shall give the net income to the Meriden hospital, and, in the event that said hospital has ceased to exist or has not been amalgamated with any other charitable institution carrying out the ideals and principals of such institution, then my Trustees shall pay the net income in such proportion as they may deem advisable to other charitable, religious and eleemosynary corporations as shall be located in said Waterbury which carry out the principles and teachings of The Waterbury Hospital Inc. and The St. Mary's hospital corporation, and my Trustees shall have full discretion to designate the appropriate corporation or corporations and shall have full discretion as to the proportion of the net income which shall be paid to each | N | Y | N | N | Yes<br>Trust u/w |

## Trusts and Other Dispositions Benefiting Waterbury Hospital

## Schedule B. Third Party Trustee

| Name<br>Date | Trustee | Value as of 9/30/11 | Language of Disposition | Language of Succession | Endowment Y/N | Non-Endowment Y/N | Use Restricted Y/N | Solicited under §21a-175 Y/N | Instrument of disposition in file Y/N |
|---|---|---|---|---|---|---|---|---|---|
| Rhoda M. Hellman (Sibilla Hellman Fund) 11/11/1969 | Bank of America | $4,317,695 which is 50% of total | "During the continuation of this trust the net income arising therefrom shall be divided equally between the Waterbury Hospital and St. Mary's Hospital, such payments to be made quarter-yearly or at such more frequent intervals as the Trustee shall deem wise." | "If either of the hospitals listed above is not an organization described in Sections 170(a), 2055(a) and 2522(a) of the Internal Revenue Code or has ceased to exist when income of the trust is to be distributed to it, the Trustee shall distribute all such income to the remaining hospital. If neither hospital shall qualify under such sections the Trustee shall distribute the income to such other organizations in the health care field as are described in said Sections 1770(c), 2055(a) and 2522(a) as the Trustees shall select." | N | Y | N | N | Yes<br>Trust u/w |

## Trusts and Other Dispositions Benefiting Waterbury Hospital

## Schedule B. Third Party Trustee

| Name<br>Date | Trustee | Value as of 9/30/11 | Language of Disposition | Language of Succession | Endowment Y/N | Non-Endowment Y/N | Use Restricted Y/N | Solicited under §21a-175 Y/N | Instrument of disposition in file Y/N |
|---|---|---|---|---|---|---|---|---|---|
| Abbie C. Hopkins<br>4/30/1938 | Bank of America | $4,780,896 | "If, however, at the termination of said twenty-year period, no hospital has been built by the Naugatuck Hospital in said Naugatuck, I direct the Trustee to continue to hold and invest and reinvest said fund and the increment thereto, as aforesaid, until a hospital has been erected in said Naugatuck by the Naugatuck Hospital, and meantime to pay to The Waterbury Hospital…said remainder of the net income from said fund and from the increment thereto for the purpose of providing accommodations and medical care and attention for the poor and needy residents of the Borough of Naugatuck aforesaid, with the understanding, however, that the surplus of said income, if any, may be used by The Waterbury Hospital aforesaid for its general uses and purposes.<br><br>(c) If, at some later period, a hospital is erected in said Naugatuck by the Naugatuck Hospital, I direct the Trustee to pay said remainder of the net income from said fund and from the increment thereto, in perpetuity, to the Naugatuck Hospital, to be used for the general purposes of said institution." | None | N | Y | Y | N | Yes<br>Will |
| Frank Keeling (The Frank Keeling Fund)<br>12/15/1954 | Bank of America | $2,668,556 | "income only thereof to be paid . . . to be used for the general purposes of said Hospital" | None | N | Y | N | N | Yes<br>Trust u/w |

**Trusts and Other Dispositions Benefiting Waterbury Hospital**

**Schedule B. Third Party Trustee**

| Name<br>Date | Trustee | Value as of 9/30/11 | Language of Disposition | Language of Succession | Endowment Y/N | Non-Endowment Y/N | Use Restricted Y/N | Solicited under §21a-175 Y/N | Instrument of disposition in file Y/N |
|---|---|---|---|---|---|---|---|---|---|
| Jacob Keeling (The Jacob Keeling Fund) 6/30/1952 | Bank of America | $2,060,567 | "income only thereof to be paid . . . to be used for the general purposes of said Hospital" | None | N | Y | N | N | Yes<br>Trust u/w |

**Trusts and Other Dispositions Benefiting Waterbury Hospital**

**Schedule B. Third Party Trustee**

| Name<br>Date | Trustee | Value as of 9/30/11 | Language of Disposition | Language of Succession | Endowment Y/N | Non-Endowment Y/N | Use Restricted Y/N | Solicited under §21a-175 Y/N | Instrument of disposition in file Y/N |
|---|---|---|---|---|---|---|---|---|---|
| Harriet Kirk<br>6/15/1942 | JP Morgan Chase | $347,591 which is 20% of total | "one-tenth of the net income to The Waterbury Hospital, Inc., … the same to be used for the general purposes of the corporation." | "In the event that said corporation goes out of existence, then said income shall be divided equally among the other corporations and associations mentioned in Section B; but, if said corporation shall merge with any other corporation and my Trustee believes that the corporation so formed carries out the purposes of THE WATERBURY HOSPITAL, INC., then my Trustee shall pay the net income to such amalgamated corporation, but, if my Trustee believes that the amalgamated corporation does not carry out the purposes of THE WATERBURY HOSPITAL, INC., then the net income shall be divided equally among the other charitable and eleemosynary corporations and association mentioned in Section B. …<br><br>Should all of the corporations mentioned in Sections A and B aforesaid cease to exist,… then my Trustee shall give the net income, in such proportion as it may deem advisable, to other charitable, religious and eleemosynary corporations as shall be located in Waterbury, which carry out the principles and teachings of the corporations hereinbefore mentioned…"<br><br>Note: The corporations and association mentioned in Section B are Waterbury Day Nursery Association, The Southmayd Home, Inc., The Waterbury Visiting Nurses' Association, Inc. and The St. Mary's Hospital Corporation. | N | Y | N | N | Yes<br>Trust u/w |

## Trusts and Other Dispositions Benefiting Waterbury Hospital

## Schedule B. Third Party Trustee

| Name<br>Date | Trustee | Value as of 9/30/11 | Language of Disposition | Language of Succession | Endowment Y/N | Non-Endowment Y/N | Use Restricted Y/N | Solicited under §21a-175 Y/N | Instrument of disposition in file Y/N |
|---|---|---|---|---|---|---|---|---|---|
| Henry H. Peck<br>6/12/1918 | Bank of America | $6,771,427 | "Whereas, the Board of Directors of the Waterbury Hospital…has entered into a contract for the construction of an addition to the buildings of said hospital,…I direct my executor to pay over to the Treasurer of said Hospital such sum as may be determined by my executor and the Board of Directors of said Hospital to be necessary to pay the cost of said building. …<br><br>"pay over the net income semi-annually to the Waterbury Hospital…for general uses of said institution. | None | N | Y | N | N | Yes<br>Will |
| Edith F. Poole<br>4/11/1928<br>(Francis A. and Florence A. Poole Fund) | Bank of America | | "the net income thereof shall be divided equally, semi-annually, between the Second Congregational Church . . . and the Waterbury Hospital . . . the same to be used for the general purposes of said organizations." | None | N | Y | N | N | Yes<br>Will |
| Wilma A. Snowden<br>10/25/1984<br>12/27/1990 | Comerica Bank | $0 | Contingent remainder interest | None | N | Y | N | N | Yes, Trust Agreement and Amendment |
| Kenneth J. Stoughton for Paul L. Baraby<br>6/13/1977 | Bank of America | $0 | "Upon the death of said Paul L. Baraby, the entire corpus of said Trust shall be distributed to The Waterbury Hospital…to be added to its equipment fund…<br>12/31 Value - $360,700 | None | N | Y | Y | N | Yes<br>Will |

## Trusts and Other Dispositions Benefiting Waterbury Hospital

## Schedule B. Third Party Trustee

| Name<br>Date | Trustee | Value as of 9/30/11 | Language of Disposition | Language of Succession | Endowment Y/N | Non-Endowment Y/N | Use Restricted Y/N | Solicited under §21a-175 Y/N | Instrument of disposition in file Y/N |
|---|---|---|---|---|---|---|---|---|---|
| Estate of Oscar L. Warner (The Warner Memorial Fund)<br>2/29/1932 | Bank of America | $2,021,637 | "the income thereof for the purposes of providing accommodations and medical care and attention for the poor and needy residents of the Borough of Naugatuck, Connecticut, with the understanding, however, that the surplus of such income, if any, may be used for the general purposes" | None | N | Y | Y | N | Yes<br>Will |

**Trusts and Other Dispositions Benefiting Waterbury Hospital**

**Schedule C. Miscellaneous**

| Name<br>Date | Trustee | Value as of 9/30/11 | Language of Disposition | Language of Succession | Endowment Y/N | Non-Endowment Y/N | Use Restricted Y/N | Solicited under §21a-175 Y/N | Instrument of disposition in file Y/N |
|---|---|---|---|---|---|---|---|---|---|
| Thomas P. Crean<br>Date of Will unknown | | $10,000<br>Pending bequest | To the WATERBURY HOSPITAL of Waterbury, Connecticut, the sum of Ten Thousand ($10,000) Dollars in fee; | None | N | Y | N | N | Yes<br>Will Extract |
| Gift Annuity<br>April 3, 2003 | Wachovia | $210,051 | Gift annuity funds payable to Waterbury Hospital at donor's death | None | N | Y | N | Y | Board Resolution, Letter of Understanding and Investment Policy Statement |
| Stephen J. Pecka a/k/a Steven J. Pecka<br>2/17/09 | | $5,000<br>Pending bequest | "I give and bequeath the sum of Five Thousand ($5,000.00) Dollars to WATERBURY HOSPITAL, of Waterbury, Connecticut, or to its successors, either by way of merger or consideration;" | None | N | Y | N | N | Yes<br>Will |
| Pooled Income Fund | Bank of America (Revocable) | $101,513 | | None | N | Y | N | Y | Agreement of Trust dated 8/20/1993 |

## Trusts and Other Dispositions Benefiting Waterbury Hospital

### Schedule D. Permanent Bed Fund

| Name<br>Date | Trustee | Value as of 9/30/11 | Language of Disposition | Language of Succession | Endowment Y/N | Non-Endowment Y/N | Use Restricted Y/N | Solicited under §21a-175 Y/N | Instrument of disposition in file Y/N |
|---|---|---|---|---|---|---|---|---|---|
| Permanent Bed Fund<br>Various Dates | Waterbury Hospital Trustee, Bank of America, Agent | $4,109,408 | See separate Bed Fund binder with all underlying documentation | See separate Bed Fund binder with all underlying documentation | Y | N | Y | N | |

## Trusts and Other Dispositions Benefiting Waterbury Hospital

### Schedule E. General Endowment Fund / Not Through Endowment / Board Designated

| Name<br>Date | Trustee | Value as of 9/30/11 | Language of Disposition | Language of Succession | Endowment Y/N | Non-Endowment Y/N | Use Restricted Y/N | Solicited under §21a-175 Y/N | Instrument of disposition in file Y/N |
|---|---|---|---|---|---|---|---|---|---|
| General Endowment Fund | Waterbury Hospital | 12/31/11 $1,516,272 | Consists solely of outright gifts | | N | Y | N | Y | |

# EXHIBIT 15: RESPONSES TO CONFIDENTIAL INFORMATION MEMORANDUM

[redacted]

[redacted] Integrated Health Care System

[redacted]

15,000 employees
Located in 80 communities—
and growing

WH000882

[redacted] aspires to be the next-generation integrated health system, one marked by strong patient focus, heightened efficiency, consistent quality performance and open, collaborative sharing of best practices. [redacted] is dedicated to providing patients with an exceptional, coordinated care experience and a single, high standard of service.

A hallmark of [redacted] vision is to give patients greater access to care close to home by enhancing local health care delivery capabilities. In addition, [redacted] aims to create a culture and organizational structure where clinical care, education and research are supported so that patients and the community benefit from the latest technology and discoveries, clinical excellence and innovation.

[redacted] members include hospitals; behavioral health centers; a [redacted] laboratory operation; large, primary care physician practices; regional home care systems; senior health services; and physical therapy/rehabilitation networks serving all of [redacted] In these pages, you'll learn more about these fine organizations and their role in making [redacted] leading health care system.

## [redacted] Vital Statistics [redacted]

**Financial**

- $2 billion total revenue

**Network**

- 15,000 employees

**Patient Care**

- 75,711 inpatient volume
- 2,300,00 outpatient & home care visits
- 286,592 Emergency Department visits
- [redacted]

**Research**

- $14 million total revenue

**Uncompensated Care**

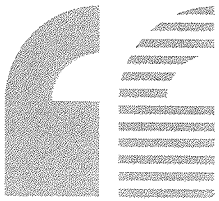
- $52 million in charity care

[redacted]

[redacted]

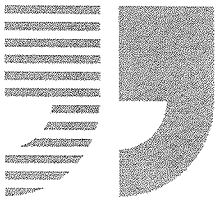
[redacted]

WH000883



We aspire to be the health care system that provides the right care, in the right place, at the right time for all our patients—seamless, comprehensive, coordinated care provided with compassion and at a reasonable cost. We're building the structure and the culture to transform how we deliver care. Remaining the same is unsustainable. We must change. The time is now.

[redacted]



WH000884

[redacted]

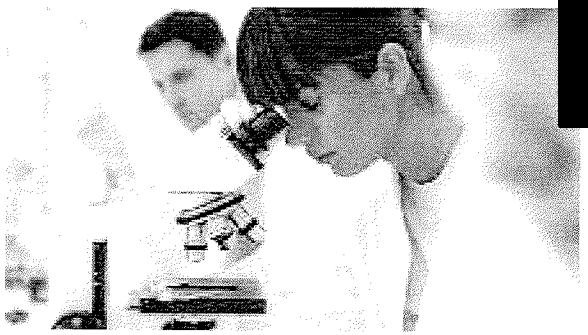
[redacted] Laboratory [redacted]

Founded in [redacted] Laboratory [redacted] is the largest laboratory headquartered in [redacted] In addition to its main facility in [redacted] Laboratory [redacted] has more than 85 locations [redacted] three full-service labs. [redacted] Laboratory [redacted] provides testing and diagnostic laboratory services performed by medical technologists using state-of-the-art equipment and methods. The laboratory is overseen by board-certified pathologists and PhD scientists. The organization's medical directors are nationally recognized specialists in pathology and laboratory medicine. [redacted] Laboratory [redacted] stresses personalized service and provides clients with multiple options for digital reporting including web portal, auto fax, and EMR interfaces. Our lab possess a full range of technical expertise. We offer testing in anatomic pathology, autoimmune, cancer, cardiovascular disease, cervical health, cytogenetics, diabetes and renal disease, DNA-guided medicine, endocrine disorders, esoteric coagulation, flow cytometry, gastrointestinal disorders, genetics, infectious disease, infertility, molecular genetics, prenatal testing and reproductive services.

Full-service medical diagnostic laboratory

[redacted]

[redacted]



## Quick Facts [redacted]

**Patient Care**

- 1.2 million+ patients
- 3.5 million+ tests
- 3,500 physician customers statewide
- 850 employees

**Financial**

- $80 million in operating revenue

[redacted]

[redacted]

WH000885

# [redacted] Rehabilitation [redacted]

[redacted] Rehabilitation [redacted] is the largest hospital-owned rehabilitation service in [redacted] The network provides services through a combination of [redacted] owned sites and contract management sites. It operates 14 outpatient clinics with locations [redacted]

[redacted] provides the physical rehabilitation services of physical therapy, occupational therapy, speech-language pathology and athletic training services across the continuum and in community settings. [redacted] staff work with people who have acute illnesses, injuries, and chronic diseases, as well as with those interested in injury prevention and/or personal fitness. Many specialty services such as aquatics, Safe Steps: Balance and Fall Prevention, breast cancer rehabilitation, vestibular rehabilitation, women's health, hand therapy, work injury prevention and rehabilitation, sports injury prevention and rehabilitation and Pilates are offered throughout the network.

[redacted]

[redacted]

## Quick Facts [redacted]

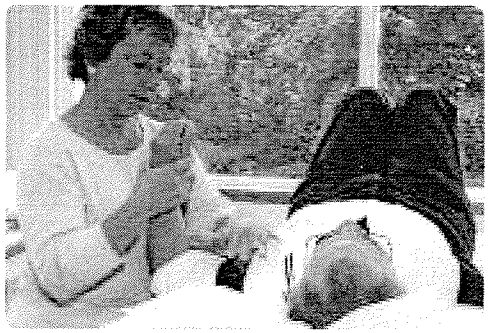
**Patient Care**

- Over 500,000 patient care visits in the network
- Manage over 70 locations of service
- 400 employees
- 15 full-time students for clinical affiliations

**Financial**

- $12 million in operating revenue

[redacted]



WH00088

[redacted]

Founded in [redacted] is one of the largest teaching hospitals and tertiary care centers in New England, enhanced by robust clinical research funded by annual grants of over $14 million.

[redacted] has New England's second busiest surgical practice, after [redacted] It is ranked among the top 10 centers in the country for experience in robotic surgery and performs more minimally invasive surgery than any hospital in the region.

[redacted]

[redacted] has been training physicians for 130 years, primarily in collaboration with the [redacted] School of Medicine, and is a major teaching site for nurses and for allied health professionals. The hospital's new [redacted] will take education to a new level by training health care professionals in simulated, life-like environments.

[redacted] The hospital's active medical staff includes more than 1,000 physicians and dentists in 17 specialty areas.

Not-for-profit regional tertiary care medical center

[redacted]

[redacted]

[redacted]

WH00087

[redacted]

## Quick Facts [redacted]

### Patient Care

- [redacted]
- 95,405 Emergency Department visits
- 41,265 discharges
- 3,792 births
- 26,442 surgeries
- 1,090 physicians
- 6,983 employees
- 1,109 volunteers

### Education

- 275 residents and fellows in training

### Research

- $14 million total revenue

### Financial

- $931 million in operating revenue

### Community Benefit

- $132 million provided for community benefit, $28 million of it charity care

### Awards / Distinctions

- Identified by the federal government as having superior heart attack outcomes
- [redacted] was named to *U.S. News & World Report*'s list of the nation's top psychiatric facilities in 2007, 2008 and 2009
- Named one of the nation's 100 Most Wired hospitals—three years in a row—and one of the nation's Most Wireless Hospitals by the journal of the American Hospital Association
- The only Surgical Weight Loss Program [redacted] designated a Bariatric Surgery Center of Excellence by both the American Society of Metabolic and Bariatric Surgery and the American College of Surgeons
- Recipient of the American Stroke Association's *Get With The Guidelines*®—Gold Plus Performance Achievement Award for implementing standards that ensure a higher level of stroke care
- The most top-ranked doctors of any hospital in the area,according to research by Best Doctors® of [redacted]

WH000888

[redacted] Medical Group

[redacted] Medical [redacted] was founded in [redacted] with the goal of providing accessible, high-quality, cost-effective health care to the [redacted] community. [redacted] continues in that tradition, striving to be the best source of primary care services in our community. [redacted] physicians and staff are available to care for patients seven days a week, including weekday evening hours. Their goal is to see patients the same day if possible, and always within 24 hours of an appointment request, while providing quality medicine and a high level of customer service.

Whether a patient's need is prevention of medical disorders, the treatment of known problems or the evaluation of new symptoms, [redacted] primary care providers, linked to the area's best specialists and to [redacted] offer an ideal care delivery system dedicated to partnering with patients to maximize their well-being. [redacted] also provides urgent care/walk-in care services for non-life-threatening illnesses and injuries, as well as occupational and sports medicine services.

Provider of primary and urgent care, sports and occupational medicine, and laser aesthetic services

[redacted]

[redacted]

[redacted]

## Quick Facts [redacted]

**Patient Care**

- 180,000 patient care visits
- 60,000 primary care patients
- [redacted] physicians
- [redacted] midlevel providers
- 15 locations
- 326 employees

**Financial**

- $28 million in operating revenue
- $1.4 million in downstream revenue [redacted] per FT PCP

**Awards / Distinctions**

- [redacted] was recently honored to have scored in the top 1% of 954 participating medical groups [redacted] in the quality program of a major insurer studying preventive care and disease management
- Leading provider of primary care and urgent care services, noted for extended hours and same day access, service, clinical quality and operational efficiency
- Utilizes principles of Lean management to continuously improve
- Applying for recognition as a Patient Centered Medical Home

[redacted]

[redacted]

[redacted] has been delivering superior patient care to its surrounding communities for over a decade. [redacted] consistently ranks among the top hospitals in [redacted] and the nation in quarterly patient satisfaction surveys. The proud recipient of multiple awards and recognitions, [redacted] is the only hospital in [redacted] to offer all private rooms. Comprehensive services include general surgery, emergency medicine, Weight Management Program, Cancer Center, Advanced Wound Care & Hyperbaric Medicine, Family Birthing, Sleep Care, Balance & Hearing, Digestive Health, Pain Management and Cardiac Care. With facilities across [redacted] conveniently delivers high-quality, patient-centered care close to home.

Not-for-profit acute care hospital [redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

WHH0008690

[redacted] Hospital

Founded in [redacted] is the largest provider of behavioral health services in [redacted] It provides psychiatric treatment for children, adolescents and adults, and specializes in treating acute psychiatric distress and patients with dual diagnoses. In addition to inpatient treatment programs, [redacted] operates a [redacted] network of partial hospitalization and after-school treatment programs, as well as a residential treatment program [redacted] and a multi-site special education program.

The hospital is one of only [redacted] facilities providing inpatient psychiatric treatment for children as young as 5 and one of [redacted] with inpatient treatment for adolescents. [redacted]

Private, not-for-profit psychiatric hospital

[redacted]

[redacted]

Quick Facts [redacted]

[redacted]

WH000891

[redacted]

Established in [redacted] is [redacted] leading providers of addiction and mental health prevention and treatment services. The organization's experienced and compassionate clinical staff provides life-saving and life-changing services to more than 12,000 children, adolescents, adults and families each year. [redacted] has collaborated with top universities such as [redacted] on research studies for the advancement of mental health and addiction treatment. [redacted] is the behavioral health care provider for [redacted] and partners with [redacted] in providing the addiction component of [redacted] nationally acclaimed Psychiatric Residency Program.

The organization has received national recognition and has been honored by [redacted] for its innovative approach to the delivery of high-quality prevention and treatment services.

Private, not-for-profit behavioral health care provider

[redacted]

[redacted]

[redacted]

## Quick Facts [redacted]

[redacted]

[redacted]

WH000892

# [redacted] Hospital [redacted]

[redacted] Hospital [redacted] is a [redacted] acute-care community teaching hospital with campuses [redacted]

Affiliated with [redacted] School of Medicine, [redacted] provides comprehensive inpatient and outpatient services in general medicine and surgery and a wide variety of specialties. Specialty centers include [redacted]

[redacted] has a medical staff of more than 500 physicians. Through the [redacted] School of Medicine, the hospital participates in residency programs for primary care internal medicine, obstetrics and gynecology, otolaryngology, and general surgery.

The Hospital [redacted] is a member of [redacted] a system of health care affiliates that provides a wide array of services throughout the region, caring for patients from birth through the end of life.

Not-for-profit regional tertiary care medical center

[redacted]

[redacted]

[redacted]

## Quick Facts [redacted]

[redacted]

**Awards / Distinctions**

- [redacted] Bariatric Surgery has been designated a Bariatric Surgery Center of Excellence by the American Society of Metabolic and Bariatric Surgery.
- Breast care: Comprehensive breast program accredited by the National Accreditation Program for Breast Centers (NAPBC)
- Cancer care: Accreditation as a Teaching Hospital Cancer Center by the American College of Surgeons Committee on Cancer
- Cardiac care: [redacted] Cardiac Rehabilitation [redacted] and is accredited by the American Association for Cardiovascular and Pulmonary Rehabilitation
- Environmental efforts: [redacted] has been recognized for efforts to reduce waste, recycle and prevent pollution, most [redacted]
- Sleep disorders: Sleep Disorders Center accredited by the American Academy of Sleep Medicine
- Stroke care: Advanced certification by The Joint Commission and designation by [redacted] as a Primary Stroke Center. Silver Plus Performance Achievement Award for stroke care through *Get With The Guidelines®*, an American Heart Association/American Stroke Association quality improvement program

WH000894

# VNA [redacted]

VNA [redacted] is the largest hospital-owned homecare network [redacted] Founded [redacted] the agency provides home health, hospice and independent living services, as well as community-based health and wellness services. [redacted]

[redacted]

## VNA [redacted] services include:

**Traditional Home Care** – Nursing services: physical, speech, and occupational therapies; medical social workers; and home care aides.

**Nursing Specialty Programs** – Wound care, cardiac and telehealth monitoring, diabetes management and respiratory therapy.

[redacted] **Hospice** – A team of professionals including nursing, social work, pastoral counseling, physician, and volunteers who work with patients and families to ensure that their last days may be spent with dignity and quality, surrounded by loved ones.

**Independent Living Services** – Services including Meals on Wheels, Lifeline Personal Emergency Response, live-in and hourly personal care attendants, housekeeping, corporate immunization programs and community health screenings.

[redacted]

## Quick Facts [redacted]

**Patient Care**

- 222,709 traditional home care visits
- 24,294 hospice visits
- 244,557 hours of independent living services (private duty nursing, homemaker, PCA)
- 170,772 Meals on Wheels deliveries
- 16,725 flu and pneumonia shots
- 757 employees
- 854 volunteers

[redacted]

[redacted]

[redacted]

[redacted] Hospital

Since [redacted] Hospital has offered a superb combination of talent and technology focused on service excellence, patient safety and quality outcomes in surgery, orthopedics, sports medicine, women's health, critical care, oncology, diagnostic/interventional radiology, cardiology, neurology, nephrology, pulmonary, and sleep medicine. [redacted] emergency department physicians and staff treat more than 32,000 patients annually, seeing nearly all patients within 30 minutes of arrival. A comprehensive network of primary care and pediatric providers, as well as urgent care and occupational medicine completes the spectrum of care at [redacted].

Not-for-profit acute care community hospital

[redacted]

[redacted]

[redacted]

## Quick Facts [redacted]

- Emergency Department ranked among top 1 percent of hospitals nationwide for patient satisfaction
- [redacted]
- Echocardiography Laboratory the only one in [redacted] in which 100% of the staff are Fellows in the American Society of Echocardiography
- First community hospital in the nation to receive [redacted] Education recognition;

[redacted]

[redacted] Locations

WH0008997

# Introducing our new team colors.

We understand the challenges of accessing the best health care available. That's why we have recruited some of the nation's best physicians and health care providers to join [redacted] From preventive medicine and wellness services, to nationally recognized cancer and cardiac programs, to the latest advancements in medical research and technology, we are connecting the best resources, the best people and the best approaches to provide our community with the care it expects and deserves.

[redacted]

## Answers to the Response Matrix in the GWHN Confidential Informational Memorandum

**Introduction:** [redacted]

The vision of [redacted] is to assume a national leadership role in the development of the next generation of regionally focused Integrated Health Systems (IHS). The Integrated Health System we envision is not based on the traditional strategy of assembling critical mass to respond to the forces associated with managed-care penetration. Rather, we see the next generation of Integrated Health Systems as an innovative and collaborative business organization, utilizing various business models, and able to coordinate and align high-quality health care organizations that share common missions and operating philosophies for the purpose of improving quality, enhancing access and reducing organizational cost structures.

Our vision is premised on a [redacted] model that preserves and recognizes the importance of each participant organization and the vital roles they play in providing service to their respective communities. In contrast to a Hub-and-Spoke Model that attempts to maximize the benefits flowing to the hub organization, our [redacted] is driven by principles of collaboration and interdependence that recognize the notion of the "whole being greater than the sum of the parts."

This collaborative model provides patients with an exceptional, coordinated care experience; strengthens access to care close to home by enhancing local health delivery; and creates what we have termed a [redacted] of providers working across sites to ensure top-decile quality, safety and outcomes. Our model, while founded on strong mutual institutional commitment by its participants, allows for unique organizational and local circumstances and factors by providing for varying degrees of legal, fiscal and operational integration. This flexibility is adaptive to business and organizational objectives and needs and furthers the goal of advancing the overall health of our communities, without impairing organizational performance.

### Answers to Response Matrix

#### 1. Form of Transaction

In recognition of the organizational flexibility we have adopted and the absence of a full understanding of GWHN's long-term and short-term objectives, we are prepared to explore with GWHN a full spectrum of potential transactional structures to facilitate collaboration between our respective organizations ranging from program/clinical joint ventures to contractual relationships establishing a formal affiliation to provide specified access to the System's shared service capabilities and administrative resources. As mentioned above, we are also open to discussing the possibility of full System membership after additional discussions and a better understanding of each organization's needs and capabilities is obtained. A brief description of each of these structures follows:

- Equity Joint Ventures – The establishment of new jointly owned entity or entities for the purpose of planning, implementing and operating specific designated programs or services, state-of-the-art outpatient facilities and/or the development of innovative non-facility-based care modalities. [redacted] an immediate opportunity might exist to restructure and redesign existing joint ventures. Additionally, we envision a potential opportunity to create collaborative programs with GWHN in the creation of a regional teaching, educational, research organization as well as quality improvement programs, population-based health programs, genetics and senior-oriented health services.

[redacted] approach to this type of organization structure is innovative and flexible and if GWHN desires not to participate in these ventures equally with respect to equity participation, the proposal we are putting forward still will allow for shared governance. This type of structure would allow our organizations to address the needs of the community, develop a close and effective working relationship and at the same time allow for access to and prioritization with regard to the deployment of capital. In each of these approaches, management of the organization would be conducted at the local level and, within legal constraints; the venture(s) would enjoy the benefits of access to System capabilities and resources that would normally not be available to stand-alone organizations.

- Non-Equity Affiliations – [redacted] is also willing to consider other affiliation and contractual relationships in which the ownership of assets is not transferred, but preferred access to [redacted] management, financial and clinical capabilities, and expertise is given to GWHN entities. For example, innovative contractual and management relationships could be crafted in which GWHN obtains access to [redacted] established educational and research programs, including access to the newly expanded state-of-the-art simulation center, insurance and risk management relationships and the development of new quality and clinical programs and services. The scope and extent of this type of relationship can be tailored to the ongoing needs of GWHN from time to time and allows for access, on an as-needed basis, to a menu of programs and services.

- Fully Integrated Affiliate Membership – If it is ultimately mutually determined that a fully integrated affiliate relationship with [redacted] is desirable and best capable of bringing maximal value to the both organizations, [redacted] through implementation of Membership substitution would create a relationship that is structured utilizing a corporate "parent/affiliate" model. Under this structure, [redacted] or one of its subsidiary organizations would become the sole corporate Member of either GWHN and/or the various operating subsidiaries of GWHN. As the sole corporate Member, [redacted] will not be engaged in day-to-day operating decisions; these determinations would continue to be informed by System practices, but would be made by the local Board of Directors and implemented by local executive management. Full System membership offers unrestricted access to System-developed expertise and operating efficiencies via advanced IT and operating platforms, economies of scale, managed-care expertise and reduction of duplicative business processes.

**2. Objective Alignment**

(a & b) [redacted] is organized and structured on the premise that the provision of the full range of health care services is best performed at the local level supported by the resources and expertise of the System and its component entities. Similar to the concept utilized in financial transaction for a "financially obligated group," [redacted] has implemented the concept of [redacted] where best practices and clinical improvement processes are developed and freely deployed among System participants. Through a relationship with the System, GWHN would have specified access to the System's expanded quality capabilities. As noted above, as a national leader in fields such as [redacted] the existing high-quality programs at GWHN would be strengthened by the relationships we envision.

c) [redacted] presently does not have enough information regarding the specific capital needs and strategic plans of GWHN to definitively respond to a commitment to meet GWHN's current and future capital needs. [redacted] has more than adequate financial resources and strength to either, internally or through traditional capital resources, access sufficient capital to implement any collaboration or relationship between our organizations. Once we learn more about the specific needs of GWHN and the type of relationship GWHN seeks, we will be in a position to supplement our response to this inquiry.

d) [redacted] has for an extended period of time been extremely successful in attracting and retaining high-quality talent from some of the most prestigious training programs and hospitals in the nation. This capability and performance is reflected in its world-class clinical staff and is readily quantifiable and verifiable by specialty and expertise. In addition to securing well-qualified recruits from the most prestigious training programs and hospitals in the country, the total pool of medical talent considering [redacted] as a preferred career opportunity is significant and has resulted in [redacted] achieving a favored position in the national recruitment arena.

After learning more about the needs and goals of GWHN in this essential area, [redacted] is prepared to extend on defined terms this favored position and successful recruitment capabilities to recruitment activities at GWHN. Our approach to recruitment would be to jointly identify gaps in primary and specialty care that cause patients to leave the area and to attract physicians with the skills and commitment to keep care local. We are confident that we can help GWHN accomplish its recruitment and retention goals by:

- providing immediate access to [redacted]s physician recruitment infrastructure,
- collaborating with GWHN on key joint-recruitment initiatives,
- providing enhanced professional opportunities to prospective recruits via [redacted]'s own extensive research program, and

We would immediately offer GWHN the opportunity to coordinate its existing physician recruitment activities with the extensive physician recruitment and retention infrastructure and physician database maintained by [redacted] This organizational collaboration and the specialized expertise of our recruiting staff will be made available to GWHN human resources, as well as proprietary access to the [redacted] pool of previous applicants who have in the

recent past expressed a desire to relocate to [redacted]. The joint recruitment and appointment structure we have proposed will also allow potential applicants to enjoy expanded professional, educational and collegial relationships that will provide professional and personal opportunities beyond those normally available to recruitments undertaken by stand-alone community-based hospitals.

[redacted] is also amenable, where appropriate, to implementing co-director relationships with GWHN for certain specialties and clinical programs to defray the cost of and provide additional inducements relative to the recruitment of top-tier medical talent. The issue of securing acceptable coverage arrangements is often a significant factor in recruitment decisions. [redacted] is prepared to extend to GWHN recruits access to certain existing regional coverage arrangements, as well as developing new coverage mechanisms and financial arrangements in selected specialties to differentiate and make more attractive the practice environment.

e. [redacted] has a well-organized and coordinated approach to maintaining high performance on quality and patient satisfaction measurement tools. The specific infrastructure and resources currently in place throughout [redacted] and accessible to GWHN would depend on the nature and scope of the relationship between the organizations, but certainly the quality infrastructure applicable to specific program or service collaborations would be made available to GWHN.

f. [redacted] is a non-profit tax-exempt charitable organization and we foresee no changes or modifications to GWHN's historical charity care and/or community benefit practices.

**3. Ownership, Governance and Management**

A specific response to each of these questions is dependent on the structure of the relationship desired by GWHN. Once this is determined, we can provide specific governance details – although in the context of any joint venture relationship, we would utilize a shared governance approach.

**4. Transaction Value — [redacted] is not proposing an Asset Purchase Transaction**

**5. Maintenance of Clinical Services** — Again, absent a better understanding of GWHN's strategic plans and goals, we are unable at this time to precisely respond to the question regarding specific clinical services. However, consistent with our belief that care is locally focused, we are fully committed to maintaining, providing and assuring a broad range of services in each local community to meet the needs of that community.

**6. Excluded Activities and Operations** — As we are not presently contemplating a full membership relationship, this inquiry is not applicable.

**7. Charity Care** — [redacted] as a System and through the individual activities of its affiliated organizations, is one of the largest providers of charity and indigent care services [redacted] As a non-profit tax-exempt entity, we neither envision nor expect any changes to existing charity care or community benefit policies and practices at GWHN.

**8. Ethical and Religious Directives** — [redacted] is a secular organization and thus this section is not applicable.

**9. Employee Relationships** — As a result of any transaction contemplated, we do not anticipate any resulting changes to existing employment relationships at GWHN or employee benefit plans.

**10. Capital Expenditure Commitments** — [redacted] has a long history of investing capital in its affiliated facilities and programs as evidence by its advanced clinical and research capabilities and the relatively recent extensive expansion of [redacted]. Our approach to capital expenditures is driven by a robust and inclusive collaborative strategic planning process that seeks and utilizes, on a coordinated basis, inputs from affiliates and their respective communities, both with respect to long-term and short-term capital needs. Any relationship we develop with GWHN will have as its underpinning some level of participation in this regional strategic planning process and [redacted] is prepared to make the necessary capital investment to effectuate a relationship with GWHN and to make ongoing investments in the communities served by our collaboration. Any specific capital commitment can only meaningfully be made after a thorough discussion with the leadership of GWHN and after a better understanding of the organization's and the community's needs and requirements is achieved.

**11. No Sale** — Contrary to investor-owned organizations which may require sales or equity restructuring on a relatively short-term basis to meet the needs of its investors, as a community-based non-profit organization, [redacted] has no investor-driven need to sell core community assets which provide essential services to the communities they serve. [redacted] and certain of its affiliated organizations have served their communities for more than 150 years. In the unlikely event [redacted] would cease to exist or the parties mutually elect to discontinue participation in any partnership or collaboration with GXHN, we would be amenable to discussing provisions that would enable continued local community ownership of the venture.

**12. See above.**

**13**. See Attachment A for a description of [redacted] and Attachment C for the most recent Audited Financial Statements.

**14. Due Diligence** — The diligence process we utilize is a phased diligence process with initially a limited preliminary diligence process focusing on fundamental and high-level operational and financial matters. Provided a mutually satisfactory relationship is reached, confirmatory diligence would then be conducted. A list of additional diligence items tailored to the specific collaboration or partnership will be provided later in the process provided [redacted] is selected to continue to the next phase of the process.

**15. Process and Approvals** — Approval of any definitive agreements would require approval by the Board of Trustees [redacted].

[redacted]

May 2, 2011

Jason Horowitz
Senior Vice President
Cain Brothers and Company, LLC
360 Madison Ave
New York, New York 10017

Dear Mr. Horowitz:

On behalf of [redacted], I want to express our appreciation for the opportunity to participate in the important strategic process recently initiated by the leadership of Greater Waterbury Health Network Inc. ("GWHN").

[redacted] is committed to expanding and improving the health and well-being of our communities. As community-sponsored organizations rooted in more than a century of service [redacted], we both share a common fundamental mission that can serve as a navigator for the consideration of various strategies and innovations in response to the challenges of 21st Century health care.

(See Attachment A for full description of [redacted] system.)

By way of background and to convey our organizational philosophy and culture, [redacted] aspires to be the next generation of regionally focused health care systems. Our vision is [redacted] To achieve this vision, we are building an innovative and collaborative community-based system that believes health care is best delivered close to home and is able to integrate and align high-quality health care organizations that share common values and operating philosophies for the purpose of improving quality, enhancing access and reducing costs.

While at this point we have not had an opportunity to meet with the leadership of GWHN to discuss and fully understand and appreciate GWHN's needs and objectives, it is clear to us even at this preliminary stage that numerous opportunities exist to collaborate and partner in the delivery of certain important services and programs. In particular, we see opportunities to provide additional benefits to the community in collaborations involving advanced cancer diagnosis and treatment, comprehensive cardiac care, advanced surgical services including minimally invasive and robotic surgery, expanded and redesigned outpatient services and facilities, behavioral health services and professional education and training involving established residency programs as well as the utilization of [redacted]

Additionally, as a result of impending health care reforms occurring at both the federal and state levels necessitating new models of care and redesigned organizations with greater levels of financial and clinical integrations, we are currently formulating strategies in the following areas and envision potential participation and collaboration by GWHN in the creation and implementation of:

- New regional risk-bearing organizations capable of supporting population-based primary and preventive care
- Novel primary care models that increase patient access, broaden care coordination for chronic conditions and improve the overall patient experience
- Expanded physician delivery structures that could coordinate the physician delivery capabilities of existing institutional providers
- Regionally based coordinating and integrating structures for institutionally affiliated ancillary service providers along the entire continuum of care, including subacute and long-term care providers as well as home-based modalities and telemedicine

Last, [redacted] is a high-quality regional health care system with sophisticated and comprehensive shared service capabilities that, [redacted] has significantly expanded its capabilities and resources. A collaborative relationship between our organizations also could provide GWHN with substantial expanded opportunities to access cost-effective administrative and clinical services such as IT infrastructure, revenue cycle management and extensive data mining and quality measuring and monitoring tools. In additional to leading [redacted] data repository efforts, [redacted] is developing internal system-level data capabilities that will be available to organizations that establish formal and well-defined relationships with the System.

These are only some of the opportunities we have preliminarily identified. I am certain that, with continued discussion, we will be able to identify many other areas in which, working together, we may better serve the communities that depend on us. While we are open to discussing the possibility of full [redacted] membership for GWHN and its subsidiary organizations, we would need a better understanding of GWHN's culture, needs and objectives to determine whether this structure would be a "good fit" for our respective organizations. In an effort to facilitate a determination along these lines and in order to be responsive to the process that has been adopted, we have attached background information regarding [redacted]. This material provides an overview of our system, describes our unique model for all strategic relationships and, where applicable, responds to each of the items contained in the Response Matrix.

We look forward to working with you and the leadership of GWHN in the coming weeks. We are available answer any question you may have regarding the contents of this letter or the information contained in the materials attached. Please contact [redacted] at [redacted] if you have any questions or need any additional information.

Sincerely,

[redacted]

[redacted]

May 5, 2011

Jason Horowitz
Sr. Vice President
Cain Brothers & Company, LLC
360 Madison Avenue, 5th Floor
New York, NY 10017

Re: Non-binding Indication of Interest regarding Waterbury Hospital

Dear Mr. Horowitz,

This letter is in response to your request for non-binding letters of interest for a long term strategic partner for Greater Waterbury Health Network, Inc ("Waterbury" and/or "GWNH"). Please accept this non-binding letter as [redacted] expression of interest. The terms outlined in this letter should be considered preliminary and non-binding. All items are subject to due diligence.

We believe [redacted] is uniquely positioned to partner with the Board, management and physicians of Waterbury to secure the future of the Hospital and its affiliates and bring additional healthcare resources to the communities it serves.

Headquartered in [redacted] is the largest community hospital-based provider network in New England with approximately $1.75 billion in net revenue, 300,000 emergency department visits and over 1,000,000 annual physician visits.

The [redacted] System includes:

- [redacted] acute care hospitals:

[redacted]

- A contracting network of [redacted] physicians and [redacted] hospitals – [redacted]
- An employed multi-specialty physician group practice of 450 full-time and 150 part-time providers
- [redacted] a substance abuse hospital located [redacted]
- An award-winning Home Health Agency that provides over 125,000 visits per year
- A mobile PET imaging company that provides services to [redacted] facilities
- [redacted] College, which focuses on nursing and medical technology as well as providing our employees with an opportunity to advance their own training
- [redacted] a malpractice insurance company that provides coverage for our hospitals as well as our employed *and* affiliated physicians
- [redacted] a managed care insurer providing services to [redacted]
- [redacted] our management services company specifically designed to support our ACO efforts with care coordination, utilization and disease management services, informatics, and quality improvement

[redacted] was acquired by [redacted] in [redacted]. As a result of that transaction, SHC's financial position is very strong. We are completely debt free and we have provided for the full funding of all of our pension obligations. The combination of our current cash position and our yet-to-be tapped borrowing capacity provides [redacted] with approximately [redacted] of liquidity. In addition, the [redacted] fund that acquired [redacted] has an additional [redacted] in uncommitted funds available for [redacted] further growth.

With over 14,000 employees, [redacted] 7th largest employer in [redacted] We are an innovator in the area of labor relations. For example, we have a unique strategic partnership with [redacted]. This partnership has allowed us to work together with Union leadership to control the growth of labor and benefit costs; to work jointly to address areas of mutual interest before policy makers and regulators; and, to develop careers ladders and training opportunities for our employees. We also have excellent working relationships with [redacted] and other labor organizations.

The remainder of this letter addresses the specific items listed in Appendix A of the Confidential Information Memorandum.

1. Form of Transaction
3. Ownership, Governance & Management
10. Capital Expenditure Commitments

[redacted] focus is on strengthening and expanding community hospitals in ways that reflect the unique aspects of each community they serve. To this end, we place a high degree of reliance on the local leadership of each of our institutions to develop strategic, operating and capital plans designed to respond to the specific needs of their communities. Our current local boards have specific authority over:

a. Strategic planning for their specific service areas
b. Capital budgets and prioritization
c. Operating budgets
d. Medical staff credentialing
e. Community benefit planning
f. Board membership / self-perpetuation

These core responsibilities / authorities would remain with the local Waterbury Board regardless of the form of the transaction.

Currently [redacted] owns 100% of each of our facilities. With respect to GWHN, Steward proposes one of two options: (1) a purchase of 100% of the assets and assumption of agreed upon liabilities or (2) a joint venture whereby Steward acquires 75% of the assets of GWHN. The remaining 25% would continue to be held by the current Waterbury parent corporation. Through the joint venture, the Board of Waterbury and the management of [redacted] would jointly manage the hospital and its affiliates subject to a negotiated set of guidelines.

The selection of the appropriate option would be arrived at through an interactive process with the Waterbury Board, its management, its physicians, its advisors and other interested parties (as appropriate). Our goal is to define the best fit for the patients and families of the Waterbury service area and we can be very flexible in the development of that structure.

Unless otherwise directed by the GWHN Board, we would anticipate that Senior Management (as outlined in the CIM) would remain in place (i.e. same people, same positions). We look to the local entity President to manage the personnel below them. To the extent changes were ever made in the President's position those changes would be made on a consultative basis between [redacted] and the local entity Board.

2. Objectives Alignment

[redacted] mission is [redacted] Our vision for the future of healthcare [redacted]

[redacted] Our goal is to build regional ACOs with patients and their physicians driving decisions in complete coordination where care is delivered at the right time, in the right setting and at the right cost.

To realize this vision:

- We have invested in remodeling, expanding and strengthening each of our community hospitals through investment in vital technology and infrastructure. Along with our capital partner, we have embarked on significant upgrades to each of the facilities that we currently operate. These improvements include investments in cutting edge equipment, refurbishment and expansion of operating rooms, new emergency departments and the development of world-class programs.

- We have invested heavily in information technology. By the end of this year, we will have invested over [redacted] in:

  - Information technology interfaces to integrate multiple EMR software packages. [redacted] will commit to completing the "wiring" community-based physicians with electronic medical records.

  - [redacted] cloud computing technology that we use for care management, disease management and demographic analysis

  - [redacted] a system-wide electronic-ICU system which provides 24/7 coverage by intensivists to increase quality and patient safety. This centralized service is housed in [redacted]

  - A system-wide tele-Stroke program to assist in the quick diagnosis and treatment of patients experiencing life-threatening stroke symptoms

  - PACS technology that allows physicians to see images (e.g. x-rays, CT scans, MRIs, Cardiac images) taken anywhere in the system. Physicians can access these images in their office, their home and the hospital. Images can even be shared in "real time" among physicians so that they can collaborate on procedures and patient care issues regardless of their location.

  - [redacted] a consumer oriented electronic interface for patients to access information regarding their health and their care. The interface is secure, easy to use and contains key information about their care plans and test results. In addition, working with [redacted] we will be able to add content to each patient's [redacted] that is specific to their needs, medical condition and issues.

- Revamped hardware and technical components needed to support a robust information technology platform:
    - New redundant data centers to increase security and reliability
    - Fiber-optic "rings" to increase the speed of data transfer
    - Wireless connectivity throughout each of our facilities
    - Voice over IP technology to increase speed and decrease cost
- Centralized referral management system including the build out of space in [redacted] new phone system and patient scheduling software and technology
- Vast care management / case management / quality management infrastructure (which will be over 100 employees by the end of 2011 occupying 25,000 square feet of space)
- Quality infrastructure, personnel, and state of the art reporting systems like [redacted]
- Compliance monitoring systems like [redacted]. We also have developed automated databases that cross-reference payments to physicians with contracts for services.
- Insurance reserves and infrastructure for [redacted] that allow us to potentially add GWHN and physicians without the need for a premium surcharge – reducing the cost of malpractice insurance for [redacted] providers.

We bring all of this to GWHN. Your institutions, providers, management and physicians would have immediate access to our IT, care management, referral management infrastructure without the need to burden GWHN's future capital expenditures because [redacted] has already made the investment.

As previously noted, [redacted] financial position is very strong. We have sufficient liquidity to invest significant capital for the maintenance and expansion of assets and programs to continue to meet the evolving needs of the GWHN community. In addition to committing to retire all of GWHN's debt, and relieving the organization of its pension obligations we will commit to funding future capital needs. This commitment – which we preliminarily estimate will be in the range of 110% to 150% of annual depreciation ($55 million to $75 million over the first 5 years of [redacted] ownership) – will be subject to a fully enforceable written agreement. (Note: these amounts may be augmented to fund strategic initiatives identified by the Board and management.)

4. Transaction Value

To the extent that the transaction takes the form of an asset purchase, we will value the assets using a "multiple of EBIDTA" model. EBIDTA will be computed using the "trailing twelve months" actual results adjusted for known "one time" revenue and expense items. We anticipate that the value will be in the range of 4.5 to 6.5 times EBIDTA.

In no case will the value conveyed by [redacted] be less than the sum of net debt, required working capital and unfunded/underfunded pension obligations. Future capital commitments will be outside – and in addition to – this valuation.

5. Maintenance of Clinical Services

[redacted] plan is to invest in and grow the services offered at Waterbury Hospital. [redacted] has never closed or consolidated a major service line at any of its hospitals. We currently would not anticipate closing any services.

Additions to services line and other clinical augmentations generally arise out of the strategic planning process undertaken by each of our hospitals. This process includes physicians, management and the Board and is designed specifically to identify such opportunities. Business plans are developed for opportunities identified through this process. Business plans take into account many elements including "fit" with mission, need in the community, alignment among key constituents (e.g. management and physicians) and economic impact.

A primary focus of our due diligence process will be to work with management to identify these types of opportunities. Our final proposal will include specific programs and services that we will commit to invest in.

6. Excluded Activities

We currently anticipate acquiring the assets of all of the operating elements of GWHN. Operations of each entity will continue functioning "as is" with current management in place.

7. Charity Care

Consistent with every acquisition undertaken by [redacted] we will at a minimum agree to maintain ALL of GWHN's current charity and indigent care policies. Community benefit programs and funding will also remain in place. We will agree to continue to fund these programs at current amounts expended by GWHN.

We will codify this commitment in a written agreement enforceable by the Attorney General of Connecticut (or other agency as appropriate).

8. Ethical and Religious Directives

Hospitals that join [redacted] have the option of doing so as either secular or Catholic providers depending on each hospital's own history and heritage. Those that join us as secular facilities are not bound by the Ethical & Religious Directives of the Catholic Church.

[redacted] remains committed to the concepts of social justice – primarily the right of patients to access compassionate high quality care without regard to their ethnicity, religious affiliation or ability to pay.

9. Employee Relationships

Employment will be offered to all active employees in good standing – including Senior Management - at comparable salary and wage levels and with a benefits package that is consistent with similarly situated employees at other [redacted] facilities. It is our hope and desire that the current Board and Management will continue to serve if GWHN joins [redacted]

11. No Sale
12. Right of First Refusal

[redacted] views the proposed relationship with GWHN as a long-term partnership. For the first 3 years after the transaction, [redacted] agrees to keep the facility open regardless of economic conditions. Recognizing that there is always uncertainty about the economy, the rapid change of care delivery models, changes in the legal / regulatory environment [redacted] and community needs and desires, for years 4 through 6 [redacted] will agree that it cannot close the Hospital unless the facility has experienced 2 consecutive fiscal years or 6 consecutive quarters of negative operating margins. Closing under this scenario would be preceded by a 6 to 12 month pre-closing review with the Department of Public Health.

[redacted] agreement with the Attorney General of [redacted] prevents [redacted] from selling the [redacted] System or burdening the organization with debt that is designed to pay dividends for a period of 3 years.

[redacted] would further agree that it would not individually sell the assets it acquires from GWHN for a period of 3 years post-closing. In the event that the assets are owned in partnership (via the joint venture structure) GWHN will be offered the opportunity to repurchase the assets. The valuation of the assets at that time will be computed using the same method used to value the original purchase.

13. Financial and Operating Information

[redacted] was created by the acquisition of [redacted] by [redacted] in [redacted]. Since that date, [redacted] has acquired two additional facilities. Audited financial statements for [redacted] are not current available. We have provided as a summary of our financial position an attachment to this document.

We have also attached several slides outlining key quality indicators.

We would welcome the opportunity to discuss either of these elements in more detail.

14. Due Diligence

[redacted] due diligence process is designed to focus on key areas rather than the "shotgun approach" taken by other entities. Our goal is to maximize the utility of the amount and quality of information we are provided while minimizing the burden of time on your staff. We do this be employing a broad array of consultants – at our cost – to assist your team and our team as much as possible. We anticipate that the financial and legal due diligence for GWHN would take 30 to 45 days.

We have attached a list of items that we would generally seek during due diligence. Some of those items were provided (in summary) in the CIM. We would discuss the need for more detailed information on those items before the start of due diligence.

15. Process and Approvals

Decisions regarding the continued growth of the [redacted] are made by the Board of Directors of [redacted] The Chairman of the [redacted] Board is [redacted] [redacted] is also the President and CEO of [redacted]

This transaction has been vetted with the Board and they have authorized Management to submit this non-binding letter of interest and, if selected, pursue due diligence with a goal of completing/closing the acquisition. The Board will review the final proposal prior to its submission.

As a final comment, we would like to note that we learned a great deal from the [redacted] transaction, and we strongly believe the same compelling strategic and operating rational exists for Waterbury aligning with [redacted] Our focus on developing community hospitals and regional ACOs, combined with our experience and backed up by our considerable liquidity make us a unique solution for GWHN.

We look forward to continuing the process and to the opportunity to speak with you directly as your process continues to evolve.

Sincerely,

[redacted]

[redacted]

May 9, 2011

Jason D. Horowitz
Senior Vice President
Cain Brothers & Company LLC
360 Madison Avenue, 5th Floor
New York, NY 10017

Dear Mr. Horowitz,

[redacted] appreciates the opportunity to submit an indication of interest and value with Greater Waterbury Health Network, Inc. ("GWHN") based on the information provided in the Confidential Information Memorandum ("CIM") dated April 2011. [redacted] has a proven track record operating large, complex health care delivery systems in challenging markets. Attached to this transmittal letter is our response to the transaction elements contained within "Appendix A-Response Matrix". We believe our Proposal offers a sustainable model that meets your objective of assuring GWHN's continued long term vigor of providing health care services in the Greater Waterbury Community and demonstrably meets the objectives outlined in the CIM. I would like to highlight some important points in our Responses Matrix as management and the Board considers its options.

**Company History of Keeping Promises**

Founded in [redacted] by management and [redacted] has grown to [redacted] hospitals and related businesses in [redacted] large markets with approximately $5.8 billion in net revenue. We currently have letters of intent in place to purchase another health system [redacted] and to purchase an additional hospital in [redacted] [redacted] we completed a partnership with [redacted], which is an [redacted] hospital system with approximately [redacted] in net revenue and includes an [redacted] and has a national recognition for quality. With [redacted] as our principal equity sponsor, we enjoy robust capital access to both debt and equity capital.

[redacted]

[redacted] management team is made up of proven operators of complex hospital systems, with our senior team each having industry experience of over thirty years, including tenures at both investor-owned and not-for-profit systems.

The reason that we have been successful in growing our company significantly is due to our track record of keeping our promises to the boards of non-profit systems that we have acquired over the past [redacted] years, as well as to the communities served by these hospitals. I would strongly encourage management and the Board to speak with boards of our previous acquisitions, as well as visit other communities where we have acquired health care systems in the past.

As part of the due diligence process, we encourage the Board and senior staff of GWHN to visit any of our hospitals in any of our [redacted] markets. [redacted] will be happy to assist in coordinating these visits.

**Our Operating Philosophy**

With our mission, vision and values as the foundation, our strategy is to create local operating divisions maintaining local branding, governance and community "ownership". Healthcare is a unique local business and we believe there is great value in leveraging the long-standing heritage and legacy of local systems. We bring to our regional delivery systems new sources of capital, sustainable access to capital, national purchasing and transformative approaches to clinical and business operations through knowledge transfer and best practice development and sharing, especially around patient safety, care delivery and patient experience.

Consequently, we have developed the [redacted] which is a balanced scorecard approach for our regional operating divisions to manage to national standards that, as achieved, will ensure our success as a sustainable national health care organization. Managing operations and executing on this balanced scorecard approach is the focus of our regional divisions.

**[redacted] – A Commitment to New England**

[redacted] has been serving the New England markets for [redacted] years, with its acquisitions of [redacted] However, reimbursement pressures, increasing costs, intensifying competition and the overall economy make it challenging for stand-alone facilities and smaller systems to sustain over the long term. [redacted] is committed to the New England market and sees significant opportunities

to grow its network of affiliated facilities in New England. GWHN would become a key anchor for [redacted] New England division, with the combined system providing greater strength to each of the individual facilities. A stronger system will also form a strong foundation for continued growth in the each respective market in New England.

[redacted] commitments to GWHN would include long-term sustainability of the facilities, capital commitments and continued support of existing community initiatives.

**Purchase Price**

Based on our analysis of the December 31, 2010 financial statements and review of additional information provided by GWHN in the April, 2011 Confidential Information Memorandum, and subject to further due diligence, [redacted] is proposing purchase of GWHN for $10 MM (the "Purchase Price") plus or minus the change in normalized net working capital, subject to due diligence, from the pricing date until the closing date. We will assume the unfunded portion of GWHN's pension plan as of the closing date and we will also commit to investing $90 MM in capital expenditures over the first seven (7) years of our partnership. [redacted] will receive a purchase price credit equal to the book value of any long term debt or other long term liabilities that are assumed by [redacted] and GWHN will be responsible for liabilities not expressly assumed by [redacted]

**Continuation of Services**

[redacted] will agree to the following for a period of ten (10) years: maintain Waterbury Hospital as a licensed acute care hospital, and maintain the core services demanded by the Greater Waterbury community. Over the course of the partnership, we will continually evaluate services to make certain that we are able to provide all services in a manner in which is most beneficial to the community. Our goal when we enter communities is to expand and grow services. As we learn more about GWHN's operations, we will collaboratively work to develop those. [redacted] generally takes an aggressive stance towards growth, as our success depends largely on expansion and growth of our hospitals.

**Commitment to Provide Quality Services to all Persons, Regardless of Ability to Pay**

[redacted] is committed to providing quality health care services to all persons seeking medical care regardless of their ability to pay. [redacted] values and beliefs are consistent with GWHN's guiding principles of healing. [redacted] is dedicated to continuing Waterbury Hospital's 120-year history of providing safe quality care to the Greater Waterbury community and will strive to continue providing quality service and cost effective application of resources, while at the same time assuring the long-term viability of GWHN.

[redacted] shall be responsible for ensuring that GWHN continues to fulfill its indigent care responsibilities to the community it serves, and for cooperating with local organizations that sponsor health care initiatives to address identified community needs in order to improve the health status of the elderly, poor and at-risk populations in the community, and to ensure that access to high-quality health care services remains available to everyone seeking medical care. To that end, in its operation of Waterbury Hospital, [redacted] will have in place a charity and indigent care policy that is at least as generous as the policy currently in place.

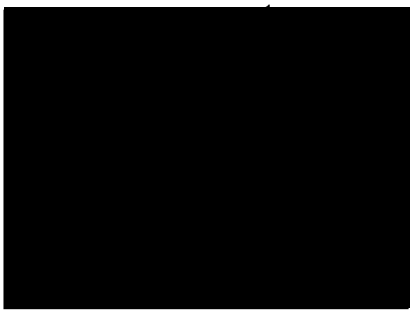
**Future Capital Investments**

[redacted] recognizes that substantial capital resources are required to expand and enhance a community's health care services and is prepared to make the investments necessary to sustain and continue building an effective integrated delivery system. [redacted] has a proven track record of investing in our facilities and markets to deliver the best care possible to our communities and understands that GWHN will require continued capital investment to remain competitive in Waterbury, Connecticut. Our experience tells us that if we are not willing to invest capital in GWHN's service area, other providers will. [redacted] will take an aggressive stance towards growth, as our success depends largely on expansion and growth. In GWHN's service area, [redacted] goal is not only to meet the area's current health care needs but, to prepare for the area's future needs and preserve GWHN as the preeminent health care provider in its service area.

[redacted] is excited about the opportunity to work with the Greater Waterbury Health Network and we look forward to continuing discussions with management and the Board in the near future. Thank you again for the opportunity to make this proposal to GWHN. Please do not hesitate to contact me at [redacted] or via email at [redacted] if you should have any questions about this letter or our

responses in the attached Proposal. We look forward to hearing from you regarding next steps.

Very Truly Yours,



Attachment

## Greater Waterbury Health Network, Waterbury, Connecticut
## Response Matrix

1. **Form of Transaction**

   a. **Please describe the structure of the proposed transaction and resulting relationship with the surviving GWHN organization.**

   [redacted] proposes either the creation of a taxable joint venture with GWHN or the acquisition of substantially all of the assets of GWHN. In either proposal, [redacted] is committed to maintaining existing core services, charity care levels and accelerating future capital expenditures. We want to pursue a mutually beneficial transaction structure with GWHN and [redacted] that ensures sustainability of GWHN's efforts in serving the community. Our long term goal is for GWHN to thrive, compete and continue to provide outstanding care for the Greater Waterbury community. In a joint venture, GWHN would retain a minority ownership position in a newly formed taxable entity and would participate in the governance of the joint venture. [redacted] maintains flexibility regarding ownership percentages as long as the new entity's results can be consolidated into [redacted] financial statements in accordance with existing accounting principles.

   In an asset purchase where [redacted] would acquire substantially all of the assets of GWHN, we anticipate the participation of existing GWHN Board members on a hospital advisory board. We find this model ensures continued community and medical staff input into the governance of the local delivery system. Typically, approximately half of the governing board members are medical professionals who provide the input for clinical quality and clinical programmatic planning. The balance of the board is comprised of individuals drawn from the local community, ensuring a mechanism for input regarding community needs and expectations.

   We value the history and legacy of the hospitals in our communities. We would work closely with the surviving GWHN organization to ensure that our missions are aligned, with an ongoing focus to keep Waterbury Hospital a viable health care entity providing the highest safety and quality health care services to the Greater Waterbury communities for the long term. Closely partnering with surviving organizations and their foundations creates business models that ensure the successes of health systems while maintaining a high level of service to the communities they serve.

2. **Objectives Alignment Please describe how you envision achieving GWHN's Objectives:**

**a. Ensure Waterbury Hospital remains a viable health care entity, providing the highest safety and quality health care services in Greater Waterbury and surrounding communities for the long term**

GWHN's efforts to maintain Waterbury Hospital as a viable health care entity that provides safe and quality health care services to Greater Waterbury and surrounding communities is tightly aligned with our efforts and vision for our own hospitals. We believe that only by providing high quality, value-based care in a safe environment can we create a sustainable organization. We are confident that results following the combination of GWHN's past efforts with [redacted] future efforts will accelerate Waterbury Hospital's growth in key clinical areas.

Waterbury Hospital and its affiliates have obviously been successful in their efforts to provide quality services as evidenced by recognition received from external organizations for its surgery, orthopedic joint replacement, stroke, coronary intervention and pharmacy programs. Many of our hospitals have been similarly recognized over the years and our goal is to add to the list Waterbury Hospital's accolades.

Over the last two years, [redacted] built a new company-wide strategy and execution platform focused on its core Values, [redacted], its Mission: [redacted], and its Vision [redacted] The Institute for Health Care Improvement's (IHI) Triple Aim™ is solidly integrated into [redacted] strategies, [redacted] 3-5 year objectives, annual goals and targets, and targets for daily operations. [redacted] has embraced IHI's Triple Aim™ initiative, formally becoming a partner organization in [redacted] [redacted] has integrated the goals of reducing health care costs, improving quality outcomes, and enhancing the experience of health care, into its strategic planning.

As we find approaches that work in one of our regions, we replicate it in others, creating a highly transparent, national-scale "learning organization". As examples, [redacted] is actively working to reduce serious safety events by more than 80% on a journey to have no patient under our care harmed; create new formats for clinical integration and leadership among employed and affiliated physicians; and set system-wide clinical care standards for hospitalists, critical care, palliative and end-of-life care, radiologists, emergency departments, and primary care.

[redacted] values, vision and mission reflect its commitment to patient safety and clinical excellence. We are committed to building a culture of high reliability, starting

with safety as a core value. This is critical to the long term success of [redacted] We believe that to be successful in the future, we must differentiate ourselves by providing excellent clinical care and high quality patient experiences through a dedicated and engaged workforce.

Listed below are some of the Quality and Safety initiatives that have been implemented at our hospitals in recent years.

Deleted: e

- Implemented and embedded high reliability strategies modeled after other high risk industries [redacted] including:
  - Error prevention training for leaders, physicians, and staff
  - A model developed to detect and classify safety events through the use of technology
  - Tools developed, standardized, and implemented to support the high reliability strategies
- A pressure ulcer prevention and management initiative resulted in a significant reduction in the system hospital pressure ulcer rate over a year. [redacted] gave special recognition as a "Best Practice" for this program and its resultant outcomes.
- A fall prevention and management initiative was developed company-wide. The strategy for risk reduction of falls included:
  - A standardized risk assessment tool
  - A plan of care model
  - Identification of recognized national benchmarks to be utilized for performance analysis
- Developed a method to identify, communicate and spread best practices across the [redacted] system.
- Developed and implemented an evidence based model of care for the critical care environments. This included:
  - Implementation of [redacted] technology
  - Clinical protocols and standards of care
  - Reduction of clinical variance
- Developed a corporate-wide risk tool and guidelines to assist hospitals in the prevention of hospital-acquired infections, and implementation of [redacted] a sophisticated software system providing infection control and pharmacy surveillance
- Structured and implemented a hospitalist model of care based on evidence based practice
- Advanced an [redacted] initiative that has contributed to improved clinical outcomes for patients with acute myocardial infarction

Comment [redacted]: consisten capitalization

Performance against targets is measured through an aggressive use of scorecards which measure the success we're having in changing outcomes and measuring the success of the initiatives and programs we implement. Including GWHN in this process will help ensure GWHN's continued long-term vigor as a provider of leading safe and quality health care services to the Greater Waterbury community.

**b. Deploy repeatable and scalable tools and clinical care services to continually improve the health of the community,**

With our Mission, Vision and Values as the foundation, our strategy is to create local operating divisions maintaining local branding, governance and community "ownership". A partnership with GWHN furthers this strategy in New England by adding to the regional scale of our operating division there. Health care is a unique local business and we believe there is great value in leveraging the long-standing heritage and legacy of local systems, but also in taking advantage of scale afforded to regional-based delivery systems. We bring to our regional delivery systems flexible and sustainable access to capital, national purchasing and transformative approaches to clinical and business operations through knowledge transfer and best practice development and sharing, especially around patient safety, care delivery and patient experience. Over the past several years, [redacted] has extended its traditional strengths in operating hospitals and building hospital systems in urban markets, to dramatically improving employee engagement, quality and safety, and patient experience as part of a balanced approach to managing the business.

Our mission, vision and values have guided senior administrative and medical leadership in the company's strategic plan development to ensure that our markets will be best positioned to achieve success in the future. This plan outlines three main strategies to drive transformation [redacted] which we are currently executing:

1. Build and operate high-performance patient-centered integrated care networks

   These networks will focus on quality, safety and value. They will be clinically coordinated, integrated and evidenced-based. [redacted] facilities will be top market performers, setting the standard for positive experience levels for our patients, their families and our physicians.

2. Fully Engage in Health

   [redacted] will create an organization where our employees and their families are among the healthiest and most productive in the markets we serve. Our hospital systems will lead efforts to measure and directly improve the health of our communities.

3. Strengthen our growth and reputation through local trust, national scale and access to capital markets

[redacted] will innovate and rapidly share best practices throughout our organization. We will find, recruit and retain top talented people, and create a great place to work and a most admired company.

[redacted] operating strategy focuses on comparing local execution against company-wide standards. We manage this process through a balanced scorecard approach, ensuring a proper balance of achievement in growth, patient/guest safety, quality outcomes, patient/guest experience, employee engagement goals and community leadership. Over the past few years, [redacted] has invested significantly in workforce initiatives, patient experience strategies and enhancing the breadth and depth of our clinical care platform. We believe our operating strategy is consistent with GWHN's objectives and will complement and further GWHN's provision of clinical services and improve the health of the community served by Waterbury Hospital.

c. **Provide access to sufficient capital to meet current and future capital needs while strengthening the balance sheet;**

[redacted] has a strong equity sponsor in [redacted] one of the largest sources of private capital in the U.S. In addition, during [redacted] refinanced all of its long term debt extending the maturities of its term credit facility to [redacted] and [redacted] senior notes to [redacted] at historically favorable interest rates. Those long term debt instruments include access to a [redacted] revolver that is currently undrawn with the exception of outstanding letters of credit. In addition, as of December 31, 2010 [redacted] of unrestricted cash available for acquisitions and general corporate purposes subsequent to its [redacted] prepayment of the purchase price for the [redacted] acquisition, which was effective [redacted]. [redacted] issued additional senior notes in [redacted] increasing its available cash by [redacted]. [redacted] has always been able to access credit markets to continue financing its growth and as of December 31, 2010 had a net leverage ratio of [redacted] and an interest coverage ratio of [redacted] as calculated in its senior secured credit agreement, both of which are in the median range of ratios for proprietary hospital companies.

We have a long track record of making significant capital investments in our markets. When the [redacted] in [redacted] was acquired by [redacted] in [redacted], [redacted] committed to invest [redacted] in capital expenditures in the first six years; instead, [redacted] invested over [redacted] over the same time period. For the company as a whole, [redacted] has invested over [redacted] in its markets since [redacted].

With the closing of the transaction to acquire the [redacted] on [redacted] committed to [redacted] in expenditures for specific capital projects and [redacted] in routine capital over a five-year period. These amounts were determined by the infrastructure needs and opportunities to grow and develop that market.

Our track record demonstrates that we will spend the necessary capital when needs arise and to maintain the long term sustainability of our hospitals. The acquisition of GWHN and its capital needs will not strain [redacted] capital capacity. As any acquisition, during due diligence, Waterbury Hospital's capital needs will be assessed and factored into the overall capital planning.

We are confident that we will be able to put a significant amount of capital to work in the GWHN market today and in the future, further strengthening GWHN's balance sheet and allowing it to expand its programs and services.

**d. Enhance the Hospital's medical staff by attracting and retaining physicians in the market;**

At [redacted], we know that the ultimate success of any hospital rests with the quality and level of engagement of its medical staff. We believe strongly that at [redacted] we are creating a culture and environment where physicians not only wish to practice medicine, but be active in leading improvements in clinical care and the experiences of our patients and their families.

Our markets' physicians are aligned and engaged with the company's transformation to a "Health" company from a "health care" company. As discussed previously, our new mission, vision and values have guided senior administrative and medical leadership in the company's strategic plan development to ensure that our markets will be best positioned to achieve success in the future.

As we execute on our [redacted] primary strategic directives, we engage our physicians in many ways. For our partner physicians who affiliate with our delivery systems, we believe in a pluralistic approach and that "one size" does not fit all. We have utilized several models across our system including:

Employment

This arrangement is best suited for physicians right out of training who are risk-averse and looking for stability and predictability. In addition, we have found that physicians who are nearing retirement sometimes look to have the management and overhead burdens lifted from them in their remaining years in practice, and when coupled with our new grads, can provide an excellent succession planning mechanism that ensures continuity of care for the patients.

Professional Service agreements

These arrangements between private practices and hospitals allow physicians to remain in private practice and continue to manage their practices. It has proven very attractive to physician groups, which have seen their ancillary revenues drastically reduced by recent changes in reimbursement at the national level, such as cardiology, oncology and ortho-spine groups.

Management Service Agreements and "Co-Management" Agreements

In these models, physicians and physician groups share in the management responsibilities of a service line and are allowed to participate in the operational improvements that "co-management" produces when the clinical and financial interests of the physicians and the system are aligned.

Incubation of New Physicians into Existing Private Practice

In this model, the hospitals fund the start-up costs (including a pro-rata share of the overhead) for new physicians joining an independent practice.

We are also exploring and piloting initiatives including ACOs, group practice acquisitions, value-based purchasing, risk models, and FTC-defined clinically integrated networks. We know that physicians across the country are facing challenges like they've never seen before. We want to create hospitals that physicians can call "home", and [redacted] is prepared to consider virtually any arrangement that our physicians deem attractive and that meet all federal and state regulatory requirements. By partnering with [redacted], we would expect to provide the best opportunity for GWHN and its physicians and patients to have the highest quality and financially sustainable, locally controlled, health care system for the foreseeable future.

We are committed to affiliating with physicians and have recently announced affiliations with large specialty groups – [redacted] We will continue to pursue similar opportunities and affiliate where necessary for sustainable operations.

We believe that through our commitment to our Values, Mission and Vision and our willingness to affiliate with groups as necessary, we have and will continue to create a culture for our hospitals where physicians will want to join and stay at our hospitals to practice medicine.

e. **Maintain high satisfaction scores by patients, physicians, employees and volunteers**

Patient Satisfaction

We utilize the [redacted] survey tool to measure the patient experience. [redacted] has proudly demonstrated consistent improvement in raw survey scores over the past three years. As compared to peer organizations, we have had dramatic improvement in rankings in the overall in-patient, out-patient, and emergency experience. This is but one of the journeys we are on to top quartile performance by the end of this fiscal year and top decile performance in the overall [redacted] database.

It is our goal to create a highly reliable experience for every one of our patients, which starts with safe, quality care. The patients that enter our hospitals are emotional and vulnerable; it is our job and the job of our employees to create an emotional connection, while exhibiting rational wisdom.

We believe it is this emotional connection our employees make with our patients and their families that drives the guest experience. We believe in tactics like rounding and discharge phone calls, but it's the behavior while utilizing these evidence-based tactics that are helping to create world-class guest experiences for our patients and their families. Our aggressive use of scorecards, biweekly unit level reporting, hourly rounding by administration and staff and robust patient advocacy and risk management programs are some of the tactics we use to drive service excellence. We have spent the last 2 years studying every best practice within our organization and we have taken embedded each of these into bundles and toolkits for our hospitals to use. We list exactly what the tactic is, we provide step-by-step directions on how to implement that tactic, and we explain the value of implementing this and all the system products (i.e. supporting training materials, agendas, posters, etc.) that other hospitals within [redacted] utilize. We have best practice for in-patient (including HCAHPS), out-patient, and emergency patient & guest experience. The reporting, toolkits, tactics and tools are available to all of our hospitals and have demonstrated results.

Employee/Volunteer Satisfaction

[redacted] also recognizes that an engaged workforce is an essential asset required to deliver the highest quality patient care and experience. We have partnered with [redacted] to conduct our employee engagement surveys and to assist in selecting employees and leaders. In the last two years, our results have been impressive.

- As a company, we have increased our employee engagement grand mean score from [redacted]
- [redacted] three of our facilities were ranked as "Best Places to Work" in their communities.
- [redacted] received the [redacted] Great Workplace Award – [redacted]

Physician Satisfaction

As discussed previously, we have made a concerted effort to create a culture where we can attract and retain leading physicians to our hospitals. Our innovative culture, commitment to quality and the diversity of assets we own are appealing to physicians who are tops in their field. Our survey process is one where we not only focus on the scores we receive, but also work diligently to make certain we receive responses from all of our key physicians. In [redacted] we partnered with the [redacted] organization to measure the emotional and rational attachment of our physician partners to our hospitals. In order to drive the physician experience, our goal is to create a true partnership where our physicians feel inspired and view our hospitals as irreplaceable and as an integral part of their business. Last year, we had [redacted] physicians participate in the survey with engagement levels that produced a [redacted] Grand Mean, which puts [redacted] at the 90th percentile in the [redacted] database. We believe that only by getting input into this process by our key physicians, will we understand how successful we are in continuing to create a climate attractive to physicians.

**f. Continue charitable care delivery and funding.**

We are also committed to responding to the physical, emotional, social and spiritual needs of Waterbury's underserved population. In [redacted] alone, [redacted] provided approximately [redacted] in total uncompensated care in the communities we serve including approximately [redacted] in charity care and [redacted] in discounts to the uninsured. But it doesn't stop there. Through its hospitals, [redacted] is a top-tier corporate citizen and neighbor that fully participates in the communities it serves. Not only do we support our hospital communities through annual tax payments, we demonstrate our commitment to communities in a variety of other ways. Our systems sponsor community health fairs, provide health screenings, support groups and various classes such as prenatal care; our people also meet community needs by participating as board or committee members in various community-based organizations. Given that our

systems are often the largest employers in the community, we believe they are vital community members that should be dedicated to improving the quality of life in the communities where their patients reside. Partnering with [redacted] will allow GWHN to remain a vital community member with a reputation as a provider of outstanding, high quality clinical care with a community focused mission.

Listed below are just a few of the ways we are making a difference in the communities we serve:

[redacted]

[redacted] Health Care currently operates 18 licensed school-based clinics and a mobile health unit which provides health care to uninsured and low income children and their families in six different school districts. In total, children from 53 feeder schools are eligible for services. In these clinics, children are diagnosed and treated for major illnesses, physical and well child care exams are performed as are preventative dental services including cleanings, sealants and oral health education. Patients can also be referred to hospitals, specialty physicians, immunization clinics, mental health centers and can also be referred for radiology and lab services.

Last year, over 2,500 children and their families received services in these clinics, over 5,100 medical encounters were provided and 3,800 dental encounters were provided. From the program's inception, over 60,000 medical visits and 25,000 dental visits have been provided to over 27,000 children.

[redacted] executives also sit on various boards and volunteer their time to numerous causes including high schools, YMCA, Leadership Council, American Heart Association, Susan G. Komen and many others. From Toy Drives to Event Sponsorships, [redacted] employees demonstrate their commitment to their communities not only in donations but in thousands of man-hours.

[redacted]

The employees and physicians of [redacted] are very involved in innumerable community organizations and activities. Three visible examples are the United Way, the American Heart Association and the [redacted] Crisis Fund. Last year, employees gave $474,000 to the United Way, raised $89,000 for the American Heart Association through the [redacted] and raised over $50,000 for its [redacted] Crisis Fund. Individual employees also volunteered almost 28,000 hours of time to their favorite charitable organizations and relief efforts. Since [redacted] has owned [redacted] over [redacted] has been contributed or raised for community efforts.

Last year, [redacted] opened the [redacted] Clinic to serve the working uninsured of the [redacted] area. The [redacted] Clinic is a fully staffed primary care facility providing a medical home for [redacted] working uninsured population. What makes the [redacted] Clinic extraordinary is that it is a Christian-based health clinic which serves a population that has, historically, not had access to health care.

As part of its commitment to maintaining the faith-based legacy of [redacted] over [redacted] has been invested into its health ministry since [redacted] [redacted] maintains 24/7 chaplaincy services and operates a robust clinical pastoral education program.

[redacted]

In [redacted], we have chosen to support a special community need through a partnership with the City to serve area youth. Supplemented by a $300,000 contribution from [redacted] over a three year period, more than 600 inner-city youth are learning the skills necessary to achieve their dreams through summer youth programs.

[redacted]

In our [redacted] area hospitals, many of our community initiatives are directed to schools, community and support organizations and faith-based causes that reflect the diversity of our patient population – [redacted]

One unique initiative we have taken on is assisting the [redacted] Center in getting a much needed [redacted] capital appropriation from the State [redacted] legislative leadership. [redacted] Center, a federally qualified health center, is a bilingual, bicultural organization committed to providing access to quality, cost-effective health care to the Latino community. [redacted] Hospital is the driving force behind assisting in the funding to construct a 24,000 square foot facility in [redacted] for expansion of the [redacted] Center. One of our senior [redacted] leaders co-chairs the [redacted] board,

and [redacted] Hospital gifted the rent and expenses for 2 years of operation. This will be a huge community benefit that [redacted] Hospital has direct involvement in affecting the outcome and access to quality care by the Latino community it serves.

[redacted]

Although [redacted] has only owned the [redacted] Center for a few months, prior to the acquisition, we were very clear with community leaders that we will continue existing community benefit programs currently in place. [redacted] is a vital member of the [redacted] community and that community is dependent on a number of programs currently in place. [redacted] is proud to be associated with these programs and we are supportive of their continuation.

3. **Ownership, Governance and Management**

**a. Describe how GWHN will be organized in relation to your organization.**

At present, we expect GWHN will be acquired by one or more subsidiaries of [redacted] that will be qualified to do business in the State of Connecticut.

**b. Describe the proposed governance structure and the ongoing role, if any, of GWHN's current Board of Directors.**

[redacted] believes it is important for hospital Boards of Trustees to consider the many different ideas that can be expressed by physicians, community representatives and hospital management to make informed decisions for a community's health care services. Therefore, after closing an asset purchase transaction, [redacted] will appoint a Board of Trustees. Prior to appointing a Board, [redacted] will consider candidates from among the existing members of the Hospital Board of Trustees. The Board will generally be comprised of physicians, community representatives, strategic partners and [redacted] local Chief Executive Officer.

The Board of Trustees has responsibility for medical staff credentialing, quality assurance and accreditation of the hospital, reviews operating and capital plans and makes strategic recommendations for the hospital. The Board of Trustees also provides guidance and support on local market issues, community concerns, considerations, strategies, issues and politics.

[redacted] is flexible on governance structure and is willing to discuss all ideas and suggestions from the GWHN Board of Directors concerning the future Board of Trustees of GWHN.

**c. Describe the proposed management organizational structure for GWHN.**

As previously stated, our company's strategy is to create local operating divisions maintaining local branding, governance and community "ownership". Health care is a unique local business and we believe there is great value in leveraging the long-standing heritage and legacy of local systems, but also in taking advantage of scale afforded to regional-based delivery systems. We bring to our regional delivery systems flexible and sustainable access to capital, national purchasing and transformative approaches to clinical and business operations through knowledge transfer and best practice development and sharing, especially around patient safety, care delivery and patient experience.

Our regional teams support and collaborate with the local hospital leaders and are the nexus for strategy, budgeting and operating decisions at the local level. This allows for local participation and ensures decisions are made by local thought leaders in a timely and effective manner. We believe that we provide the right level of centralized support and back-office services that allows our markets to feel independent, but at the same time, alleviates the burden of certain non-critical parts of the business. Services such as finance and accounting services, legal, reimbursement, information technology and human resources are among the support services that are leveraged across the company. Allowing our markets to focus on the critical business at hand is crucial to our success.

We anticipate including GWHN as part of our existing New England regional operations. This will allow GWHN to leverage the scale of a national company and the support and collaboration of our regional New England market.

4. **Transaction Value** If you are proposing an asset purchase, please describe how GWHN will be valued, including the methodology and calculation of any adjustments to the proposed consideration.

Based on our analysis of the December 31, 2010 financial statements and our review of additional information provided by GWHN in the April, 2011 Confidential Memorandum, [redacted]s proposing purchase of GWHN's assets for $10 MM (the "Purchase Price"). The Purchase Price will be subject to changes in normalized net working capital that occur between the pricing date until the closing date. The purchase price will also be reduced by the value of any debt or other liabilities that we assume on behalf of GWHN. Our purchase price is subject to findings that we may make during the performance of our due diligence. We will assume the unfunded portion of BWHN's pension plan as of the closing date and we will also commit to investing $90MM in capital expenditures over the first (7) seven years of our partnership. GWHN will, of course, be responsible for liabilities not expressly assumed by [redacted]

Our preliminary estimate of value, as reflected in our proposed Purchase Price, reflects the level of our future capital commitment that will be necessary to compete in the market and region. As more thoroughly described in item 10, [redacted] commitment to future capital is many times greater than the purchase price described above.

5. **Maintenance of Clinical Services**

Deleted: ¶

**a. Describe your commitment to maintaining existing clinical services.**

[redacted] commits to maintaining the clinical services necessary to keep the hospital operating as an acute care facility for a period of ten (10) years. We will also commit to maintaining all acute and non-acute services and to grow these services in a manner demanded by the market. Over the course of the partnership, we will continually evaluate services to make certain that we are able to provide all services in a manner in which is most beneficial to the community. Our goal when we enter communities is to expand and grow services. We have the same expectation as GWHN.

**b. Describe any new services you anticipate implementing over the next five years.**

We believe that our hospitals should provide at least 90% of the medical needs of their service areas. Our primary goal will be to continue to enhance and develop the existing clinical services for the greatest benefit to the hospital and Greater Waterbury community. We have a history of expanding existing services and developing new services as situations dictate. During due diligence and over the course of our affiliation with GWHN, we will be continually evaluating the existing service mix and work with the local management, medial staff and local board to identify new services which will benefit the hospital and the community.

In establishing new services, GWHN will be the beneficiary of [redacted] experiences of developing services lines. This is another of the great values that an affiliation with [redacted] brings.

**c. Describe, which, if any, clinical services may not be maintained at GWHN and the Hospital.**

As stated in our response to question 5 (a) we do not anticipate eliminating any clinical services at GWHN or the Hospital.

**d. Indicate the minimum time horizon for maintaining existing services.**

[redacted] is committed to providing health care in the Waterbury region for the long term and will commit to maintaining an acute care hospital in Waterbury, Connecticut for a period of at least ten (10) years. Additionally, Vanguard will agree to maintain certain

core clinical services for a minimum of five to seven years. During the final due diligence phase of this opportunity, we will work with the Board of Trustees, medical staff and senior management to identify and mutually agree upon the specific core services to be maintained. During this final phase, any identified changes in market conditions or technologies that impact our ability to offer the above services will be reviewed with GWHN prior to adjusting any of these services. Any new services will be determined by community need and/or strategic opportunities in the market.

6. **Excluded Activities and Operation**

**a. Describe any GWHN activities and operations that are expected to be excluded from a transaction.**

As stated in our response to question 5(a) above, [redacted] intends to maintain all the existing acute and non-acute services and to grow these services in a manner that is supported by the market. During the detailed due diligence process we will identify, with the senior staff and the medical staff of the hospital, each service that is core to the operation of the health system and commit to the operations for a specified period of time of at least ten (10) years.

**b. Describe how the surviving GWHN organization (if any) could support the ongoing activities of the acquired operations after the transaction.**

[redacted] would work closely with the surviving GWHN organization to ensure that our missions are aligned, with an ongoing focus to keep Waterbury Hospital a viable health care entity providing the highest safety and quality health care services to the Greater Waterbury communities for the long-term.

7. **Charity Care** Describe your existing charity and indigent care policies and any potential changes to GWHN policies you foresee.

[redacted] we believe that it is our obligation to provide care to those with the greatest needs and the least ability to pay. In 2010 alone, [redacted] provided approximately [redacted] in total uncompensated care in the communities we serve including approximately [redacted] in charity care and [redacted] in discounts to the uninsured. At our hospitals, uninsured patients with incomes below 200% of the Federal Poverty Level are classified as financially indigent and receive free care. Those patients who either have (1) income below 500% of the Federal Poverty Level or (2) have balances due in excess of 50% of their annual income are classified as "Medically Indigent", and receive 40% to 80% discounts on a sliding scale for amounts they owe. Attached as *Exhibit A* is a copy of our Charity Care Policy.

[redacted] commitment to providing a fair amount of charity care has been recognized by independent parties. The [redacted] Attorney General, [redacted], in his "Report [redacted] Proposed Sale of [redacted], Inc." dated [redacted] highlighted the [redacted] Charity Care Policy. His report includes the following commentary:

> "[redacted] policy is actually more patient-friendly than [redacted] current policy since it allows patients with higher incomes to qualify for charity care. While current [redacted] policy provides charity care for patients with incomes up to twice the federal poverty level, [redacted] charity care policy will provide care to patients with incomes up to five times the federal poverty level. [redacted] charity care policy also includes well-defined procedures and explanations concerning a wide variety of topics including application for government assistance, collection policies, and treatment for homeless patients. Importantly, [redacted] collections policy is more patient-friendly because it includes limits on seizing indigent or underinsured patients' assets through liens or garnishment. The policy also provides liberal interest-free extended payment plans."

The Attorney General required that the [redacted] Charity Care Policy be implemented upon closing of the transaction between [redacted] and [redacted]

In an [redacted] article titled "[redacted]" in [redacted] Hospital was highlighted and it was noted that [redacted] charity care level was higher than 20 of [redacted] largest hospitals (all but one of the 20 were non-profit hospitals).

During the course of due diligence and through discussions with management, we will gain an understanding of the GWHN charity care policy. We believe that our policy is generous and fair to those in need and we generally implement that policy in our hospitals. However, after evaluating GWHN's policy and understanding the decisions behind its implementation, we will make a collective decision and implement the best charity care policy for GWHN and the Greater Waterbury community. Any such policy implemented would be at least as generous as GWHN's existing policy.

8. **Ethical and Religious Directives** Describe any ethical or religious directives of your organization, if any, which would impact the future operations of GWHN.

We respect the long standing culture and heritage of the hospitals with which we partner. Most hospitals have worked for many years to serve establish themselves in their communities. A number of our hospitals are faith-based hospitals and a number are secular. We have always honored the wishes of the legacy entity for the manner in which the hospital is operated. Where we are asked to operate as faith-based hospitals we have done so and are

honored to operate in that manner. A number of our hospitals have been operated by secular organizations and we have been asked to continue that form of operation as well.

9. **Employee Relationships**

   a. **Describe your commitment to GWHN employees, anticipated layoffs, and type of severance package that may be offered to any affected employees.**

   [redacted] understands the value of talented and dedicated employees. The existing workforce of GWHN is the backbone of the operations. We respect their service to the GHWN and the citizens of the Greater Waterbury community. At this time we do not foresee any layoffs, but if layoffs occur, employees will receive a severance package consistent with GWHN's severance policy or if none exists, a fair and equitable plan will be developed.

   [redacted] will at closing extend offers of employment to substantially all employees of GWHN upon similar terms and conditions (i.e., salaries, wages, job duties, titles and responsibilities) provided by GWHN before closing.

   b. **Describe any anticipated employee benefit changes.**

   As stated in 9a. above, the Employee Benefit Plans offered to the employees of GWHN will be the same as those generally provided to employees at other [redacted] facilities. [redacted] will replace the existing defined plan with its own defined contribution plan.

   As with previous acquisitions, during our due diligence process, we will spend time gaining an understanding of the employee benefit plans that are currently offered to the GWHN employees. Using that knowledge, we often have flexibility creating plans that closely resemble the current plans at the hospitals we acquire. Such will be the approach at GWHN. We know how important benefit plans are to attracting and retaining good employees. Our national scale provides us access to attractive benefits pricing and products that allow us to offer attractive benefit programs to our employees.

10. **Capital Expenditure Commitments** Describe your expectations and commitment to capital investments over the next five years to improve GWHN facilities and expand programs and services.

[redacted] will commit to invest in GWHN at least $90MM in routine and project capital over the first seven (7) years post transaction. We will commit to a specific capital expenditure upon completion of detail due diligence, including discussions with the Board of Trustees, management and certain medical staff members.

We will evaluate all projects based upon priority of needs within the market and the financial viability of the various projects.

11. **No Sale** Describe your commitment to retaining ownership of the GWHN operations acquired.

Vanguard has built its reputation around partnering with hospitals and other health care providers and strengthening those entities over time through the infusion of capital and the development of strong clinical programs. We do not buy assets with the intention of selling them. Our intention and commitment to our [redacted] employees is to grow and develop the company to thrive into the foreseeable future. Our track record speaks for itself and we are proud of the reputation we've developed.

12. **Right of First Refusal/Purchase Rights** Describe any terms and conditions under which the surviving GWHN organization (if any) could require interests transferred in a transaction.

While it is not our intention to divest any GWHN entity, if [redacted] was to divest of any GWHN entity not part of a larger asset sale, [redacted] would be willing to discuss granting GWHN a right of first refusal on the transaction. This is a matter which could be more fully explored during the negotiation of the definitive purchase agreement.

13. **Financial and Operating Information**

a. Provide a copy of your most recent audited financial statements.

Please see *Exhibit B* for a copy of our most recent audited financial statements. [redacted]

b. Describe how you propose to finance the transaction and any proposed ongoing financial commitments to GWHN.

Existing cash and funds available under current lines of credit will be the source of funding for the proposed transaction. [redacted] also has a strong track record accessing capital markets, which combined with cash on hand will fund ongoing financial commitments.

**c. Provide an overview of your existing operations including**

***i. Number and location of facilities/beds owned and operated***

[redacted] based in [redacted] was founded in [redacted] by an experienced management team in partnership with private equity firm [redacted]

[redacted] In September, [redacted] The [redacted] invested in the company, acquiring a [redacted] percent interest. Management and [redacted] together own approximately [redacted] percent of the company. With approximately [redacted] in annual net revenue, [redacted] currently owns and operates [redacted] acute care hospitals and complementary facilities and services in [redacted] also owns [redacted] managed care health plans: [redacted]

[redacted] also currently has executed a Definitive Agreement to acquire [redacted] Hospital [redacted] and executed a Letter of Intent to acquire [redacted] Health Systems in [redacted]

**Current listing of all hospitals (and related businesses) that [redacted]:**

[redacted]

[redacted]

**ii. Key operating statistics**

Please see *Exhibit C* for [redacted] company-wide operating statistics.

**iii. Key quality indicators**

Please see *Exhibit D* for key quality indicators that are shared regularly with our Board.

**14. <u>Due Diligence</u>**

**a. Describe your due diligence process**

If [redacted] is chosen as the purchaser of choice, our team will participate in the due diligence process and develop with the GWHN team a definitive asset purchase agreement in an expedited time frame. [redacted] would expect to initially execute an exclusive letter of intent then work through the definitive agreement. While conversion of a non-profit in Connecticut may add some delay to the transaction, the closing of a

transaction such as this typically would occur within 90 - 180 days after execution of the definitive agreement.

Our due diligence process consists of detailed review of key documents and financial information and discussion with key members of management. Our goal in due diligence is to gain a full understanding of the key business risks and opportunities. The process is conducted by subject matter experts from [redacted] who have conducted due diligence numerous times over many years. It has become refined over the years to one that is very thorough and very efficient. We look forward to engaging in this process with GWHN.

**b. Provide a list of due diligence items you would like to receive in Phase II if you are selected to continue in the process.**

Vanguard's list of due diligence items is attached to this document as *Exhibit E.*

15. **Process and Approvals** Indicate the level at which your response has been approved within your organization and what approvals will be required to sign a Definitive Agreement and to close the transition.

Our non-binding offer and the execution of all definitive documentation are subject to the completion of our detailed due diligence review of the Hospital and the receipt of approval from [redacted] Board of Directors.

16. **Other** Please describe any other factors that GWHN should consider in evaluating your proposal.

We believe that a [redacted]-GWHN partnership would provide great benefit to both organizations and to the residents of the Greater Waterbury community. As you consider our proposal, there are some key facts that you should keep in mind.

Experience

[redacted] management team consists of experienced and diverse operators who draw on many years of experience in the health care industry operating complex delivery systems. GWHN and the patients it serves will benefit from this team and will continue to thrive into the future.

National Scale

At [redacted] we believe that health care is delivered locally by those best suited to provide that care. In addition to our experience in operating health systems, we bring to the table the collective experience of [redacted] hospitals (currently) across the country. We're committed to

sharing best practices which means that GWHN will be able to tap into the collective knowledge of a national network. As our portfolio expands, the diversity of care models and experiences will grow and strengthen the company.

[redacted]

We believe that through honoring our values and executing on our vision and mission, we are creating a company that will be at the forefront of health care transformation. Our patients, physicians and employees are benefiting from our new focus and our company has been transformed. We believe strongly that we must provide the means where we create healthy communities and are taking steps to improve the health of the communities we serve.

Commitment to the Greater Waterbury Community

We have a strong track record of supporting existing community programs and expanding into new ones. Hospitals are pillars of the communities they serve. We look forward to the opportunity to partner with GWHN and allowing it to continue to serve the Greater Waterbury community.

Capital Commitment

In our proposal, we have noted our commitment to investing at least $90 MM in capital in the first seven (7) years of our partnership. We have seen the benefits that this type of investment brings and look forward to working with the GWHN leadership to develop a capital program that enhances the existing assets of GWHN. Our commitment will allow GWHN to provide the Greater Waterbury community a choice to access exceptionally high quality, cost effective health care.

Commitment to Quality and Safety

As we have demonstrated, our commitment to quality and safety is real. We believe that to remain viable as a company we must create and execute on high quality clinical programs and do so in a safe environment. Doing so will lead to satisfied patients, physicians and employees.

Process

Over the years, our leadership team has been involved in many affiliations with hospitals and other health care providers. The process to move from a proposal to closing an affiliation is one that our team has done many times. We are flexible and motivated to moving quickly when we are selected as the suitor for an affiliation.

There are many other aspects that make a [redacted] – GWHN partnership a natural "fit". We hope that we have been able to demonstrate this in providing you with this proposal.

# Partnership Process Update

## Background and "Pre-Marketing"

**The Greater Waterbury Health Network ("GWHN") engaged Cain Brothers & Co. ("Cain Brothers") on March 4, 2011 to lead the search for a strategic or capital partner**

- Based on conversations with GWHN's Partnering Committee on March 4, as well as market intelligence that Saint Mary's was close to "signing a deal with a capital partner," Cain Brothers was asked to reach out a Saint Mary's trustee member, Jim Smith, to see if there was an interest in restarting discussions between the two hospitals
  - Jim Cain, of Cain Brothers, left a few messages for Mr. Smith the following Monday (March 7), and subsequently touched base with him on March 8
  - Following that call, Michael Hammond, of Shattuck Hammond Partners (a wholly-owned subsidiary of Morgan Keegan) reached out to Mr. Cain on March 10, relaying that Shattuck Hammond was representing Saint Mary's in its own partnering process
    - Saint Mary's was interested in "having a meeting" with Waterbury to discuss potential partnering options
- In addition, under the Partnering Committee's direction, Cain Brothers was asked to make preliminary, "pre-marketing" calls to a predetermined Tier I partnering list of 11 organizations consisting of:
  - Six (6) investor-owned hospital operators
  - Five (5) tax-exempt hospital organizations (including Saint Mary's)
- These organizations were perceived to have a combination of financial and operational wherewithal to achieve GWHN's stated goals and objectives outlined in the March 4 meeting, as well as the ability to consummate a transaction quickly
- The pre-marketing calls began on March 14

# Partnership Process Update

## Solicitation Process

**For the rest of March, Cain Brothers worked with GWHN management and counsel to gather diligence materials, develop a Confidential Information Memorandum ("CIM"), non-disclosure agreements ("NDA") and a calling plan for contacting prospective partners**

- As of April 13, Cain Brothers contacted 13 prospective parties to gauge their interest in a partnering transaction with GWHN, eight (8) investor-owned and five (5) tax-exempt
  - This is two (2) more than the original Tier I list, as two investor-owned companies contacted Cain Brothers to express their interest in participating in a process
  - All 13 parties were contacted via phone and email
    - Two (2) declined to participate in the process right away (all investor-owned) and would "only be interested if Saint Mary's would be included in a deal"
- Ten (11) NDAs were subsequently sent out based on party responses
  - Six (6) were sent to investor-owned; four (5) to tax-exempt
- Seven (7) NDAs were executed
  - Four (4) investor-owned signed, with three modifying the language
  - Three (3) tax-exempt signed, with three modifying language
  - One (1) investor-owned declined to participate due to "capacity" constraints
  - One (1) investor-owned is negotiating the NDA
  - One (1) tax-exempt is still reviewing the NDA

# Partnership Process Update

## Solicitation Process - Continued

**As of April 13, seven CIMs were sent to prospective partners who executed an NDA**

| Overall Progress Report | GWHN |
|---|---|
| ***All Potential Buyers*** | |
| **General Information** | |
| Contacted (left message) | 13 |
| Not Contacted | 0 |
| Interested | 10 |
| Reviewing / Recently Called | 0 |
| Not Interested | 3 |
| **Process** | |
| Sent NDA (not yet executed) | 4 |
| Signed NDA | 7 |
| CIM Sent | 7 |
| Submit LOI | 0 |
| Dataroom Access | 0 |
| Site Visit | 0 |
| Draft PA Sent | 0 |
| Submit Binding Agreement | |

| *Tier 1 - Investor Owned* | |
|---|---|
| **General Information** | |
| Contacted (left message) | 8 |
| Not Contacted | 0 |
| Interested | 5 |
| Reviewing / Recently Called | 0 |
| Not Interested | 3 |
| **Process** | |
| Sent NDA (not yet executed) | 2 |
| Signed NDA | 4 |
| CIM Sent | 4 |
| Submit LOI | 0 |
| Dataroom Access | 0 |
| Site Visit | 0 |
| Draft PA Sent | |
| Submit Binding Agreement | |

| *Tier 1 - NFP* | |
|---|---|
| **General Information** | |
| Contacted (left message) | 5 |
| Not Contacted | 0 |
| Interested | 5 |
| Reviewing / Recently Called | 0 |
| Not Interested | 0 |
| **Process** | |
| Sent NDA (not yet executed) | 2 |
| Signed NDA | 3 |
| CIM Sent | 3 |
| Submit LOI | 0 |
| Dataroom Access | 0 |
| Site Visit | 0 |
| Draft PA Sent | |
| Submit Binding Agreement | |

# Partnership Process Update

## Saint Mary's Update

**Saint Mary's and LHP announced their transaction on March 22, 2011**

- Although GWHN reached out to Saint Mary's several times prior to the announcement, we were unsuccessful in securing a meeting with them prior to March 22
  - GWHN's Chairman also reached out to Saint Mary's Chairman in a letter dated March 21, which was hand delivered requesting a meeting
  - The letter was responded to on March 25, three days after the LHP announcement, with no firm date of a meeting
- A GWHN / Saint Mary's meeting was finally organized for April 4
  - Three Board members, Steve Laverty and Cain Brothers attended for GWHN
  - Three Board members, Chad Wable and Shattuck Hammond attended for Saint Mary's
- We advised Saint Mary's that we have already commenced a partnering process and though we were disappointed that we were not involved in their own process, would welcome Saint Mary's to participate in ours
- We also declined a request by Saint Mary's to grant them 30-day exclusivity period to develop a partnering plan
- As of today, Saint Mary's has agreed to participate in the GWHN partnering process
  - They have signed a three-way NDA with LHP
  - They have received a CIM, along with LHP

# Partnership Process Update

## Next Steps – Phase I

**The CIM outlines the process we expect to follow over the next few months**

- Phase I, Preliminary Proposals, invites interested parties to submit a ***written, preliminary, non-binding indication of interest and value*** based only on the information provided in the CIM
- The deadline for Preliminary Proposals is **5:00 pm Eastern Standard Time on May 2, 2011**
  - Proposals should be as specific and detailed as possible and should address the elements outlined in Appendix A of the CIM
  - Further, proposals will be submitted electronically to Cain Brothers
- Site visits at GWHN facilities and management discussions **will not** be conducted prior to the first proposal submission deadline.
- Potential partner contact with any of the employees, members of the GWHN's Board of Directors, the Hospital's Trustees, management, or staff without the prior consent of Cain Brothers is also **strictly forbidden**
- While it is still too early to determine the seriousness and interest level of prospective parties, we are encouraged by the responsiveness of parties who have received CIMs
  - Parties have expressed an appetite to participate in a competitive process and have not been discouraged by a potential partnership between LHP and Saint Mary's

# Partnership Process Update

## Next Steps – Phase II and Phase III

**After receipt of Preliminary Proposals, we plan to select a limited number of participants to continue to Phase II and Phase III**

- Phase II consists of detailed due diligence and is intended to provide the information that a qualified respondent will need in order to submit a binding proposal
  - This is primarily achieved through access to a GWHN virtual data room, site visits and management discussions
- Preliminary timing for Phase II is to begin the **Week of May 8** and last throughout the remainder of May
- Phase III consists of receiving binding, definitive proposals, which will be due following the completion of the Phase II due diligence process
  - It will include a markup of a Definitive Agreement to be provided by GWHN prior to submission of the binding proposal
- Please remember, GWHN has no obligation to accept any proposal, whether or not such proposal represents the best offer
  - Until such time that a Definitive Agreement has been executed, GWHN will not have any obligation to any potential partner with respect to any transaction involving GWHN

# Partnership Process Update

## Background and "Pre-Marketing"

**The Greater Waterbury Health Network ("GWHN") engaged Cain Brothers & Co. ("Cain Brothers") on March 4, 2011 to lead the search for a strategic or capital partner**

- Based on conversations with GWHN's Partnering Committee on March 4, as well as market intelligence that Saint Mary's was close to "signing a deal with a capital partner," Cain Brothers was asked to reach out a Saint Mary's trustee member, Jim Smith, to see if there was an interest in restarting discussions between the two hospitals
  - Jim Cain, of Cain Brothers, left a few messages for Mr. Smith the following Monday (March 7), and subsequently touched base with him on March 8
  - Following that call, Michael Hammond, of Shattuck Hammond Partners (a wholly-owned subsidiary of Morgan Keegan) reached out to Mr. Cain on March 10, relaying that Shattuck Hammond was representing Saint Mary's in its own partnering process
    - Saint Mary's was interested in "having a meeting" with Waterbury to discuss potential partnering options
- In addition, under the Partnering Committee's direction, Cain Brothers was asked to make preliminary, "pre-marketing" calls to a predetermined Tier I partnering list of 11 organizations consisting of:
  - Six (6) investor-owned hospital operators
  - Five (5) tax-exempt hospital organizations (including Saint Mary's)
- These organizations were perceived to have a combination of financial and operational wherewithal to achieve GWHN's stated goals and objectives outlined in the March 4 meeting, as well as the ability to consummate a transaction quickly
- The pre-marketing calls began on March 14

# Partnership Process Update

## Solicitation Process

**For the rest of March, Cain Brothers worked with GWHN management and counsel to gather diligence materials, develop a Confidential Information Memorandum ("CIM"), non-disclosure agreements ("NDA") and a calling plan for contacting prospective partners**

- As of April 13, Cain Brothers contacted 13 prospective parties to gauge their interest in a partnering transaction with GWHN, eight (8) investor-owned and five (5) tax-exempt
  - This is two (2) more than the original Tier I list, as two investor-owned companies contacted Cain Brothers to express their interest in participating in a process
  - All 13 parties were contacted via phone and email
    - Two (2) declined to participate in the process right away (all investor-owned) and would "only be interested if Saint Mary's would be included in a deal"
- Ten (11) NDAs were subsequently sent out based on party responses
  - Six (6) were sent to investor-owned; four (5) to tax-exempt
- Seven (7) NDAs were executed
  - Four (4) investor-owned signed, with three modifying the language
  - Three (3) tax-exempt signed, with three modifying language
  - One (1) investor-owned declined to participate due to "capacity" constraints
  - One (1) investor-owned is negotiating the NDA
  - One (1) tax-exempt is still reviewing the NDA

# Partnership Process Update

## Solicitation Process - Continued

**As of April 13, seven CIMs were sent to prospective partners who executed an NDA**

| Overall Progress Report | GWHN |
|---|---|
| ***All Potential Buyers*** | |
| **General Information** | |
| Contacted (left message) | 13 |
| Not Contacted | 0 |
| Interested | 10 |
| Reviewing / Recently Called | 0 |
| Not Interested | 3 |
| **Process** | |
| Sent NDA (not yet executed) | 4 |
| Signed NDA | 7 |
| CIM Sent | 7 |
| Submit LOI | 0 |
| Dataroom Access | 0 |
| Site Visit | 0 |
| Draft PA Sent | 0 |
| Submit Binding Agreement | |

| *Tier 1 - Investor Owned* | |
|---|---|
| **General Information** | |
| Contacted (left message) | 8 |
| Not Contacted | 0 |
| Interested | 5 |
| Reviewing / Recently Called | 0 |
| Not Interested | 3 |
| **Process** | |
| Sent NDA (not yet executed) | 2 |
| Signed NDA | 4 |
| CIM Sent | 4 |
| Submit LOI | 0 |
| Dataroom Access | 0 |
| Site Visit | 0 |
| Draft PA Sent | |
| Submit Binding Agreement | |

| *Tier 1 - NFP* | |
|---|---|
| **General Information** | |
| Contacted (left message) | 5 |
| Not Contacted | 0 |
| Interested | 5 |
| Reviewing / Recently Called | 0 |
| Not Interested | 0 |
| **Process** | |
| Sent NDA (not yet executed) | 2 |
| Signed NDA | 3 |
| CIM Sent | 3 |
| Submit LOI | 0 |
| Dataroom Access | 0 |
| Site Visit | 0 |
| Draft PA Sent | |
| Submit Binding Agreement | |

# Partnership Process Update

## Saint Mary's Update

**Saint Mary's and LHP announced their transaction on March 22, 2011**

- Although GWHN reached out to Saint Mary's several times prior to the announcement, we were unsuccessful in securing a meeting with them prior to March 22
  - GWHN's Chairman also reached out to Saint Mary's Chairman in a letter dated March 21, which was hand delivered requesting a meeting
  - The letter was responded to on March 25, three days after the LHP announcement, with no firm date of a meeting
- A GWHN / Saint Mary's meeting was finally organized for April 4
  - Three Board members, Steve Laverty and Cain Brothers attended for GWHN
  - Three Board members, Chad Wable and Shattuck Hammond attended for Saint Mary's
- We advised Saint Mary's that we have already commenced a partnering process and though we were disappointed that we were not involved in their own process, would welcome Saint Mary's to participate in ours
- We also declined a request by Saint Mary's to grant them 30-day exclusivity period to develop a partnering plan
- As of today, Saint Mary's has agreed to participate in the GWHN partnering process
  - They have signed a three-way NDA with LHP
  - They have received a CIM, along with LHP

# Partnership Process Update

## Next Steps – Phase I

**The CIM outlines the process we expect to follow over the next few months**

- Phase I, Preliminary Proposals, invites interested parties to submit a ***written, preliminary, non-binding indication of interest and value*** based only on the information provided in the CIM
- The deadline for Preliminary Proposals is **5:00 pm Eastern Standard Time on May 2, 2011**
  - Proposals should be as specific and detailed as possible and should address the elements outlined in Appendix A of the CIM
  - Further, proposals will be submitted electronically to Cain Brothers
- Site visits at GWHN facilities and management discussions **will not** be conducted prior to the first proposal submission deadline.
- Potential partner contact with any of the employees, members of the GWHN's Board of Directors, the Hospital's Trustees, management, or staff without the prior consent of Cain Brothers is also **strictly forbidden**
- While it is still too early to determine the seriousness and interest level of prospective parties, we are encouraged by the responsiveness of parties who have received CIMs
  - Parties have expressed an appetite to participate in a competitive process and have not been discouraged by a potential partnership between LHP and Saint Mary's

# Partnership Process Update

## Next Steps – Phase II and Phase III

**After receipt of Preliminary Proposals, we plan to select a limited number of participants to continue to Phase II and Phase III**

- Phase II consists of detailed due diligence and is intended to provide the information that a qualified respondent will need in order to submit a binding proposal
  - This is primarily achieved through access to a GWHN virtual data room, site visits and management discussions
- Preliminary timing for Phase II is to begin the **Week of May 8** and last throughout the remainder of May
- Phase III consists of receiving binding, definitive proposals, which will be due following the completion of the Phase II due diligence process
  - It will include a markup of a Definitive Agreement to be provided by GWHN prior to submission of the binding proposal
- Please remember, GWHN has no obligation to accept any proposal, whether or not such proposal represents the best offer
  - Until such time that a Definitive Agreement has been executed, GWHN will not have any obligation to any potential partner with respect to any transaction involving GWHN

# Overview of Proposals

## Summary of Indications of Interest

| *($ in millions)* | [redacted] | LHP Hospital Group, Inc. / Saint Mary's Health System | [redacted] | [redacted] |
|---|---|---|---|---|
| **Form of Transaction** | ▪ Equity JV; or<br>▪ Non-equity Affiliation; or<br>▪ Full Integrated Affiliation | Asset purchase | ▪ Asset purchase; or<br>▪ 25% / 75% JV | ▪ Asset purchase; or<br>▪ Taxable JV |
| **Upfront Consideration** (1) | TBD | $89.4 – $119.4 | $52.9 – $79.9 | $47.3 |
| **Long Term Capital Commitments** | TBD | Minimum investment of $75 over 5 years (2) | Minimum investment between $55 – $75 over 5 years (3) | Minimum investment of $90 over 7 years |
| **Governance** | TBD | 4 Board Members / Trustees | TBD (4) | TBD (4) |
| **Continuation of Services** | TBD | Up to 5 Years | TBD (5) | Up to 10 years |
| **No Sale Provision** | TBD (6) | Up to 3 Years | Up to 3 Years | TBD (7) |

*(1) Based on Cain Brothers estimates and discussions; see following pages for calculation*
*(2) Excludes SMH deal commitment of $75; Anticipated at least $50 in "New / LHP" capital above and beyond operational cash flow; may consider new facility*
*(3) Based on percentage of historical depreciation and maintenance CapEx and subject to diligence; consists of "New" capital and does NOT preclude identified expansion opportunities*
*(4) To be determined, but anticipated local community board representation and oversight*
*(5) To be determined, but anticipated continuation services for foreseeable future*
*(6) As an tax-exempt organization, does not include nor anticipate such divestitures at a later date*
*(7) Does not buy assets with the intention of selling them*

# Overview of Proposals

## Summary of Indications of Interest

| | [redacted] | LHP Hospital Group, Inc. / Saint Mary's Health System | [redacted] | [redacted] |
|---|---|---|---|---|
| **Expansion of Services** | TBD | ▪ Priority to expand access to subspecialty services in the area<br>▪ More integrated approach to comprehensive cancer care<br>▪ Optimize Heart Center clinically and financially | ▪ Additions to service line and other clinical augmentations identified through strategic planning process undertaken by hospital<br>▪ Primary focus of due diligence process is to work with management to identify opportunities | ▪ Continually evaluate the existing service mix and identify new services which will benefit the hospital and community<br>▪ Work with local management, medical staff and local board to identify opportunities |
| **Right of First Refusal / Repurchase Rights** | Amenable to certain provisions to be determined | Open to extending a right to GWHN similar to existing SMH | If a JV structure, yes | Open for discussion |
| **Charity Care** | No changes expected | Use the existing SMH charity care policy | No changes to existing charity care expected | No changes to existing charity care expected |
| **Ethical and Religious Directives** | None | Open for discussion | None | None |
| **Employee Matters** | No changes expected | TBD | Employ active employees in good standing | No changes expected |

# Overview of Proposals

## Upfront Consideration Analysis – LHP / St. Mary's

*($ in millions)*

| | LHP | Saint Mary's | |
|---|---|---|---|
| Metric from Proposal | $80.0 - $110.0 | | |
| Adjustments: | | | |
| *Less:* | | | |
| Accounts Receivable @ 10% Discount | (31.8) | (31.8) | |
| Inventories, Other | (5.8) | (5.8) | |
| *Plus:* | | | |
| Accounts Payable | 13.4 | 13.4 | |
| Other Accrued Expenses | 14.8 | 14.8 | |
| **Total Net Work Capital Adjustment** | **(9.4)** | **(9.4)** | **A** |
| *Plus* Asset Retained: | | | |
| Cash | 18.8 | 18.8 | |
| Other Investments | 33.3 | 33.3 | |
| Assets Whose Use is Limited | 1.1 | 1.1 | |
| *Less* Liabilities Retained: | | | |
| Accrued Pension Liability | (9.3) | (9.3) | |
| Long Term Debt | (22.3) | (22.3) | |
| 3rd Party Liability [1] | (2.7) | (2.7) | |
| **Total Other Adjustments** | **18.8** | **18.8** | **B** |
| **Total Upfront Consideration** | **$89.4 - $119.4** | | **A + B** |

*Note: Reflects December 31, 2010 GWHN financial statements unless otherwise stated*
*(1) Third-party liabilities need to be addressed and negotiated; assumes full GWHN liability, which may not be the case*

# Overview of Proposals

## Upfront Consideration Analysis – [redacted]

*($ in millions)*

| | [redacted] | | | |
|---|---|---|---|---|
| Metric from Proposal | 4.5x | - | 6.5x | LTM EBITDA |
| EBITDA [(2)] | $7.0 | | $9.0 | |
| Implied Value | **$31.5** | | **$58.5** | |
| | | | | |
| Adjustments: | | | | |
| *Less:* | | | | |
| Long Term Debt | (22.3) | | (22.3) | |
| Net Working Capital | (9.4) | | (9.4) | |
| *Plus:* | | | | |
| Cash | 18.8 | | 18.8 | |
| Other Investments | 33.3 | | 33.3 | |
| Assets Whose Use is Limited | 1.1 | | 1.1 | |
| **Total Adjustments** | 21.4 | | 21.4 | |
| | | | | |
| **Total Upfront Consideration** | **$52.9** | - | **$79.9** | |

*Note: Reflects December 31, 2010 GWHN financial statements unless otherwise stated*
*(2) Based on estimated EBITDA from management discussions*

# Overview of Proposals

## Upfront Consideration Analysis – [redacted]

*($ in millions)*

| | [redacted] |
|---|---|
| Metric from Proposal | **$10.0** |
| Adjustments: | |
| *Less:* | |
| Long Term Debt | (22.3) |
| 3rd Party Liability [(3)] | (2.7) |
| *Plus:* | |
| Cash | 18.8 |
| Other Investments | 33.3 |
| Assets Whose Use is Limited | 1.1 |
| Assumption of Pension Liability | 9.3 |
| **Total Adjustments** | 37.3 |
| **Total Upfront Consideration** | **$47.3** |

*Note: Reflects December 31, 2010 GWHN financial statements unless otherwise stated*
*(3) Third-party liabilities need to be addressed and negotiated; assumes full GWHN liability, which may not be the case*

-HIGHLY CONFIDENTIAL-

# THE GREATER WATERBURY HEALTH NETWORK, INC

## Discussion Materials

May 11, 2011

CAIN BROTHERS

*Table of Contents*

I. Agenda

II. Fiduciary Responsibility and Administrative Items

III. Goals & Objectives

IV. Summary of Submitted Proposals

V. Appendices

a. Proposal I

b. Proposal II

c. Proposal III

d. Proposal IV

## *I. Agenda*

- Review Fiduciary Responsibilities and Logistics
- Review & Reassess Stated Objectives
- Review and Assess Proposals
- Next Steps

# GWHN's Trustee and Board Fiduciary Responsibilities

- **Duty of Obedience**
  - Fulfilling GWHN's mission to the community
- **Duty of Care**
  - Discharge work in good faith and in a manner the trustees believe to be in the best interests of GWHN
  - Reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances
- **Duty of Loyalty**
  - Avoid conflicts of interest related to competition, self-dealing, use of inside information
  - No usurpation of GWHN's opportunities
  - Maintain confidentiality

## APPROVALS REQUIRED FOR VARIOUS TRANSACTION TYPES

| Transaction Type | Network | | Hospital | |
|---|---|---|---|---|
| | Directors | Members | Trustees | Sole Member |
| Merger | Majority[1] (5) | Majority of members present (16) | Majority (5) | 2/3 of Network Directors then in office (12) |
| Sale of assets w/o significant continuing activity[2] | Majority (5) | Majority of members present (16) | Majority (5) | 2/3 of Network Directors then in office (12) |
| Dissolution & Plan of Distribution | Majority (5) | Majority of members present (16) | Majority (5) | 2/3 of Network Directors then in office (12) |
| Amend Certificate of Incorporation | Majority (5) | Majority of members present (16) | Majority (5) | 2/3 of Network Directors then in office (12) |
| Amend Bylaws | 2/3 of Directors (12) | Not required | Trustees may not amend Bylaws | 2/3 of Network Directors then in office (12) |
| Other Transactions[3] | Majority (5) | Not required other than as listed above | Majority (5) | 2/3 of Network Directors then in office (12) |

Network: 17 Directors
Hospital: 17 Trustees

Quorum for Network Board: majority of Directors, counting ex-officio Directors; i.e. 9 Directors
Quorum for Hospital Board: majority of Trustees, counting ex-officio Trustees; i.e. 9 Trustees
Quorum for Network Members: 30

[1] "Majority" means a majority of the Trustees or Directors, as the case may be, present at a meeting at which a quorum is present. Corresponding number of assumes the minimum number of Directors or Trustees, as the case may be, required to constitute a quorum are present (i.e. 9).

[2] Applicable if disposition would leave the corporation without a significant continuing activity. If a corporation retains an activity that represented at least twenty-five per cent of total assets at the end of the most recently completed fiscal year, and twenty-five per cent of either income from continuing operations before taxes or revenues from continuing operations for such fiscal year, for the corporation and each of its subsidiaries on a consolidated basis, the corporation will conclusively be deemed to have retained a significant continuing activity. C.G.S. §33-1166.

[3] Any transaction providing for either (i) the sale, mortgage or other disposition of greater than three per cent of the operating assets of the Hospital; or (ii) the sale or disposition of an operating unit of the Hospital; or organize, acquire, or dispose of, or authorize the organization, acquisition or disposition of, any subsidiary or affiliate.

*III. Goals & Objectives*

The following were listed in the CIM GWHN's stated goals & objectives:

- *Ensure Waterbury Hospital remains a viable health care entity, providing the highest safety and quality health care services to the Greater Waterbury communities for the long-term*
- *Deploy repeatable and scalable tools and clinical care services to continually improve the health of the community*
- *Provide access to sufficient capital to meet current and future capital needs while strengthening the balance sheet*
- *Enhance the Hospital's medical staff by attracting and retaining physicians*
- *Maintain high satisfaction scores by patients, physicians, employees and volunteers*
- *Continue charitable care delivery and funding*

*IV. Summary of Submitted Proposals*

# Overview of Proposals

## Summary of Indications of Interest

| *($ in millions)* | [redacted] | LHP Hospital Group, Inc. – Culture · Collaboration · Capital – Saint Mary's Health System | [redacted] | [redacted] |
|---|---|---|---|---|
| **Form of Transaction** | ▪ Equity JV; or<br>▪ Non-equity Affiliation; or<br>▪ Full Integrated Affiliation | Asset purchase | ▪ Asset purchase; or<br>▪ 25% / 75% JV | ▪ Asset purchase; or<br>▪ Taxable JV |
| **Upfront Consideration** (1) | TBD | $89.4 – $119.4 | $52.9 – $79.9 | $47.3 |
| **Long Term Capital Commitments** | TBD | Minimum investment of $75 over 5 years (2) | Minimum investment between $55 – $75 over 5 years (3) | Minimum investment of $90 over 7 years |
| **Governance** | TBD | 4 Board Members / Trustees | TBD (4) | TBD (4) |
| **Continuation of Services** | TBD | Up to 5 Years | TBD (5) | Up to 10 years |
| **No Sale Provision** | TBD (6) | Up to 3 Years | Up to 3 Years | TBD (7) |

*(1) Based on Cain Brothers estimates and discussions; see following pages for calculation*
*(2) Excludes SMH deal commitment of $75; Anticipated at least $50 in "New / LHP" capital above and beyond operational cash flow; may consider new facility*
*(3) Based on percentage of historical depreciation and maintenance CapEx and subject to diligence; consists of "New" capital and does NOT preclude identified expansion opportunities*
*(4) To be determined, but anticipated local community board representation and oversight*
*(5) To be determined, but anticipated continuation services for foreseeable future*
*(6) As an tax-exempt organization, does not include nor anticipate such divestitures at a later date*
*(7) Does not buy assets with the intention of selling them*

# Overview of Proposals

## Summary of Indications of Interest

| | [redacted] | LHP Hospital Group, Inc. / Saint Mary's Health System | [redacted] | [redacted] |
|---|---|---|---|---|
| **Expansion of Services** | TBD | ▪ Priority to expand access to subspecialty services in the area<br>▪ More integrated approach to comprehensive cancer care<br>▪ Optimize Heart Center clinically and financially | ▪ Additions to service line and other clinical augmentations identified through strategic planning process undertaken by hospital<br>▪ Primary focus of due diligence process is to work with management to identify opportunities | ▪ Continually evaluate the existing service mix and identify new services which will benefit the hospital and community<br>▪ Work with local management, medical staff and local board to identify opportunities |
| **Right of First Refusal / Repurchase Rights** | Amenable to certain provisions to be determined | Open to extending a right to GWHN similar to existing SMH | If a JV structure, yes | Open for discussion |
| **Charity Care** | No changes expected | Use the existing SMH charity care policy | No changes to existing charity care expected | No changes to existing charity care expected |
| **Ethical and Religious Directives** | None | Open for discussion | None | None |
| **Employee Matters** | No changes expected | TBD | Employ active employees in good standing | No changes expected |

# Overview of Proposals

## Upfront Consideration Analysis – LHP / St. Mary's

*($ in millions)*

| | LHP | Saint Mary's | |
|---|---|---|---|
| Metric from Proposal | **$80.0** | **- $110.0** | |
| Adjustments: | | | |
| *Less:* | | | |
| Accounts Receivable @ 10% Discount | (31.8) | (31.8) | |
| Inventories, Other | (5.8) | (5.8) | |
| *Plus:* | | | |
| Accounts Payable | 13.4 | 13.4 | |
| Other Accrued Expenses | 14.8 | 14.8 | |
| **Total Net Work Capital Adjustment** | **(9.4)** | **(9.4)** | **A** |
| *Plus* Asset Retained: | | | |
| Cash | 18.8 | 18.8 | |
| Other Investments | 33.3 | 33.3 | |
| Assets Whose Use is Limited | 1.1 | 1.1 | |
| *Less* Liabilities Retained: | | | |
| Accrued Pension Liability | (9.3) | (9.3) | |
| Long Term Debt | (22.3) | (22.3) | |
| 3rd Party Liability [(1)] | (2.7) | (2.7) | |
| **Total Other Adjustments** | **18.8** | **18.8** | **B** |
| **Total Upfront Consideration** | **$89.4** | **- $119.4** | **A + B** |

*Note: Reflects December 31, 2010 GWHN financial statements unless otherwise stated*
*(1) Third-party liabilities need to be addressed and negotiated; assumes full GWHN liability, which may not be the case*

# Overview of Proposals

## Upfront Consideration Analysis – [redacted]

*($ in millions)*

[redacted]

| | | | | |
|---|---|---|---|---|
| Metric from Proposal | 4.5x | - | 6.5x | LTM EBITDA |
| EBITDA [(2)] | $7.0 | | $9.0 | |
| Implied Value | **$31.5** | | **$58.5** | |
| | | | | |
| Adjustments: | | | | |
| *Less:* | | | | |
| Long Term Debt | (22.3) | | (22.3) | |
| Net Working Capital | (9.4) | | (9.4) | |
| *Plus:* | | | | |
| Cash | 18.8 | | 18.8 | |
| Other Investments | 33.3 | | 33.3 | |
| Assets Whose Use is Limited | 1.1 | | 1.1 | |
| **Total Adjustments** | 21.4 | | 21.4 | |
| | | | | |
| **Total Upfront Consideration** | **$52.9** | - | **$79.9** | |

*Note: Reflects December 31, 2010 GWHN financial statements unless otherwise stated*
*(2) Based on estimated EBITDA from management discussions*

# Overview of Proposals

## Upfront Consideration Analysis – [redacted]

*($ in millions)*

[redacted]

| | |
|---|---|
| Metric from Proposal | **$10.0** |
| Adjustments: | |
| *Less:* | |
| Long Term Debt | (22.3) |
| 3rd Party Liability [3] | (2.7) |
| *Plus:* | |
| Cash | 18.8 |
| Other Investments | 33.3 |
| Assets Whose Use is Limited | 1.1 |
| Assumption of Pension Liability | 9.3 |
| **Total Adjustments** | 37.3 |
| **Total Upfront Consideration** | **$47.3** |

*Note: Reflects December 31, 2010 GWHN financial statements unless otherwise stated*
*(3) Third-party liabilities need to be addressed and negotiated; assumes full GWHN liability, which may not be the case*

-HIGHLY CONFIDENTIAL-

# THE GREATER WATERBURY HEALTH NETWORK, INC

## Discussion Materials

May 24, 2011

CAIN BROTHERS

*Table of Contents*

I. Agenda

II. Governance vs. Ownership

III. Updated Summary of Submitted Proposals

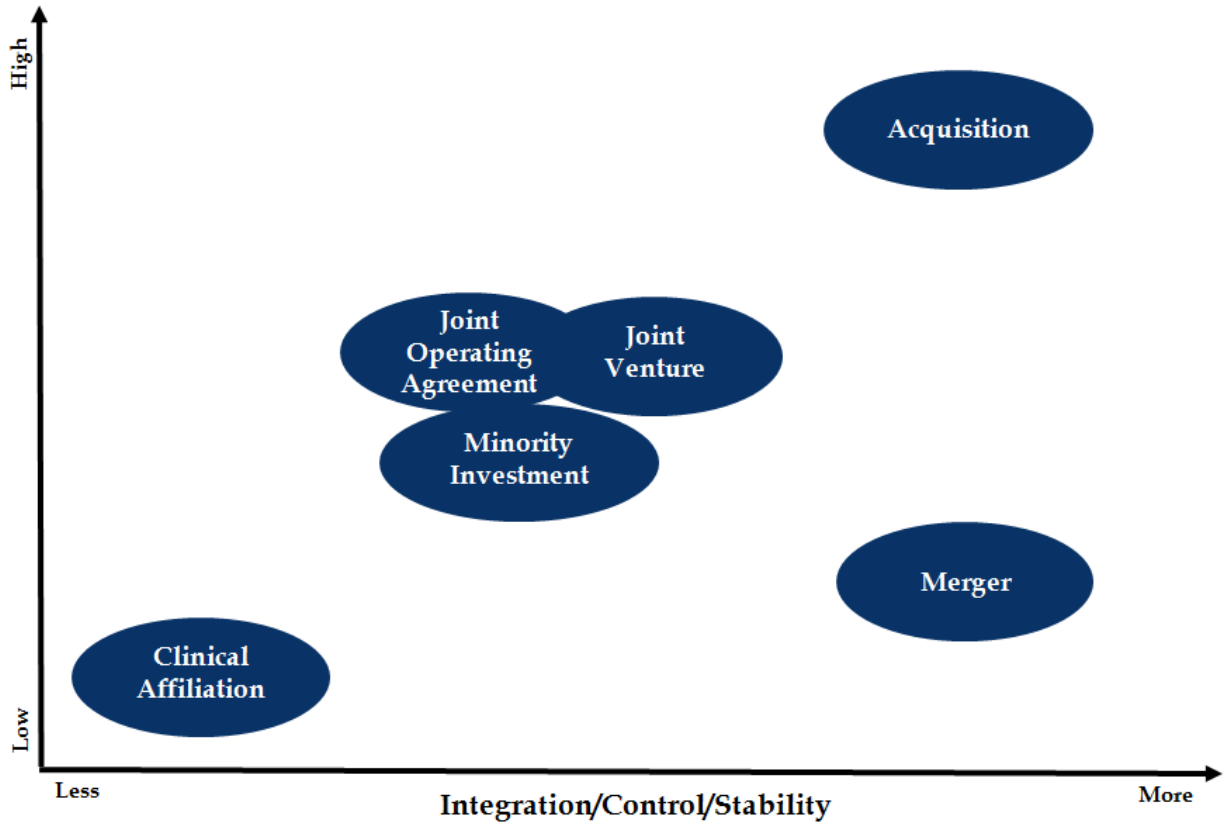
IV. Timeline

V. Appendices

## *I. Agenda*

- Discussion on Governance vs. Ownership
- Review & Reassess Revised Proposals
- Next Steps

## Structure Cost vs. Benefits



*II. Governance vs. Ownership*

## Transaction Structures

| | |
|---|---|
| **Clinical Affiliation** | • Contractual arrangement for specific clinical relationships and programs<br>• Shared intellectual capital<br>• Licensing fees |
| **Joint Operating Agreement** | • Separate legal and fiduciary entities<br>• Shared services, contracting, strategy<br>• Joint governance<br>• Segregated assets |
| **Minority Interest Investment** | • Proportional governance<br>• Supermajority rights<br>• Financial returns |
| **Joint Venture** | • New entity<br>• Shared governance<br>• Shared capital |
| **Merger** | • Combination typically without cash consideration<br>• Shared governance<br>• Contractual obligations for capital, services, etc. |
| **Acquisition** | • Purchase of hospital<br>• 100% control<br>• Contractual obligations for capital, services, etc. |

*III. Summary of Submitted Proposals*

## *IV. Timeline*

**Next 4 – 8 Weeks**

- Coordinate due diligence processes including data room access, management interviews and presentations, site visits, etc.
- Solicit and receive formal indications of interest including marked definitive agreements
- Review and analyze responses
- Refine and negotiate for "final and best"
- Summarize and present for final sub-committee and board approval

**May 2011**

| S | M | T | W | T | F | S |
|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 8 | 9 | 10 | 11 | 12 | 13 | 14 |
| 15 | 16 | 17 | 18 | 19 | 20 | 21 |
| 22 | 23 | 24 | 25 | 26 | 27 | 28 |
| 29 | 30 | 31 | | | | |

**June 2011**

| S | M | T | W | T | F | S |
|---|---|---|---|---|---|---|
| | | | 1 | 2 | 3 | 4 |
| 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| 12 | 13 | 14 | 15 | 16 | 17 | 18 |
| 19 | 20 | 21 | 22 | 23 | 24 | 25 |
| 26 | 27 | 28 | 29 | 30 | | |

**July 2011**

| S | M | T | W | T | F | S |
|---|---|---|---|---|---|---|
| | | | | | 1 | 2 |
| 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| 10 | 11 | 12 | 13 | 14 | 15 | 16 |
| 17 | 18 | 19 | 20 | 21 | 22 | 23 |
| 24 | 25 | 26 | 27 | 28 | 29 | 30 |
| 31 | | | | | | |

**August 2011**

| S | M | T | W | T | F | S |
|---|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | 6 |
| 7 | 8 | 9 | 10 | 11 | 12 | 13 |
| 14 | 15 | 16 | 17 | 18 | 19 | 20 |
| 21 | 22 | 23 | 24 | 25 | 26 | 27 |
| 28 | 29 | 30 | 31 | | | |

**September 2011**

| S | M | T | W | T | F | S |
|---|---|---|---|---|---|---|
| | | | | 1 | 2 | 3 |
| 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| 11 | 12 | 13 | 14 | 15 | 16 | 17 |
| 18 | 19 | 20 | 21 | 22 | 23 | 24 |
| 25 | 26 | 27 | 28 | 29 | 30 | |

**October 2011**

| S | M | T | W | T | F | S |
|---|---|---|---|---|---|---|
| | | | | | | 1 |
| 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| 16 | 17 | 18 | 19 | 20 | 21 | 22 |
| 23 | 24 | 25 | 26 | 27 | 28 | 29 |
| 30 | 31 | | | | | |

**November 2011**

| S | M | T | W | T | F | S |
|---|---|---|---|---|---|---|
| | | 1 | 2 | 3 | 4 | 5 |
| 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| 13 | 14 | 15 | 16 | 17 | 18 | 19 |
| 20 | 21 | 22 | 23 | 24 | 25 | 26 |
| 27 | 28 | 29 | 30 | | | |

**December 2011**

| S | M | T | W | T | F | S |
|---|---|---|---|---|---|---|
| | | | | 1 | 2 | 3 |
| 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| 11 | 12 | 13 | 14 | 15 | 16 | 17 |
| 18 | 19 | 20 | 21 | 22 | 23 | 24 |
| 25 | 26 | 27 | 28 | 29 | 30 | 31 |

CONFIDENTIAL

*IV. Timeline*

**Weeks 7 – Close**

- Represent or be available to respond to any inquiries regarding the proposed transactions with regulatory bodies (e.g. Attorney General, the Federal Trade Commission, State and City Department of Health)
- Assist in developing an effective communications strategy with key constituencies – including physician-owners, patients, employees, media and regulators
- Dispute resolution
- Contract enforcement

**May 2011**

| S | M | T | W | T | F | S |
|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 8 | 9 | 10 | 11 | 12 | 13 | 14 |
| 15 | 16 | 17 | 18 | 19 | 20 | 21 |
| 22 | 23 | 24 | 25 | 26 | 27 | 28 |
| 29 | 30 | 31 | | | | |

**June 2011**

| S | M | T | W | T | F | S |
|---|---|---|---|---|---|---|
| | | | 1 | 2 | 3 | 4 |
| 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| 12 | 13 | 14 | 15 | 16 | 17 | 18 |
| 19 | 20 | 21 | 22 | 23 | 24 | 25 |
| 26 | 27 | 28 | 29 | 30 | | |

**July 2011**

| S | M | T | W | T | F | S |
|---|---|---|---|---|---|---|
| | | | | | 1 | 2 |
| 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| 10 | 11 | 12 | 13 | 14 | 15 | 16 |
| 17 | 18 | 19 | 20 | 21 | 22 | 23 |
| 24 | 25 | 26 | 27 | 28 | 29 | 30 |
| 31 | | | | | | |

**August 2011**

| S | M | T | W | T | F | S |
|---|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | 6 |
| 7 | 8 | 9 | 10 | 11 | 12 | 13 |
| 14 | 15 | 16 | 17 | 18 | 19 | 20 |
| 21 | 22 | 23 | 24 | 25 | 26 | 27 |
| 28 | 29 | 30 | 31 | | | |

**September 2011**

| S | M | T | W | T | F | S |
|---|---|---|---|---|---|---|
| | | | | 1 | 2 | 3 |
| 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| 11 | 12 | 13 | 14 | 15 | 16 | 17 |
| 18 | 19 | 20 | 21 | 22 | 23 | 24 |
| 25 | 26 | 27 | 28 | 29 | 30 | |

**October 2011**

| S | M | T | W | T | F | S |
|---|---|---|---|---|---|---|
| | | | | | | 1 |
| 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| 16 | 17 | 18 | 19 | 20 | 21 | 22 |
| 23 | 24 | 25 | 26 | 27 | 28 | 29 |
| 30 | 31 | | | | | |

**November 2011**

| S | M | T | W | T | F | S |
|---|---|---|---|---|---|---|
| | | 1 | 2 | 3 | 4 | 5 |
| 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| 13 | 14 | 15 | 16 | 17 | 18 | 19 |
| 20 | 21 | 22 | 23 | 24 | 25 | 26 |
| 27 | 28 | 29 | 30 | | | |

**December 2011**

| S | M | T | W | T | F | S |
|---|---|---|---|---|---|---|
| | | | | 1 | 2 | 3 |
| 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| 11 | 12 | 13 | 14 | 15 | 16 | 17 |
| 18 | 19 | 20 | 21 | 22 | 23 | 24 |
| 25 | 26 | 27 | 28 | 29 | 30 | 31 |

CONFIDENTIAL

-HIGHLY CONFIDENTIAL-

# THE GREATER WATERBURY HEALTH NETWORK, INC

## Discussion Materials

May 24, 2011

CAIN BROTHERS

*Table of Contents*

I. Agenda

II. Governance vs. Ownership

III. Updated Summary of Submitted Proposals

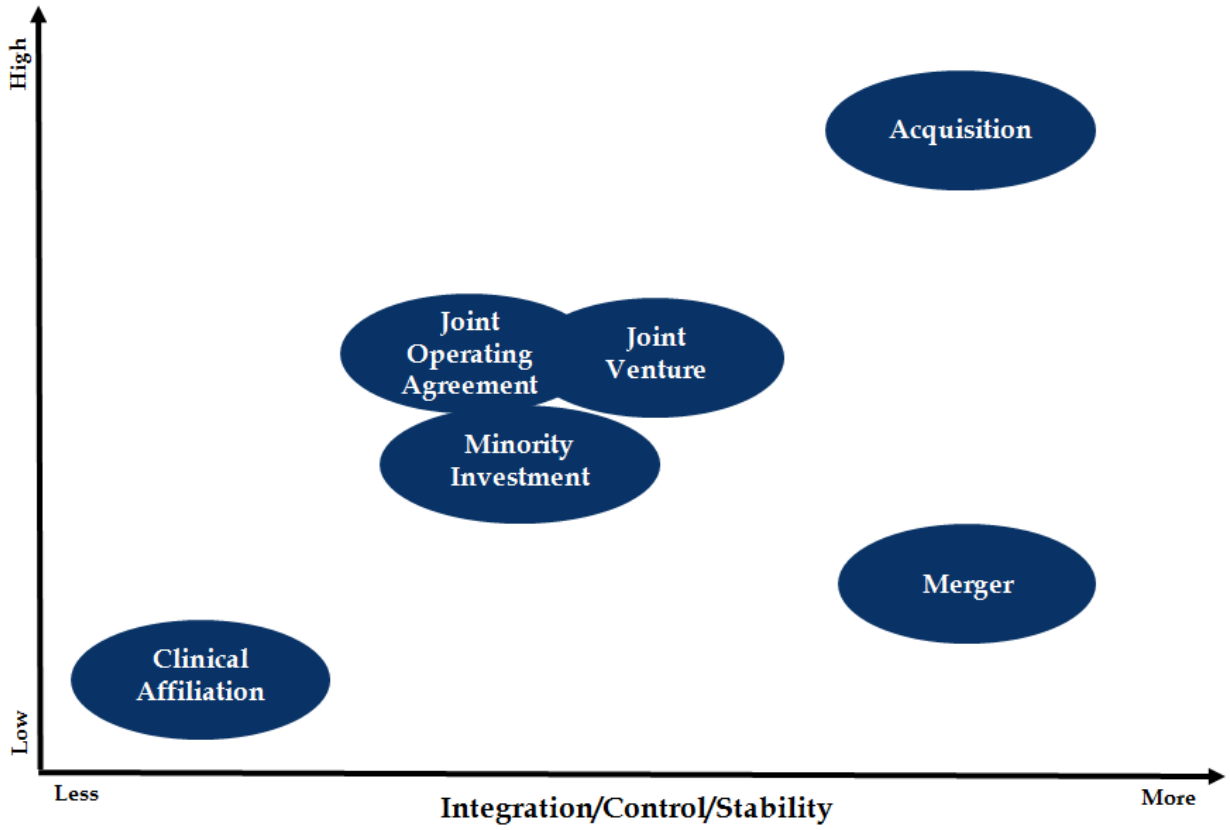
IV. Timeline

V. Appendices

## *I. Agenda*

- Discussion on Governance vs. Ownership
- Review & Reassess Revised Proposals
- Next Steps

## Structure Cost vs. Benefits



*II. Governance vs. Ownership*

## Transaction Structures

| | |
|---|---|
| **Clinical Affiliation** | • Contractual arrangement for specific clinical relationships and programs<br>• Shared intellectual capital<br>• Licensing fees |
| **Joint Operating Agreement** | • Separate legal and fiduciary entities<br>• Shared services, contracting, strategy<br>• Joint governance<br>• Segregated assets |
| **Minority Interest Investment** | • Proportional governance<br>• Supermajority rights<br>• Financial returns |
| **Joint Venture** | • New entity<br>• Shared governance<br>• Shared capital |
| **Merger** | • Combination typically without cash consideration<br>• Shared governance<br>• Contractual obligations for capital, services, etc. |
| **Acquisition** | • Purchase of hospital<br>• 100% control<br>• Contractual obligations for capital, services, etc. |

*III. Summary of Submitted Proposals*

# Overview of Proposals

## Summary of Indications of Interest

| *($ in millions)* | [redacted] | LHP Hospital Group, Inc. / Saint Mary's Health System | [redacted] | [redacted] |
|---|---|---|---|---|
| **Form of Transaction** | ▪ Equity JV; or<br>▪ Non-equity Affiliation; or<br>▪ Full Integrated Affiliation | Asset purchase | ▪ Asset purchase; or<br>▪ 25% / 75% JV | ▪ Asset purchase; or<br>▪ Taxable JV |
| **Upfront Consideration** (1) | TBD | i. $109.0 – $124.0 or<br>ii. Minimum upfront w/ commitment for replacement hospital | $37.3 – $62.3 | $48.0 |
| **Long Term Capital Commitments** | TBD | i. Minimum investment of $160 over 5 years (2) or<br>ii. Commitment for replacement hospital | Minimum investment between $55 – $75 over 5 years (3) | Minimum investment of $90 over 7 years |
| **Governance** | TBD | 4 Board Members / Trustees | TBD (4) | TBD (4) |
| **Continuation of Services** | TBD | Up to 5 Years | TBD (5) | Up to 10 years |
| **No Sale Provision** | TBD (6) | Up to 3 Years | Up to 3 Years | TBD (7) |

*(1) Based on Cain Brothers estimates and discussions; see following pages for calculation*
*(2) Includes $75 million already committed to SMH;*
*(3) Based on percentage of historical depreciation and maintenance CapEx and subject to diligence; consists of "New" capital and does NOT preclude identified expansion opportunities*
*(4) To be determined, but anticipated local community board representation and oversight*
*(5) To be determined, but anticipated continuation services for foreseeable future*
*(6) As an tax-exempt organization, does not include nor anticipate such divestitures at a later date*
*(7) Does not buy assets with the intention of selling them*

# Overview of Proposals

## Summary of Indications of Interest

| | [redacted] | LHP Hospital Group, Inc. / Saint Mary's Health System | [redacted] | [redacted] |
|---|---|---|---|---|
| **Expansion of Services** | TBD | ▪ Priority to expand access to subspecialty services in the area<br>▪ More integrated approach to comprehensive cancer care<br>▪ Optimize Heart Center clinically and financially | ▪ Additions to service line and other clinical augmentations identified through strategic planning process undertaken by hospital<br>▪ Primary focus of due diligence process is to work with management to identify opportunities | ▪ Continually evaluate the existing service mix and identify new services which will benefit the hospital and community<br>▪ Work with local management, medical staff and local board to identify opportunities |
| **Right of First Refusal / Repurchase Rights** | Amenable to certain provisions to be determined | Open to extending a right to GWHN similar to existing SMH | If a JV structure, yes | Open for discussion |
| **Charity Care** | No changes expected | Use the existing SMH charity care policy | No changes to existing charity care expected | No changes to existing charity care expected |
| **Ethical and Religious Directives** | None | Open for discussion | None | None |
| **Employee Matters** | No changes expected | TBD | Employ active employees in good standing | No changes expected |

# Overview of Proposals

## Upfront Consideration Analysis – LHP / St. Mary's

*($ in millions)*

| | LHP | Saint Mary's | |
|---|---|---|---|
| Metric from Proposal | **$100.0** | **- $115.0** | |
| Adjustments: | | | |
| *Less:* | | | |
| Accounts Receivable @ 10% Discount | (34.6) | (34.6) | |
| Inventories, Other | (7.3) | (7.3) | |
| *Plus:* | | | |
| Accounts Payable | 16.3 | 16.3 | |
| Other Accrued Expenses | 15.5 | 15.5 | |
| **Total Net Work Capital Adjustment** | **(10.1)** | **(10.1)** | **A** |
| *Plus* Asset Retained: | | | |
| Cash | 21.5 | 21.5 | |
| Other Investments | 35.8 | 35.8 | |
| Assets Whose Use is Limited | 0.6 | 0.6 | |
| *Less* Liabilities Retained: | | | |
| Accrued Pension Liability | (9.4) | (9.4) | |
| Long Term Debt | (28.7) | (28.7) | |
| 3rd Party Liability [(1)] | (0.6) | (0.6) | |
| **Total Other Adjustments** | **19.1** | **19.1** | **B** |
| **Total Upfront Consideration** | **$109.0** | **- $124.0** | **A + B** |

*Note: Reflects March 31, 2011 GWHN financial statements unless otherwise stated*
*(1) Third-party liabilities need to be addressed and negotiated; assumes full GWHN liability, which may not be the case*

# Overview of Proposals

## Upfront Consideration Analysis – [redacted]

*($ in millions)*

[redacted]

| | | | |
|---|---|---|---|
| Metric from Proposal | 4.5x - | 6.5x | LTM EBITDA |
| EBITDA [(1)] | $6.0 | $8.0 | |
| Implied Value | **$27.0** | **$52.0** | |
| | | | |
| Adjustments: | | | |
| *Less:* | | | |
| Long Term Debt | (28.7) | (28.7) | |
| Net Working Capital | (10.1) | (10.1) | |
| Accrued Pension Liability | (9.4) | (9.4) | |
| *Plus:* | | | |
| Cash | 21.5 | 21.5 | |
| Other Investments | 35.8 | 35.8 | |
| Assets Whose Use is Limited | 0.6 | 0.6 | |
| 3rd Party Liability [(2)] | 0.6 | 0.6 | |
| **Total Adjustments** | 10.3 | 10.3 | |
| | | | |
| **Total Upfront Consideration** | **$37.3** - | **$62.3** | |

*Note: Reflects March 31, 2010 GWHN financial statements unless otherwise stated*
*(1) Based on estimated EBITDA from management discussions*
*(2) Third-party liabilities need to be addressed and negotiated; assumes full GWHN liability, which may not be the case*

# Overview of Proposals

## Upfront Consideration Analysis – [redacted]

*($ in millions)*

[redacted]

| | |
|---|---|
| Metric from Proposal | **$10.0** |
| Adjustments: | |
| *Less:* | |
| Long Term Debt | (28.7) |
| 3rd Party Liability [(1)] | (0.6) |
| *Plus:* | |
| Cash | 21.5 |
| Other Investments | 35.8 |
| Assets Whose Use is Limited | 0.6 |
| Assumption of Pension Liability | 9.4 |
| **Total Adjustments** | 38.0 |
| **Total Upfront Consideration** | **$48.0** |

*Note: Reflects March 31, 2010 GWHN financial statements unless otherwise stated*
*(1) Third-party liabilities need to be addressed and negotiated; assumes full GWHN liability, which may not be the case*

## *IV. Timeline*

**Next 4 – 8 Weeks**

- Coordinate due diligence processes including data room access, management interviews and presentations, site visits, etc.
- Solicit and receive formal indications of interest including marked definitive agreements
- Review and analyze responses
- Refine and negotiate for "final and best"
- Summarize and present for final sub-committee and board approval

**May 2011**

| S | M | T | W | T | F | S |
|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 8 | 9 | 10 | 11 | 12 | 13 | 14 |
| 15 | 16 | 17 | 18 | 19 | 20 | 21 |
| 22 | 23 | 24 | 25 | 26 | 27 | 28 |
| 29 | 30 | 31 | | | | |

**June 2011**

| S | M | T | W | T | F | S |
|---|---|---|---|---|---|---|
| | | | 1 | 2 | 3 | 4 |
| 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| 12 | 13 | 14 | 15 | 16 | 17 | 18 |
| 19 | 20 | 21 | 22 | 23 | 24 | 25 |
| 26 | 27 | 28 | 29 | 30 | | |

**July 2011**

| S | M | T | W | T | F | S |
|---|---|---|---|---|---|---|
| | | | | | 1 | 2 |
| 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| 10 | 11 | 12 | 13 | 14 | 15 | 16 |
| 17 | 18 | 19 | 20 | 21 | 22 | 23 |
| 24 | 25 | 26 | 27 | 28 | 29 | 30 |
| 31 | | | | | | |

**August 2011**

| S | M | T | W | T | F | S |
|---|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | 6 |
| 7 | 8 | 9 | 10 | 11 | 12 | 13 |
| 14 | 15 | 16 | 17 | 18 | 19 | 20 |
| 21 | 22 | 23 | 24 | 25 | 26 | 27 |
| 28 | 29 | 30 | 31 | | | |

**September 2011**

| S | M | T | W | T | F | S |
|---|---|---|---|---|---|---|
| | | | | 1 | 2 | 3 |
| 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| 11 | 12 | 13 | 14 | 15 | 16 | 17 |
| 18 | 19 | 20 | 21 | 22 | 23 | 24 |
| 25 | 26 | 27 | 28 | 29 | 30 | |

**October 2011**

| S | M | T | W | T | F | S |
|---|---|---|---|---|---|---|
| | | | | | | 1 |
| 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| 16 | 17 | 18 | 19 | 20 | 21 | 22 |
| 23 | 24 | 25 | 26 | 27 | 28 | 29 |
| 30 | 31 | | | | | |

**November 2011**

| S | M | T | W | T | F | S |
|---|---|---|---|---|---|---|
| | | 1 | 2 | 3 | 4 | 5 |
| 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| 13 | 14 | 15 | 16 | 17 | 18 | 19 |
| 20 | 21 | 22 | 23 | 24 | 25 | 26 |
| 27 | 28 | 29 | 30 | | | |

**December 2011**

| S | M | T | W | T | F | S |
|---|---|---|---|---|---|---|
| | | | | 1 | 2 | 3 |
| 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| 11 | 12 | 13 | 14 | 15 | 16 | 17 |
| 18 | 19 | 20 | 21 | 22 | 23 | 24 |
| 25 | 26 | 27 | 28 | 29 | 30 | 31 |

CONFID

*IV. Timeline*

**Weeks 7 – Close**

- Represent or be available to respond to any inquiries regarding the proposed transactions with regulatory bodies (e.g. Attorney General, the Federal Trade Commission, State and City Department of Health)
- Assist in developing an effective communications strategy with key constituencies – including physician-owners, patients, employees, media and regulators
- Dispute resolution
- Contract enforcement

**May 2011**

| S | M | T | W | T | F | S |
|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 8 | 9 | 10 | 11 | 12 | 13 | 14 |
| 15 | 16 | 17 | 18 | 19 | 20 | 21 |
| 22 | 23 | 24 | 25 | 26 | 27 | 28 |
| 29 | 30 | 31 | | | | |

**June 2011**

| S | M | T | W | T | F | S |
|---|---|---|---|---|---|---|
| | | | 1 | 2 | 3 | 4 |
| 5 | 6 | 7 | 8 | 9 | 10 | 11 |
| 12 | 13 | 14 | 15 | 16 | 17 | 18 |
| 19 | 20 | 21 | 22 | 23 | 24 | 25 |
| 26 | 27 | 28 | 29 | 30 | | |

**July 2011**

| S | M | T | W | T | F | S |
|---|---|---|---|---|---|---|
| | | | | | 1 | 2 |
| 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| 10 | 11 | 12 | 13 | 14 | 15 | 16 |
| 17 | 18 | 19 | 20 | 21 | 22 | 23 |
| 24 | 25 | 26 | 27 | 28 | 29 | 30 |
| 31 | | | | | | |

**August 2011**

| S | M | T | W | T | F | S |
|---|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | 6 |
| 7 | 8 | 9 | 10 | 11 | 12 | 13 |
| 14 | 15 | 16 | 17 | 18 | 19 | 20 |
| 21 | 22 | 23 | 24 | 25 | 26 | 27 |
| 28 | 29 | 30 | 31 | | | |

**September 2011**

| S | M | T | W | T | F | S |
|---|---|---|---|---|---|---|
| | | | | 1 | 2 | 3 |
| 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| 11 | 12 | 13 | 14 | 15 | 16 | 17 |
| 18 | 19 | 20 | 21 | 22 | 23 | 24 |
| 25 | 26 | 27 | 28 | 29 | 30 | |

**October 2011**

| S | M | T | W | T | F | S |
|---|---|---|---|---|---|---|
| | | | | | | 1 |
| 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| 16 | 17 | 18 | 19 | 20 | 21 | 22 |
| 23 | 24 | 25 | 26 | 27 | 28 | 29 |
| 30 | 31 | | | | | |

**November 2011**

| S | M | T | W | T | F | S |
|---|---|---|---|---|---|---|
| | | 1 | 2 | 3 | 4 | 5 |
| 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| 13 | 14 | 15 | 16 | 17 | 18 | 19 |
| 20 | 21 | 22 | 23 | 24 | 25 | 26 |
| 27 | 28 | 29 | 30 | | | |

**December 2011**

| S | M | T | W | T | F | S |
|---|---|---|---|---|---|---|
| | | | | 1 | 2 | 3 |
| 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| 11 | 12 | 13 | 14 | 15 | 16 | 17 |
| 18 | 19 | 20 | 21 | 22 | 23 | 24 |
| 25 | 26 | 27 | 28 | 29 | 30 | 31 |

CONFID

# A Proposal for the Greater Waterbury Health Network From Southwest Connecticut Health System, LLC

**(a joint venture between LHP Hospital Group, Inc. and Saint Mary's Health System, Inc.)**

**Revised May ~~2~~23, 2011**

LHP Hospital Group, Inc.™
Culture · Collaboration · Capital

May ~~2~~23, 2011

Cain Brothers & Company, LLC
360 Madison Avenue, 5th Floor
New York, New York 10017
Attn: Jason D. Horowitz, Senior Vice President

## Re: Proposal for Greater Waterbury Health Network

Dear Mr. Horowitz:

In accordance with the instructions found in the Confidential Information Memorandum regarding the Greater Waterbury Health Network ("GWHN") dated April 2011 (the "CIM"), and based upon discussions with you regarding our previous response, LHP Hospital Group, Inc. ("LHP") and Saint Mary's Health System, Inc., ("SMHS") through their recently announced joint venture Southwest Connecticut Health System, LLC ("the JV"), are pleased to submit the attached revised proposal for your consideration.

LHP is well-known throughout the hospital industry for its innovative approach to collaborative relationships with not-for-profit providers. LHP was established to provide essential capital and expertise to not-for-profit hospitals and health systems in a manner that is consistent with their existing values and historical missions. Built upon the foundation of a collaborative culture that values relationships, embraces local governance, empowers continued capital investment and insists upon quality, LHP has established itself as the partner of choice for some of the top not-for-profit, mission-oriented health systems in the country. Through joint ventures with not-for-profit hospitals, LHP provides the capital resources and subject matter expertise to assist hospitals and health systems to fully execute their strategic objectives without the necessity of selling their assets or going deeper into debt. These JVs are the centerpiece of LHP's development strategy.

Based upon our understanding of GWHN's preferences as explained in the CIM, we have structured this proposal as an asset purchase. In keeping with our belief that the best healthcare decisions are made locally, and mindful of the central role that GWHN and its leaders have long played in addressing the healthcare needs of the greater Waterbury community, we are also proposing that GWHN remain intimately involved in the ongoing governance of the combined health system through active participation on the JV Board of Directors.

*"...we are... proposing ~~that GWHN remain intimately involved in the ongoing governance of the combined health system through active participation on the JV Board of Directors."*

The complete recapitalization of SMHS as a result of the JV has eliminated many of the primary impediments to a merger of the two competing health systems in Waterbury into one strong, well capitalized health system. The cash being contributed to the JV by LHP will be used, in part, to eliminate SMHS's existing debt and to fully fund the SMHS employee pension plan. A

combined local health system involving both GWHN and SMHS will have the ability to replace aging plant and equipment, expand the continuum of care, and recruit and retain high quality physicians and staff.

> *"We believe that this is likely to be the best opportunity that we will see for a generation to complete the work that GWHN and SMHS have been collectively laboring to achieve for many years – establishing a single, strong, local health system based in Waterbury."*

We believe that this is likely to be the best opportunity that we will see for a generation to complete the work that GWHN and SMHS have been collectively laboring to achieve for many years – establishing a single, strong, local health system based in Waterbury. And given the myriad challenges confronting us all with the passage of health reform legislation early last year, we see it as coming at precisely the right time.

Attachment I outlines our proposal in the format specified in the CIM. To the extent that there is any lack of clarity or you feel that an important issue has been overlooked, we would encourage you to contact us at your earliest convenience so that there will be no misunderstandings or open issues. The primary contacts for this process will be as follows:

| Name | Title | Phone# | E-mail |
|---|---|---|---|
| **Jim Shannon** | EVP Development (LHP) | 972-943-1705 | jim.shannon@lhphospitalgroup.com |
| **Chad Wable** | President & CEO (SMHS) | 203 709-3368 | cwable@stmh.org |
| **Dan Moen** | CEO (LHP) | 972-943-1702 | dan.moen@lhphospitalgroup.com |
| **Brady Sturgeon** | VP Development (LHP) | 972-943-1707 | brady.sturgeon@lhphospitalgroup.com |

We would encourage you to consider this proposal as an opportunity to bring in a capital partner to facilitate and ensure the future success of a single, healthy health care delivery system based in Waterbury and benefiting the community and the region for many years to come.

With Best Regards,

Dan Moen
Chief Executive Officer
LHP Hospital Group, Inc.

Chad Wable
President & CEO
Saint Mary's Health System, Inc.

***Legal Disclaimer:*** *This letter is not intended to be, and is not, a binding contract between us, but is intended merely as an expression of our interest as of this date. The parties will be jointly bound only in accordance with the terms and conditions contained in executed Definitive Agreements.*

*The contents of this letter and the existence of this proposal are subject to the confidentiality agreement previously executed by us and your client and accordingly are not to be disclosed to any other party other than your client and not to be made public.*

**Attachment I – Response Matrix**

## 1. Form of Transaction

Please describe the structure of the proposed transaction and resulting relationship with the surviving GWHN organization.

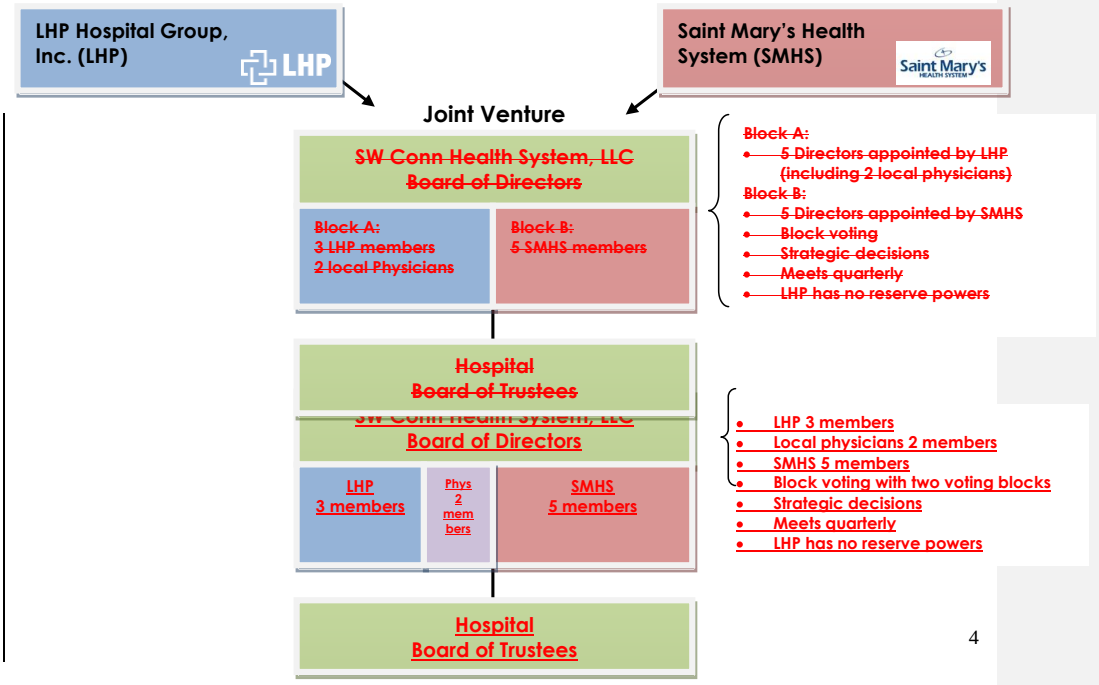
Our vision is to facilitate the creation of a single, strong integrated health system based in Waterbury with an expanded medical education program and the ability to make substantial capital investments in infrastructure, equipment, information technology, new services and physician and staff recruitment and retention.

Based upon our understanding of GWHN's preferences as explained in the CIM, we have structured this proposal as an asset purchase. In keeping with our belief that the best healthcare decisions are made locally, and mindful of the central role that GWHN and its leaders have long played in addressing the healthcare needs of the greater Waterbury community, we propose that GWHN remain intimately involved in the ongoing governance of the combined health system through active participation on the JV Board of Directors.

The current JV's governance model is as follows:

All legal authority for the JV rests with the JV Board of Directors. Its governance is shared 50/50 between LHP and SMHS. No issue coming before the Board can pass without the approval of both parties. LHP retains no reserve powers. Therefore, the not-for-profit partner essentially has a veto right on all Board decisions.

**Existing Governance Structure**



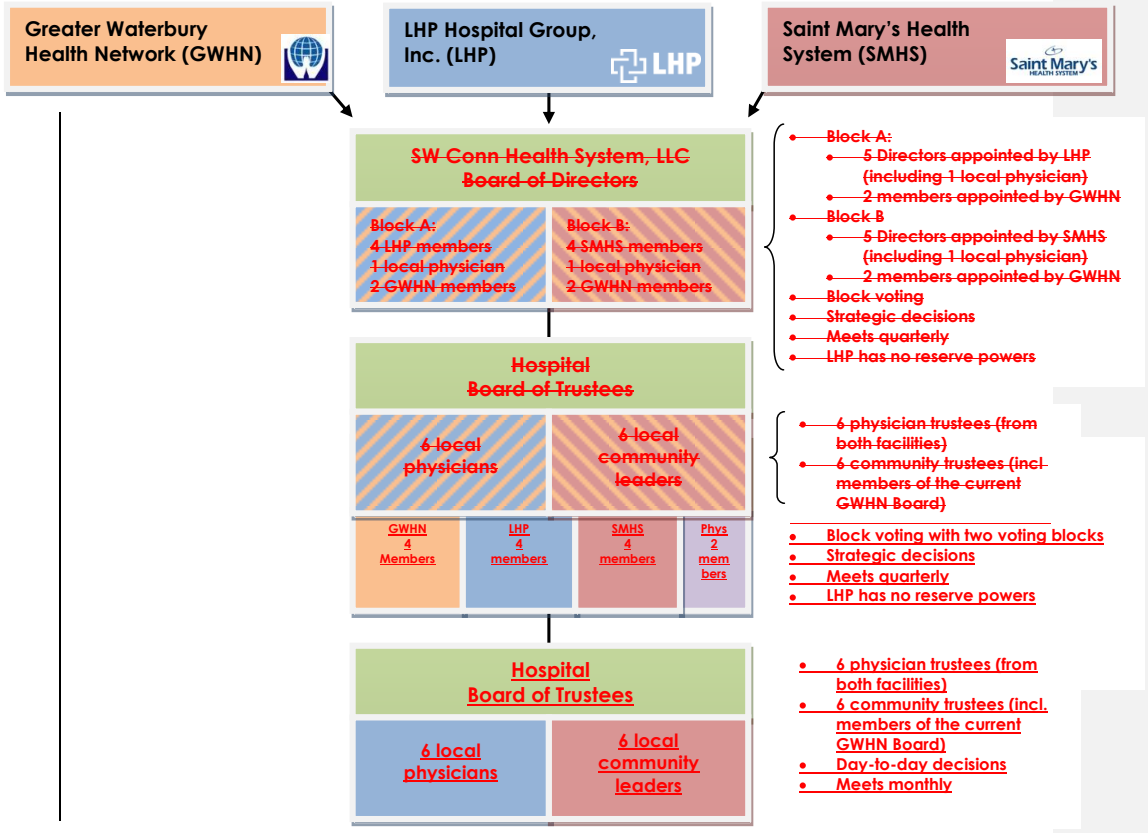
- 6 physician trustees
- 6 community trustees
- Day-to-day decisions
- Meets monthly

**Note:** Substantial authority and decision-making is delegated by the JV Board of Directors to the Hospital Board of Trustees.

In order to allow GWHN an active and significant role in the governance of the combined health system going forward, we propose the following revised governance structure:

We propose to add four JV Board seats, taking the JV Board from 10 to 14 seats. As a result, GWHN would appoint ~~two~~four seats ~~in Block A and 2 seats in Block B~~, as illustrated below.

**Proposed Governance Structure**



**Note:** Substantial authority and decision-making is delegated by the JV Board of Directors to the consolidated Hospital Board of Trustees.

## 2. Objectives Alignment

Please describe how you envision achieving GWHN's Objectives:

a) Ensure Waterbury Hospital remains a viable health care entity, providing the highest safety and quality health care services to the Greater Waterbury and surrounding communities for the long-term;

The complete recapitalization of SMHS as a result of the JV has eliminated many of the primary impediments to a merger of the two competing health systems in Waterbury into one strong, well capitalized health system. A combined local health system involving both GWHN and SMHS will have the ability to replace aging plant and equipment, expand the continuum of care, and recruit and retain high quality physicians and staff.

We believe that our proposal, predicated as it is upon the combination of the two existing healthcare systems in the market with a greatly enhanced capital structure and with access to substantial cash and management expertise going forward, provides the greatest opportunity for the future success of the local healthcare delivery system. Moreover, both SMHS and GWHN will have local charitable foundations with assets that can be used for other charitable purposes outside of the traditional hospital context. The complete recapitalization of the existing health system, along with the presence of these two charitable foundations, should serve the Greater Waterbury area well for generations.

b) Deploy repeatable and scalable tools and clinical care services to continually improve the health of the community;

This was also one of SMHS' primary criteria in choosing a capital partner. In LHP, we have found a partner that can greatly enhance our success locally by providing substantial assistance through corporate subject matter experts and best demonstrated practices. Already, even before our joint venture transaction has closed, LHP has demonstrated significant strategic insight and provided substantial assistance in physician and staff recruitment to SMHS.

c) Provide access to sufficient capital to meet current and future capital needs while strengthening the balance sheet;

Our proposal, if accepted, will result in the creation of a health system with the strongest balance sheet in the State of Connecticut. The JV has already committed to spend a minimum of $75mm in new capital in the greater Waterbury market over the next 5 years. We are prepared to more than double that minimum commitment to $~~150mm~~160mm in the event that the two systems come together. Should circumstances prove favorable at a point in the future to build a single replacement facility, the JV will undoubtedly spend significantly more than this minimum commitment.

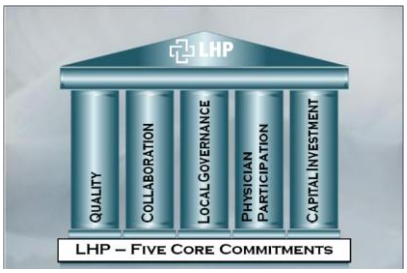
d) Enhance the Hospital's medical staff by attracting and retaining physicians to the

market;

Without doubt, a strong health system with the ability to invest heavily in filling out the continuum of care, upgrading and expanding physical plants, replacing outdated equipment and IT infrastructure and adding new services will prove attractive to new and existing physicians. In addition, we are prepared to commit substantial resources to the continued development of a strong primary care network, as well as expanding the availability of subspecialist coverage across the region.

e) Maintain high satisfaction scores by patients, physicians, employees and volunteers; and

The historical undercapitalization of the two existing health systems in Waterbury has made the already difficult pursuit of excellence in quality and satisfaction even more so. Moreover, the significant duplication of services has diverted resources that could have been utilized more effectively to make a direct impact on quality improvement efforts. Our proposed capitalization will give us the best opportunity to excel in this area. Significant capital resources will be available to enhance the patient experience and improve clinical outcomes. We have already committed to move towards an all private room configuration as quickly as possible and to make significant investment in emergency services and the addition of more access points throughout the service area.




However, satisfaction is not simply the result of cash resources. It is also directly related to the priorities and culture of an organization. Cultural compatibility was also a primary consideration in SMHS' search for a partner. And once again, we believe that we have found the right partner in LHP. The management team of LHP is made up of senior executives from the former Triad Hospitals, Inc. Triad was well known for its focus on quality, local governance, physician involvement, collaborative culture, and capital investment in the communities it served. That legacy has served as the basis for **"LHP's Core Commitments"**, the foundational principles which guide LHP's thinking and collective actions. These core commitments are as follows:

## I. LHP's Commitment to Quality

We believe that the end result of all our efforts can be measured by the quality of the services that we provide to our patients. It is our desire and expectation that each of us and all of us are focused on being better today than we were yesterday.

## II. LHP's Commitment to Local Control & Governance

We believe strongly in the collective wisdom of local leaders in making decisions regarding the health and welfare of their own communities

## III. LHP's Commitment to Physician Involvement

We regard our physicians as key partners in the development of successful health care delivery models that meet the needs of patients, communities and employees. It is our desire that, wherever decisions are made that will affect the care of our patients and the work environment at our hospitals, physicians will be at the table.

**IV. LHP's Commitment to Collaboration**

We believe that the best results occur when we act together in a coordinated fashion. Therefore, we seek to bring together local leaders, physicians, employees and other healthcare providers to improve the outcomes of our patients and the vitality of our communities.

**V. LHP's Commitment to Capital Investment**

We believe that patients, employees and physicians deserve our best efforts in providing state-of-the art facilities and equipment. In an industry dependent upon rapidly evolving technologies, we believe that significant and continuing capital investment is critical.

f) Continue charitable care delivery and funding.

The JV is currently committed to the continued use of the existing SMHS charity care policy. We believe that this policy is very similar to the one in use by GWHN. Therefore, subject to a review of the GWHN policy, we would propose to use the SMHS policy across the combined system.

## 3. Ownership, Governance and Management

a) Describe how GWHN will be organized in relation to your organization.

GWHN will continue as an independent local charitable foundation with substantial assets to do good works in the community. It will also have the ongoing responsibility to appoint 4 members to the JV Board of Directors which will govern the ongoing health system. Please see the illustration entitled "Proposed Governance Structure" in the response to item 1 above.

b) Describe the proposed governance structure and the ongoing role, if any, of GWHN's current Board of Directors.

The GWHN Board would continue to exist and would become the governing body for a substantial local charitable foundation. The proceeds from the proposed transaction would create one of the larger charitable foundations in the State of Connecticut. With the assets in the two charitable foundations, new resources will be made available to the community (see also our response to item 6.b) below).

In addition, the GWHN Board would have the ongoing responsibility to appoint 4 members to the JV Board of Directors (see our response to item 1. above).

c) Describe the proposed management organizational structure for GWHN.

The JV Board of Directors has the responsibility of appointing the CEO of the JV. It is the CEO's responsibility, within the context of an annual operating budget approved by the JV Board of Directors, to establish and oversee a team of qualified and motivated managers with responsibility for managing the many functions of the health system. The CEO is accountable to the JV Board of Directors.

LHP will be responsible for providing ongoing support and assistance to the CEO through

a management agreement with the JV.

## 4. Transaction Value

If you are proposing an asset purchase, please describe how GWHN will be valued, including the methodology and calculation of any adjustments to the proposed consideration.

Based upon information contained in the CIM we believe that a fair value for the assets of GWHN is in the range of **$~~80~~100.0 -~~$110~~115.0mm** (which includes Net Working Capital, as defined below).

Formatted: Font: Bold

**Alternative 2:** As an alternative to the above proposed valuation, if GWHN is willing to consider the conveyance of the assets for a de minimis amount, the JV will consider a commitment to the completion of a replacement facility.

Formatted: Font: Bold, Font color: Custom Color(RGB(31,73,125))

### Net Working Capital

Net Working Capital is defined as:

- Patient Accounts Receivable, less an appropriate allowance for discounts, contractual adjustments, and doubtful accounts (less a 10% discount for the cost, timing, and risk of collection), plus
- Supply Inventory in an amount that is customary and in usable condition, plus
- Prepaid Expenses that are of benefit to the JV, plus
- Other Current Assets that are of benefit to the JV, less
- Accounts Payable, less
- Accrued Expenses including accrued salaries, wages and benefits to the extent that they are assumable.

### Assets Retained by GWHN

GWHN would retain the following assets:

- Assets in the existing charitable foundation
- All cash, cash equivalents and investments
- Assets in the pension plans
- Certain non-assumable current assets such as prepaid insurance, etc.
- Other assets that may be mutually agreed by the parties.

### Liabilities Retained by GWHN

This proposal does not include the assumption by the JV of any liabilities not listed above in the definition of Net Working Capital including debt, liabilities for professional liability and malpractice claims related to periods prior to closing, pension plan liabilities, Medicare/Medicaid cost report receivables/payables or capitalized leases. However, if any other liabilities are agreed to be assumed by the JV, there would be a corresponding reduction in the valuation.

GWHN would indemnify, hold harmless and defend LHP, SMHS and the JV with regard to the unassumed liabilities.

## 5. Maintenance of Clinical Services

a) Describe your commitment to maintaining existing clinical services.

It is the express intention of the JV to expand services available to the community, not

reduce them. Therefore, we would propose to commit to the maintenance of all material existing services in the community for a minimum of 5 years.

b) Describe any new services you anticipate implementing over the next five years.

The creation of a single, well capitalized local healthcare delivery model will enable significantly enhanced access to the full continuum of services currently provided by SMHS and GWHN as well as the addition of new services and technologies. Specifically, it will be a priority of the JV to expand access to subspecialty services in the area. This will undoubtedly bring the need for additional technologies and staff. Because these decisions will be largely based upon the availability of qualified physicians who will utilize the technologies, the selection and prioritization of such additions will remain fluid for some time.

Consolidation will enable a more integrated approach to comprehensive cancer care in a hospital-based model that provides both inpatient and outpatient services in a coordinated fashion with a single clinical team and within a single medical staff. We will be positioned to obtain meaningful quaternary cancer center affiliations leading to advanced clinical trials as well as the latest cancer related services and technology such as Gamma Knife. We know that more than 50% of the patients in the greater Waterbury area receive their inpatient cancer services outside of our local community. Through consolidation, we will be able to develop a more comprehensive and coordinated approach that is attractive to our patient base.

We would be afforded the ability to fully optimize the Heart Center of Greater Waterbury both clinically and financially, providing a superior patient experience and improved outcomes. The JV would look to add electrophysiology services and the latest cardiothoracic surgical capabilities such as LVAD and advanced valve and minimally invasive surgery. Offering these advanced services in a more coordinated fashion will attract the more than 30% of our patient base leaving the area for advanced cardiac services.

Additionally, we will enhance our robotic surgical capabilities with a focus on the latest surgical techniques. We will establish a robust and highly capable bariatric program that combines the talents of a single clinical team, locally oriented to attract this very unique and clinically compromised population. Currently over 60% of the market is outmigrating for these services to hospitals outside of the Greater Waterbury area. Through a single, well capitalized, local healthcare delivery model that is better organized to provide a highly coordinated continuum of services with a single medical staff, the opportunities to expand and add new services is extraordinary.

Beyond this we are fully committed to improving the patient experience at JV facilities. We intend to move to an all private room configuration as rapidly as possible. Also, substantial investments will be made in emergency medicine to ensure quick throughput and high quality service. The synergies created by a single, robust and well coordinated healthcare delivery system will create a halo effect in the region that will provide further opportunities over time to expand our combined market and add additional facilities and healthcare services.

c) Describe which, if any, clinical services may not be maintained at GWHN and the Hospital.

As stated above in our response to 5. a.) the JV is committed to maintaining all material existing services in the community. In order to provide the highest quality and level of

service to our patients, it will be optimal to consolidate certain services at one location or the other or to move them to a new location. It is too early in the process to be definitive on any particular service. Nor would the JV Board of Directors, which will include 4 GWHN members, presume to make such decisions without substantial input from the physicians and staff of both facilities.

d) Indicate the minimum time horizon for maintaining existing services.

The JV is committed to maintaining all material existing services in the community for a minimum period of 5 years.

**6. Excluded Activities and Operations**

a) Describe any GWHN activities and operations that are expected to be excluded from a transaction.

The only activities that are expected to be excluded are those of your existing Foundation.

b) Describe how the surviving GHWN organization (if any) could support the ongoing activities of the acquired operations after the transaction.

Beyond appointing 4 members to the JV Board of Directors, it is hoped that the surviving GWHN foundation will coordinate efforts with both the JV and the surviving SMHS foundation to benefit healthcare in the greater Waterbury area. Each foundation will have tangible resources and will undoubtedly be looking for opportunities to serve the community. It would be our hope that a periodic Community Needs Assessment would be conducted and that the three organizations would jointly plan a response based upon the findings. Clearly, some of the findings will best be addressed through the health system, while others may best be addressed through civic organizations, churches, and charities. A coordinated approach would allow each of our organizations to be the best steward possible of the resources entrusted to it and together meet the maximum number of needs in the community.

**7. Charity Care**

Describe your existing charity and indigent care policies and any potential changes to GWHN policies you foresee.

The JV is currently committed to the continued use of the existing SMHS charity care policy. We believe that this policy is very similar to the one in use by GWHN. Therefore, subject to a review of the GWHN policy, we would propose to use the SMHS policy across the combined system.

**8. Ethical and Religious Directives**

Describe any ethical or religious directives of your organization, if any, which would impact the future operations of GWHN.

~~The JV is~~The JV has already committed in item 5. d. above, to maintain all material existing services in the community. The JV is also currently committed to adherence to the Ethical and Religious Directives for Catholic Health Care Services. As a result, the Saint Mary's partner, and by extension the JV, cannot benefit from the provision of prohibited services. JV leadership is ~~open~~committed to, and currently involved in, discussions around alternative

arrangements for services which are inconsistent with ~~this commitment~~the ERDs. We hope, in the very near future, to be able to articulate an acceptable plan.

**9. Employee Relationships**

a) Describe your commitment to GWHN employees, anticipated layoffs, and type of severance package that may be offered to any affected employees.

At SMHS, the JV has committed to hire all employees in good standing at the time of a transaction. As we have not had the opportunity to review the collective bargaining agreements relative to the GWHN employees, we have not yet formulated our approach to employment matters at Waterbury Hospital.

Speaking in generalities, over time it is probable that increased volume growth will require more employees, not less. It is equally probable that in the short to medium term some disruption will be necessary at both facilities in order to effect the efficiencies promised of a consolidation and to support the proposed valuation of GWHN. The planning for such efforts, however, will take some time and consultation with the various stakeholders. When and if layoffs occur, a fair and uniform severance policy will be administered across the combined system. That policy has not yet been crafted and would need to be discussed further with the new JV Board of Directors (including the GWHN members) at the appropriate time.

b) Describe any anticipated employee benefit changes.

As we have not had the opportunity to review the collective bargaining agreements relative to the GWHN employees, we have not yet formulated our approach to employment and benefit matters at Waterbury Hospital.

**10. Capital Expenditure Commitments**

Describe your expectations and commitment to capital investments over the next five years to improve GWHN facilities and expand programs and services.

The current JV has already committed to spend a minimum of $75mm in new capital in the greater Waterbury market over the next 5 years. We are prepared to more than double that minimum commitment to $~~150mm~~160mm in the event that the two systems come together. Should circumstances prove favorable at a point in the future to build a single replacement facility, the JV will undoubtedly spend significantly more than this minimum commitment.

**Alternative 2:** As an alternative to the above proposed capital commitment, if GWHN is willing to consider the conveyance of the assets for a de minimis amount, the JV will consider a commitment to the completion of a replacement facility.

**11. No Sale**

Describe your commitment to retaining ownership of the GWHN operations acquired.

The JV is willing to make such a commitment for a period of three years.

**12. Right of First Refusal/Repurchase Rights**

Describe any terms and conditions under which the surviving GWHN organization (if any) could reacquire interests transferred in a transaction.

The JV agreement between LHP and SMHS contains a provision granting either party a right of first refusal to purchase the other's interest in the JV in the event that the other party agrees to sell its interest to a third party pursuant to a bona fide offer. This existing provision allows the local partner the option of keeping the health system under local control in the unlikely event that LHP ever considered selling its interest. We would be willing to discuss options within this framework of extending a secondary right to GWHN.

**13. Financial and Operating Information**

a) Provide a copy of your most recent audited financial statements.

Not applicable.

b) Describe how you propose to finance the transaction and any proposed ongoing financial commitments to GWHN.

There are no financing contingencies associated with this offer. The initial capitalization of the JV is such that the proposed transaction can be funded through either additional capital contributions from the members or loans on the equity of the JV or some combination of the two.

c) Provide an overview of your existing operations, including, but not limited to, the following:

i. Number and location of facilities owned and operated

## LHP Facilities

LHP completed its first hospital transaction as a new company on February 1, 2009 in Pocatello, Idaho with the establishment of the Pocatello Health System, LLC (PHS), a joint venture between LHP and the not-for-profit **Portneuf Health Care Foundation, Inc.** PHS owns and operates the 250-bed Portneuf Medical Center, the primary regional referral hospital in southeastern Idaho. The joint venture recently completed construction of a new $162 million, state-of-the-art, replacement facility which will greatly enhance the provision of healthcare services in the region for many years to come. LHP and Portneuf share governance and LHP has responsibility for the day-to-operations of the facility.

The Sherman/Grayson Health System, LLC (SGHS) is a joint venture between LHP and **Texas Health Resources (THR)**, the largest not-for-profit health system in Texas. SGHS was created to acquire, own and operate the 241-bed Wilson N. Jones Medical Center (WNJ) located in Sherman, TX. SGHS acquired the facility on April 15, 2010 and has rebranded it Texas Health Presbyterian Hospital - WNJ. WNJ is now a member of the THR network in North

Texas and participates in THR's managed care contracts and quality programs. LHP and THR share governance and LHP has responsibility for the day-to-operations of the facility.

LHP also has three other hospital projects currently under development. The first is a project under contract in northern New Jersey that is awaiting certificate-of-need approval. The Pascack Valley Health System, LLC (PVHS) is a joint venture between LHP and **Hackensack University Medical Center (HUMC)**, based in Hackensack, NJ. HUMC is the largest hospital in New Jersey and one of the premier tertiary teaching hospitals in the region. PVHS was created to own and operate the former Pascack Valley Hospital (to be renamed Hackensack University Medical Center North at Pascack Valley), a 128-bed community hospital 12 miles north of Hackensack in Westwood, NJ. LHP and HUMC will share governance and LHP will have responsibility for the day-to-operations of the facility.

LHP has also broken ground on a new hospital in the fast-growing Killeen / Harker Heights area of central Texas in a joint venture with Ascension Health affiliate, the **Seton Family of Hospitals**. LHP and Seton share governance and LHP has responsibility for the day-to-operations of the facility. The project will be an 83-bed, $100 million facility and is expected to be completed in the third quarter of 2012.

Finally, LHP and **Saint Mary's Health System** recently announced the completion of a letter of intent to create a JV that will own and operate Saint Mary's Hospital in Waterbury, CT. Saint Mary's is a 347-bed teaching hospital affiliated with the Yale University School of Medicine. The JV is committed to the deployment of at least $75 million in additional capital in the renovation and expansion of existing facilities as well as the acquisition and development of new locations and services throughout central and western Connecticut. LHP and Saint Mary's will share governance and LHP will have responsibility for the day-to-operations of the facility. This transaction is currently awaiting regulatory approval.

ii. Number of beds owned and operated

LHP does not own its hospitals outright. Rather, LHP owns an interest in the joint ventures that own the facilities. In each case LHP is in partnership with a local not-for-profit partner who shares both ownership and governance.

| Hospital | Location | Beds | Comment |
|---|---|---|---|

| | | | |
|---|---|---|---|
| Portneuf Medical Center | Pocatello ID | 250 | Currently operating |
| Texas Health Presbyterian Hospital - WNJ | Sherman TX | 241 | Currently operating |
| Hackensack University Medical Center North at Pascack Valley | Westwood NJ | 128 | Awaiting CON approval |
| Seton Medical Center Harker Heights | Harker Heights TX | 83 | Under construction |
| Saint Mary's Hospital | Waterbury CT | 347 | Awaiting regulatory approval |

iii. Key operating statistics

| | | | YE 12/2010 | | |
|---|---|---|---|---|---|
| **Hospital** | **Location** | **Beds** | **Admits** | **ADC** | **ER Visits** |
| Portneuf Medical Center | Pocatello ID | 250 | 7 970 | 77 | 35 346 |
| Texas Health Presbyterian Hospital - WNJ | Sherman TX | 241 | 8 280 | 103 | 21 926 |
| Hackensack University Medical Center North at Pascack Valley | Westwood NJ | 128 | NA | NA | NA |
| Seton Medical Center Harker Heights | Harker Heights TX | 83 | NA | NA | NA |
| Saint Mary's Hospital | Waterbury CT | 347 | 11 287 | 138 | 68 272 |

**Formatted:** Font color: Custom Color(RGB(31,73,125))

iv. Key quality indicators

Exceptional Core Measures National Scores (4th Qtr 2010)

| | Portneuf | P-WNJ |
|---|---|---|
| • Pneumonia | 99% | 99% |
| • Heart Failure | 95% | 97% |
| • AMI | 96% | 96% |
| • SCIP | 100% | 98% |
| • Outpatient | 90% | 98% |

Outstanding NHSN Infection Rates (4th Qtr 2010)

| | | |
|---|---|---|
| – Total Hip | 0% | 0% |

| | | |
|---|---|---|
| – Total Knee | 0% | 0% |
| – Cardiac Surgery | 0% | 0% |
| – CABG | 0% | 0% |
| – VAP | 4% | 0% |
| – Central Lines | 0% | 0% |

**14. Due Diligence**

a) Describe your due diligence process.

LHP and SMHS will need to conduct additional due diligence and gather more information to complete the proposed transaction. Our focus will be primarily on financial, legal, environmental, and compliance issues. We expect that we could complete our due diligence within 90 days of signing a non-binding LOI. We would likely bring in outside subject matter experts for certain legal matters and environmental surveys. However, LHP is staffed and experienced in completing complex acquisition and joint venture transactions and the vast majority of our due diligence review will be performed by LHP internal staff.

b) Provide a list of due diligence items you would like to receive in Phase II if you are selected to continue in the process.

See attached list.

**15. Process and Approvals**

Indicate the level at which your response has been approved within your organization and what approvals will be required to sign a Definitive Agreement and to close the transaction.

This proposal has been reviewed and approved by the Executive Committee of the Board of Directors of LHP and by the Joint Venture Task Force of the Board of SMHS. A definitive agreement between the parties would require approval from the full Boards of both LHP and SMHS.

**16. Other**

Please describe any other factors that GWHN should consider in evaluating your proposal.

- GWHN assures that the system maintains its historical charitable mission in the community through:
  - Continued accountability of management to a local Board of Trustees composed of local physicians and community leaders.
  - Continuation of the not-for-profit charity care policies.
  - Continued adherence to the Community Benefit Standards for not-for-profit healthcare organizations (required in the JV Operating Agreement between SMHS and LHP).
- The transaction will assure the ongoing viability of a single strong, well capitalized health system based in Waterbury. Together, the two health systems can better serve the city

and region

- The complete recapitalization of the system makes it possible to pursue a much more ambitious strategic plan than would otherwise be possible under the existing capitalization.
- GWHN will maintain an active and significant governance role in the combined entity.
- With its transaction proceeds, GWHN will be able to establish a significant charitable foundation to perform good works in the community outside of the historical scope of hospital operations. This foundation, in cooperation with the SMHS foundation and the JV, can take a comprehensive and coordinated approach to addressing the full scope of community health needs.
- Upon initial capitalization, the JV will have access to substantial cash. This, along with the participation of a strong capital partner will give it the financial strength to grow and compete effectively.
- The JV will become one of the largest taxpayers in Waterbury providing much needed tax revenues to local government.

# A Proposal for the Greater Waterbury Health Network From Southwest Connecticut Health System, LLC

**(a joint venture between LHP Hospital Group, Inc. and Saint Mary's Health System, Inc.)**

**Revised May 23, 2011**

LHP Hospital Group, Inc.™

Culture · Collaboration · Capital

May 23, 2011

Cain Brothers & Company, LLC
360 Madison Avenue, 5th Floor
New York, New York 10017
Attn: Jason D. Horowitz, Senior Vice President

## Re: Proposal for Greater Waterbury Health Network

Dear Mr. Horowitz:

In accordance with the instructions found in the Confidential Information Memorandum regarding the Greater Waterbury Health Network ("GWHN") dated April 2011 (the "CIM"), and based upon discussions with you regarding our previous response, LHP Hospital Group, Inc. ("LHP") and Saint Mary's Health System, Inc., ("SMHS") through their recently announced joint venture Southwest Connecticut Health System, LLC ("the JV"), are pleased to submit the attached revised proposal for your consideration.

LHP is well-known throughout the hospital industry for its innovative approach to collaborative relationships with not-for-profit providers. LHP was established to provide essential capital and expertise to not-for-profit hospitals and health systems in a manner that is consistent with their existing values and historical missions. Built upon the foundation of a collaborative culture that values relationships, embraces local governance, empowers continued capital investment and insists upon quality, LHP has established itself as the partner of choice for some of the top not-for-profit, mission-oriented health systems in the country. Through joint ventures with not-for-profit hospitals, LHP provides the capital resources and subject matter expertise to assist hospitals and health systems to fully execute their strategic objectives without the necessity of selling their assets or going deeper into debt. These JVs are the centerpiece of LHP's development strategy.

Based upon our understanding of GWHN's preferences as explained in the CIM, we have structured this proposal as an asset purchase. In keeping with our belief that the best healthcare decisions are made locally, and mindful of the central role that GWHN and its leaders have long played in addressing the healthcare needs of the greater Waterbury community, we are also proposing that GWHN remain intimately involved in the ongoing governance of the combined health system through active participation on the JV Board of Directors.

*"...we are... proposing that GWHN remain intimately involved in the ongoing governance of the combined health system through active participation on the JV Board of Directors."*

The complete recapitalization of SMHS as a result of the JV has eliminated many of the primary impediments to a merger of the two competing health systems in Waterbury into one strong, well capitalized health system. The cash being contributed to the JV by LHP will be used, in part, to eliminate SMHS's existing debt and to fully fund the SMHS employee pension plan. A

combined local health system involving both GWHN and SMHS will have the ability to replace aging plant and equipment, expand the continuum of care, and recruit and retain high quality physicians and staff.

> *"We believe that this is likely to be the best opportunity that we will see for a generation to complete the work that GWHN and SMHS have been collectively laboring to achieve for many years – establishing a single, strong, local health system based in Waterbury."*

We believe that this is likely to be the best opportunity that we will see for a generation to complete the work that GWHN and SMHS have been collectively laboring to achieve for many years – establishing a single, strong, local health system based in Waterbury. And given the myriad challenges confronting us all with the passage of health reform legislation early last year, we see it as coming at precisely the right time.

Attachment I outlines our proposal in the format specified in the CIM. To the extent that there is any lack of clarity or you feel that an important issue has been overlooked, we would encourage you to contact us at your earliest convenience so that there will be no misunderstandings or open issues. The primary contacts for this process will be as follows:

| Name | Title | Phone# | E-mail |
|---|---|---|---|
| **Jim Shannon** | EVP Development (LHP) | 972-943-1705 | jim.shannon@lhphospitalgroup.com |
| **Chad Wable** | President & CEO (SMHS) | 203 709-3368 | cwable@stmh.org |
| **Dan Moen** | CEO (LHP) | 972-943-1702 | dan.moen@lhphospitalgroup.com |
| **Brady Sturgeon** | VP Development (LHP) | 972-943-1707 | brady.sturgeon@lhphospitalgroup.com |

We would encourage you to consider this proposal as an opportunity to bring in a capital partner to facilitate and ensure the future success of a single, healthy health care delivery system based in Waterbury and benefiting the community and the region for many years to come.

With Best Regards,

Dan Moen
Chief Executive Officer
LHP Hospital Group, Inc.

Chad Wable
President & CEO
Saint Mary's Health System, Inc.

***Legal Disclaimer:*** *This letter is not intended to be, and is not, a binding contract between us, but is intended merely as an expression of our interest as of this date. The parties will be jointly bound only in accordance with the terms and conditions contained in executed Definitive Agreements.*

*The contents of this letter and the existence of this proposal are subject to the confidentiality agreement previously executed by us and your client and accordingly are not to be disclosed to any other party other than your client and not to be made public.*

**Attachment I – Response Matrix**

## 1. Form of Transaction

Please describe the structure of the proposed transaction and resulting relationship with the surviving GWHN organization.

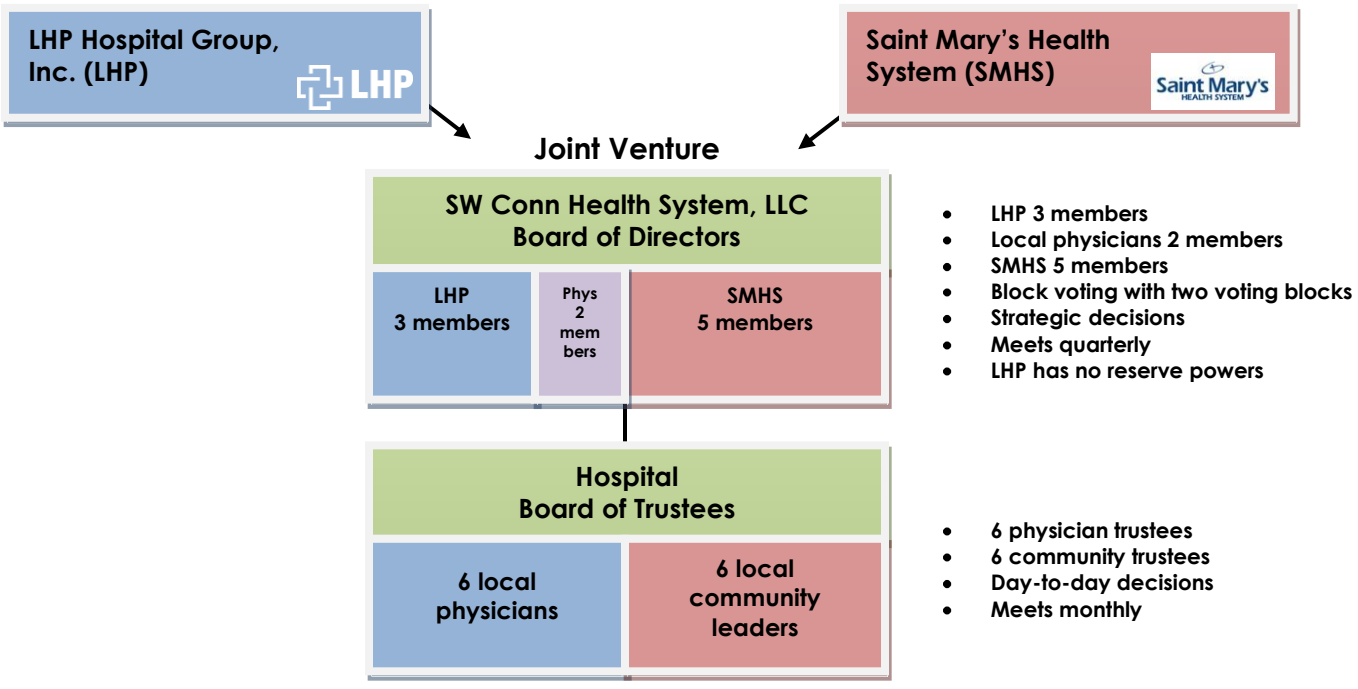
Our vision is to facilitate the creation of a single, strong integrated health system based in Waterbury with an expanded medical education program and the ability to make substantial capital investments in infrastructure, equipment, information technology, new services and physician and staff recruitment and retention.

Based upon our understanding of GWHN's preferences as explained in the CIM, we have structured this proposal as an asset purchase. In keeping with our belief that the best healthcare decisions are made locally, and mindful of the central role that GWHN and its leaders have long played in addressing the healthcare needs of the greater Waterbury community, we propose that GWHN remain intimately involved in the ongoing governance of the combined health system through active participation on the JV Board of Directors.

The current JV's governance model is as follows:

All legal authority for the JV rests with the JV Board of Directors. Its governance is shared 50/50 between LHP and SMHS. No issue coming before the Board can pass without the approval of both parties. LHP retains no reserve powers. Therefore, the not-for-profit partner essentially has a veto right on all Board decisions.

**Existing Governance Structure**

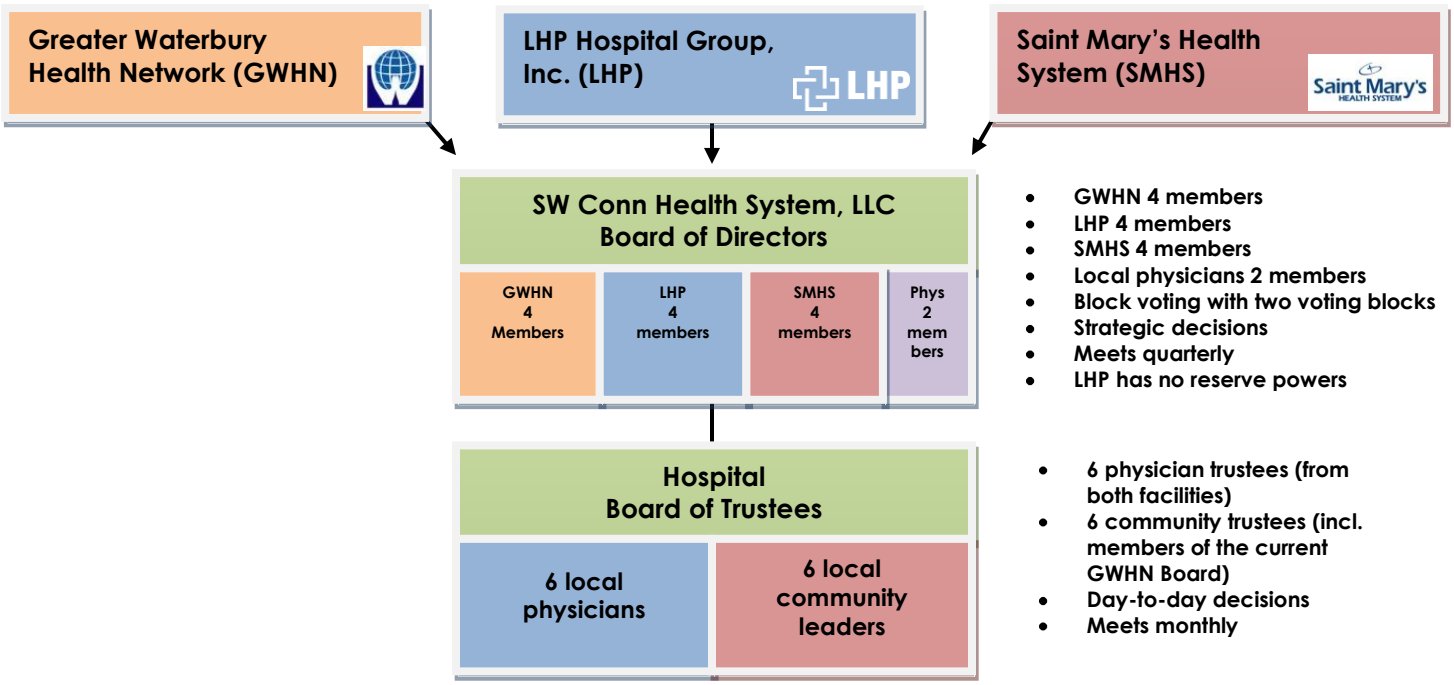



**Note:** Substantial authority and decision-making is delegated by the JV Board of Directors to the Hospital Board of Trustees.

In order to allow GWHN an active and significant role in the governance of the combined health system going forward, we propose the following revised governance structure:

We propose to add four JV Board seats, taking the JV Board from 10 to 14 seats. As a result, GWHN would appoint four seats, as illustrated below.

**Proposed Governance Structure**




**Note:** Substantial authority and decision-making is delegated by the JV Board of Directors to the consolidated Hospital Board of Trustees.

## 2. Objectives Alignment

Please describe how you envision achieving GWHN's Objectives:

a) Ensure Waterbury Hospital remains a viable health care entity, providing the highest safety and quality health care services to the Greater Waterbury and surrounding communities for the long-term;

The complete recapitalization of SMHS as a result of the JV has eliminated many of the primary impediments to a merger of the two competing health systems in Waterbury into one strong, well capitalized health system. A combined local health system involving both GWHN and SMHS will have the ability to replace aging plant and equipment, expand the continuum of care, and recruit and retain high quality physicians and staff.

We believe that our proposal, predicated as it is upon the combination of the two existing healthcare systems in the market with a greatly enhanced capital structure and

with access to substantial cash and management expertise going forward, provides the greatest opportunity for the future success of the local healthcare delivery system. Moreover, both SMHS and GWHN will have local charitable foundations with assets that can be used for other charitable purposes outside of the traditional hospital context. The complete recapitalization of the existing health system, along with the presence of these two charitable foundations, should serve the Greater Waterbury area well for generations.

b) Deploy repeatable and scalable tools and clinical care services to continually improve the health of the community;

This was also one of SMHS' primary criteria in choosing a capital partner. In LHP, we have found a partner that can greatly enhance our success locally by providing substantial assistance through corporate subject matter experts and best demonstrated practices. Already, even before our joint venture transaction has closed, LHP has demonstrated significant strategic insight and provided substantial assistance in physician and staff recruitment to SMHS.

c) Provide access to sufficient capital to meet current and future capital needs while strengthening the balance sheet;

Our proposal, if accepted, will result in the creation of a health system with the strongest balance sheet in the State of Connecticut. The JV has already committed to spend a minimum of $75mm in new capital in the greater Waterbury market over the next 5 years. We are prepared to more than double that minimum commitment to $160mm in the event that the two systems come together. Should circumstances prove favorable at a point in the future to build a single replacement facility, the JV will undoubtedly spend significantly more than this minimum commitment.

d) Enhance the Hospital's medical staff by attracting and retaining physicians to the market;

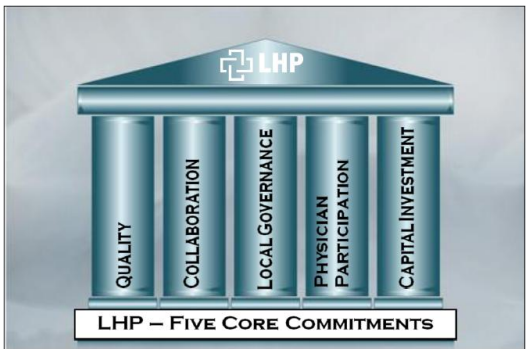
Without doubt, a strong health system with the ability to invest heavily in filling out the continuum of care, upgrading and expanding physical plants, replacing outdated equipment and IT infrastructure and adding new services will prove attractive to new and existing physicians. In addition, we are prepared to commit substantial resources to the continued development of a strong primary care network, as well as expanding the availability of subspecialist coverage across the region.

e) Maintain high satisfaction scores by patients, physicians, employees and volunteers; and

The historical undercapitalization of the two existing health systems in Waterbury has made the already difficult pursuit of excellence in quality and satisfaction even more so. Moreover, the significant duplication of services has diverted resources that could have been utilized more effectively to make a direct impact on quality improvement efforts. Our proposed capitalization will give us the best opportunity to excel in this area. Significant capital resources will be available to enhance the patient experience and improve clinical outcomes. We have already committed to move towards an all private room configuration as quickly as possible and to make significant investment in emergency services and the addition of more access points throughout the service area.

However, satisfaction is not simply the result of cash resources. It is also directly related to the priorities and culture of an organization. Cultural compatibility was also a primary consideration in SMHS' search for a partner. And once again, we believe that we have

found the right partner in LHP. The management team of LHP is made up of senior executives from the former Triad Hospitals, Inc. Triad was well known for its focus on quality, local governance, physician involvement, collaborative culture, and capital investment in the communities it served. That legacy has served as the basis for **"LHP's Core Commitments"**, the foundational principles which guide LHP's thinking and collective actions. These core commitments are as follows:




**I. LHP's Commitment to Quality**

We believe that the end result of all our efforts can be measured by the quality of the services that we provide to our patients. It is our desire and expectation that each of us and all of us are focused on being better today than we were yesterday.

**II. LHP's Commitment to Local Control & Governance**

We believe strongly in the collective wisdom of local leaders in making decisions regarding the health and welfare of their own communities

**III. LHP's Commitment to Physician Involvement**

We regard our physicians as key partners in the development of successful health care delivery models that meet the needs of patients, communities and employees. It is our desire that, wherever decisions are made that will affect the care of our patients and the work environment at our hospitals, physicians will be at the table.

**IV. LHP's Commitment to Collaboration**

We believe that the best results occur when we act together in a coordinated fashion. Therefore, we seek to bring together local leaders, physicians, employees and other healthcare providers to improve the outcomes of our patients and the vitality of our communities.

**V. LHP's Commitment to Capital Investment**

We believe that patients, employees and physicians deserve our best efforts in providing state-of-the art facilities and equipment. In an industry dependent upon rapidly evolving technologies, we believe that significant and continuing capital investment is critical.

f) Continue charitable care delivery and funding.

The JV is currently committed to the continued use of the existing SMHS charity care policy. We believe that this policy is very similar to the one in use by GWHN. Therefore, subject to a review of the GWHN policy, we would propose to use the SMHS policy across the combined system.

## 3. Ownership, Governance and Management

a) Describe how GWHN will be organized in relation to your organization.

GWHN will continue as an independent local charitable foundation with substantial assets to do good works in the community. It will also have the ongoing responsibility to appoint 4 members to the JV Board of Directors which will govern the ongoing health system. Please see the illustration entitled "Proposed Governance Structure" in the response to item 1 above.

b) Describe the proposed governance structure and the ongoing role, if any, of GWHN's current Board of Directors.

The GWHN Board would continue to exist and would become the governing body for a substantial local charitable foundation. The proceeds from the proposed transaction would create one of the larger charitable foundations in the State of Connecticut. With the assets in the two charitable foundations, new resources will be made available to the community (see also our response to item 6.b) below).

In addition, the GWHN Board would have the ongoing responsibility to appoint 4 members to the JV Board of Directors (see our response to item 1. above).

c) Describe the proposed management organizational structure for GWHN.

The JV Board of Directors has the responsibility of appointing the CEO of the JV. It is the CEO's responsibility, within the context of an annual operating budget approved by the JV Board of Directors, to establish and oversee a team of qualified and motivated managers with responsibility for managing the many functions of the health system. The CEO is accountable to the JV Board of Directors.

LHP will be responsible for providing ongoing support and assistance to the CEO through a management agreement with the JV.

## 4. Transaction Value

If you are proposing an asset purchase, please describe how GWHN will be valued, including the methodology and calculation of any adjustments to the proposed consideration.

Based upon information contained in the CIM we believe that a fair value for the assets of GWHN is in the range of **$100.0 - 115.0mm** (which includes Net Working Capital, as defined below).

**Alternative 2:** As an alternative to the above proposed valuation, if GWHN is willing to consider the conveyance of the assets for a de minimis amount, the JV will consider a commitment to the completion of a replacement facility.

### Net Working Capital

Net Working Capital is defined as:

- Patient Accounts Receivable, less an appropriate allowance for discounts, contractual adjustments, and doubtful accounts (less a 10% discount for the cost, timing, and risk of collection), plus
- Supply Inventory in an amount that is customary and in usable condition, plus
- Prepaid Expenses that are of benefit to the JV, plus

- Other Current Assets that are of benefit to the JV, less
- Accounts Payable, less
- Accrued Expenses including accrued salaries, wages and benefits to the extent that they are assumable.

### Assets Retained by GWHN

GWHN would retain the following assets:

- Assets in the existing charitable foundation
- All cash, cash equivalents and investments
- Assets in the pension plans
- Certain non-assumable current assets such as prepaid insurance, etc.
- Other assets that may be mutually agreed by the parties.

### Liabilities Retained by GWHN

This proposal does not include the assumption by the JV of any liabilities not listed above in the definition of Net Working Capital including debt, liabilities for professional liability and malpractice claims related to periods prior to closing, pension plan liabilities, Medicare/Medicaid cost report receivables/payables or capitalized leases. However, if any other liabilities are agreed to be assumed by the JV, there would be a corresponding reduction in the valuation.

GWHN would indemnify, hold harmless and defend LHP, SMHS and the JV with regard to the unassumed liabilities.

## 5. Maintenance of Clinical Services

a) Describe your commitment to maintaining existing clinical services.

It is the express intention of the JV to expand services available to the community, not reduce them. Therefore, we would propose to commit to the maintenance of all material existing services in the community for a minimum of 5 years.

b) Describe any new services you anticipate implementing over the next five years.

The creation of a single, well capitalized local healthcare delivery model will enable significantly enhanced access to the full continuum of services currently provided by SMHS and GWHN as well as the addition of new services and technologies. Specifically, it will be a priority of the JV to expand access to subspecialty services in the area. This will undoubtedly bring the need for additional technologies and staff. Because these decisions will be largely based upon the availability of qualified physicians who will utilize the technologies, the selection and prioritization of such additions will remain fluid for some time.

Consolidation will enable a more integrated approach to comprehensive cancer care in a hospital-based model that provides both inpatient and outpatient services in a coordinated fashion with a single clinical team and within a single medical staff. We will be positioned to obtain meaningful quaternary cancer center affiliations leading to advanced clinical trials as well as the latest cancer related services and technology such as Gamma Knife. We know that more than 50% of the patients in the greater Waterbury area receive their inpatient cancer services outside of our local community. Through consolidation, we will be able to develop a more comprehensive and coordinated approach that is attractive to our patient base.

We would be afforded the ability to fully optimize the Heart Center of Greater Waterbury both clinically and financially, providing a superior patient experience and improved outcomes. The JV would look to add electrophysiology services and the latest cardiothoracic surgical capabilities such as LVAD and advanced valve and minimally invasive surgery. Offering these advanced services in a more coordinated fashion will attract the more than 30% of our patient base leaving the area for advanced cardiac services.

Additionally, we will enhance our robotic surgical capabilities with a focus on the latest surgical techniques. We will establish a robust and highly capable bariatric program that combines the talents of a single clinical team, locally oriented to attract this very unique and clinically compromised population. Currently over 60% of the market is outmigrating for these services to hospitals outside of the Greater Waterbury area. Through a single, well capitalized, local healthcare delivery model that is better organized to provide a highly coordinated continuum of services with a single medical staff, the opportunities to expand and add new services is extraordinary.

Beyond this we are fully committed to improving the patient experience at JV facilities. We intend to move to an all private room configuration as rapidly as possible. Also, substantial investments will be made in emergency medicine to ensure quick throughput and high quality service. The synergies created by a single, robust and well coordinated healthcare delivery system will create a halo effect in the region that will provide further opportunities over time to expand our combined market and add additional facilities and healthcare services.

c) Describe which, if any, clinical services may not be maintained at GWHN and the Hospital.

As stated above in our response to 5. a.) the JV is committed to maintaining all material existing services in the community. In order to provide the highest quality and level of service to our patients, it will be optimal to consolidate certain services at one location or the other or to move them to a new location. It is too early in the process to be definitive on any particular service. Nor would the JV Board of Directors, which will include 4 GWHN members, presume to make such decisions without substantial input from the physicians and staff of both facilities.

d) Indicate the minimum time horizon for maintaining existing services.

The JV is committed to maintaining all material existing services in the community for a minimum period of 5 years.

## 6. Excluded Activities and Operations

a) Describe any GWHN activities and operations that are expected to be excluded from a transaction.

The only activities that are expected to be excluded are those of your existing Foundation.

b) Describe how the surviving GHWN organization (if any) could support the ongoing activities of the acquired operations after the transaction.

Beyond appointing 4 members to the JV Board of Directors, it is hoped that the surviving

GWHN foundation will coordinate efforts with both the JV and the surviving SMHS foundation to benefit healthcare in the greater Waterbury area. Each foundation will have tangible resources and will undoubtedly be looking for opportunities to serve the community. It would be our hope that a periodic Community Needs Assessment would be conducted and that the three organizations would jointly plan a response based upon the findings. Clearly, some of the findings will best be addressed through the health system, while others may best be addressed through civic organizations, churches, and charities. A coordinated approach would allow each of our organizations to be the best steward possible of the resources entrusted to it and together meet the maximum number of needs in the community.

## 7. Charity Care

Describe your existing charity and indigent care policies and any potential changes to GWHN policies you foresee.

The JV is currently committed to the continued use of the existing SMHS charity care policy. We believe that this policy is very similar to the one in use by GWHN. Therefore, subject to a review of the GWHN policy, we would propose to use the SMHS policy across the combined system.

## 8. Ethical and Religious Directives

Describe any ethical or religious directives of your organization, if any, which would impact the future operations of GWHN.

The JV has already committed in item 5. d. above, to maintain all material existing services in the community. The JV is also currently committed to adherence to the Ethical and Religious Directives for Catholic Health Care Services. As a result, the Saint Mary's partner, and by extension the JV, cannot benefit from the provision of prohibited services. JV leadership is committed to, and currently involved in, discussions around alternative arrangements for services which are inconsistent with the ERDs. We hope, in the very near future, to be able to articulate an acceptable plan.

## 9. Employee Relationships

a) Describe your commitment to GWHN employees, anticipated layoffs, and type of severance package that may be offered to any affected employees.

At SMHS, the JV has committed to hire all employees in good standing at the time of a transaction. As we have not had the opportunity to review the collective bargaining agreements relative to the GWHN employees, we have not yet formulated our approach to employment matters at Waterbury Hospital.

Speaking in generalities, over time it is probable that increased volume growth will require more employees, not less. It is equally probable that in the short to medium term some disruption will be necessary at both facilities in order to effect the efficiencies promised of a consolidation and to support the proposed valuation of GWHN. The planning for such efforts, however, will take some time and consultation with the various stakeholders. When and if layoffs occur, a fair and uniform severance policy will be administered across the combined system. That policy has not yet been crafted and would need to be discussed further with the new JV Board of Directors (including the GWHN members) at the appropriate time.

b) Describe any anticipated employee benefit changes.

As we have not had the opportunity to review the collective bargaining agreements relative to the GWHN employees, we have not yet formulated our approach to employment and benefit matters at Waterbury Hospital.

## 10. Capital Expenditure Commitments

Describe your expectations and commitment to capital investments over the next five years to improve GWHN facilities and expand programs and services.

The current JV has already committed to spend a minimum of $75mm in new capital in the greater Waterbury market over the next 5 years. We are prepared to more than double that minimum commitment to $160mm in the event that the two systems come together. Should circumstances prove favorable at a point in the future to build a single replacement facility, the JV will undoubtedly spend significantly more than this minimum commitment.

**Alternative 2:** As an alternative to the above proposed capital commitment, if GWHN is willing to consider the conveyance of the assets for a de minimis amount, the JV will consider a commitment to the completion of a replacement facility.

## 11. No Sale

Describe your commitment to retaining ownership of the GWHN operations acquired.

The JV is willing to make such a commitment for a period of three years.

## 12. Right of First Refusal/Repurchase Rights

Describe any terms and conditions under which the surviving GWHN organization (if any) could reacquire interests transferred in a transaction.

The JV agreement between LHP and SMHS contains a provision granting either party a right of first refusal to purchase the other's interest in the JV in the event that the other party agrees to sell its interest to a third party pursuant to a bona fide offer. This existing provision allows the local partner the option of keeping the health system under local control in the unlikely event that LHP ever considered selling its interest. We would be willing to discuss options within this framework of extending a secondary right to GWHN.

## 13. Financial and Operating Information

a) Provide a copy of your most recent audited financial statements.

Not applicable.

b) Describe how you propose to finance the transaction and any proposed ongoing financial commitments to GWHN.

There are no financing contingencies associated with this offer. The initial capitalization of the JV is such that the proposed transaction can be funded through either additional capital contributions from the members or loans on the equity of the JV or some combination of the two.

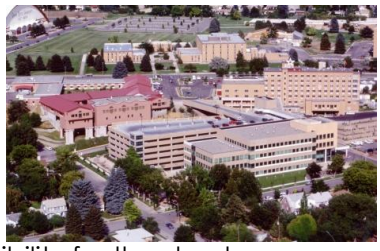
c) Provide an overview of your existing operations, including, but not limited to, the

following:

i. Number and location of facilities owned and operated

## LHP Facilities

LHP completed its first hospital transaction as a new company on February 1, 2009 in Pocatello, Idaho with the establishment of the Pocatello Health System, LLC (PHS), a joint venture between LHP and the not-for-profit **Portneuf Health Care Foundation, Inc.** PHS owns and operates the 250-bed Portneuf Medical Center, the primary regional referral hospital in southeastern Idaho. The joint venture recently completed construction of a new $162 million, state-of-the-art, replacement facility which will greatly enhance the provision of healthcare services in the region for many years to come. LHP and Portneuf share governance and LHP has responsibility for the day-to-operations of the facility.



The Sherman/Grayson Health System, LLC (SGHS) is a joint venture between LHP and **Texas Health Resources (THR)**, the largest not-for-profit health system in Texas. SGHS was created to acquire, own and operate the 241-bed Wilson N. Jones Medical Center (WNJ) located in Sherman, TX. SGHS acquired the facility on April 15, 2010 and has rebranded it Texas Health Presbyterian Hospital - WNJ. WNJ is now a member of the THR network in North Texas and participates in THR's managed care contracts and quality programs. LHP and THR share governance and LHP has responsibility for the day-to-operations of the facility.

LHP also has three other hospital projects currently under development. The first is a project under contract in northern New Jersey that is awaiting certificate-of-need approval. The Pascack Valley Health System, LLC (PVHS) is a joint venture between LHP and **Hackensack University Medical Center (HUMC)**, based in Hackensack, NJ. HUMC is the largest hospital in New Jersey and one of the premier tertiary teaching hospitals in the region. PVHS was created to own and operate the former Pascack Valley Hospital (to be renamed Hackensack University Medical Center North at Pascack Valley), a 128-bed community hospital 12 miles north of Hackensack in Westwood, NJ. LHP and HUMC will share governance and LHP will have responsibility for the day-to-operations of the facility.

LHP has also broken ground on a new hospital in the fast-growing Killeen / Harker Heights area of central Texas in a joint venture with

Ascension Health affiliate, the **Seton Family of Hospitals**. LHP and Seton share governance and LHP has responsibility for the day-to-operations of the facility. The project will be an 83-bed, $100 million facility and is expected to be completed in the third quarter of 2012.

Finally, LHP and **Saint Mary's Health System** recently announced the completion of a letter of intent to create a JV that will own and operate Saint Mary's Hospital in Waterbury, CT. Saint Mary's is a 347-bed teaching hospital affiliated with the Yale University School of Medicine. The JV is committed to the deployment of at least $75 million in additional capital in the renovation and expansion of existing facilities as well as the acquisition and development of new locations and services throughout central and western Connecticut. LHP and Saint Mary's will share governance and LHP will have responsibility for the day-to-operations of the facility. This transaction is currently awaiting regulatory approval.

### ii. Number of beds owned and operated

LHP does not own its hospitals outright. Rather, LHP owns an interest in the joint ventures that own the facilities. In each case LHP is in partnership with a local not-for-profit partner who shares both ownership and governance.

| Hospital | Location | Beds | Comment |
|---|---|---|---|
| Portneuf Medical Center | Pocatello, ID | 250 | Currently operating |
| Texas Health Presbyterian Hospital - WNJ | Sherman, TX | 241 | Currently operating |
| Hackensack University Medical Center North at Pascack Valley | Westwood, NJ | 128 | Awaiting CON approval |
| Seton Medical Center Harker Heights | Harker Heights, TX | 83 | Under construction |
| Saint Mary's Hospital | Waterbury, CT | 347 | Awaiting regulatory approval |

### iii. Key operating statistics

| | | | YE 12/2010 | | |
|---|---|---|---|---|---|
| **Hospital** | **Location** | **Beds** | **Admits** | **ADC** | **ER Visits** |

| | | | | | |
|---|---|---|---|---|---|
| Portneuf Medical Center | Pocatello, ID | 250 | 7,970 | 77 | 35,346 |
| Texas Health Presbyterian Hospital - WNJ | Sherman, TX | 241 | 8,280 | 103 | 21,926 |
| Hackensack University Medical Center North at Pascack Valley | Westwood, NJ | 128 | NA | NA | NA |
| Seton Medical Center Harker Heights | Harker Heights, TX | 83 | NA | NA | NA |
| Saint Mary's Hospital | Waterbury, CT | 347 | 11,287 | 138 | 68,272 |

iv. Key quality indicators

Exceptional Core Measures National Scores (4th Qtr 2010)

| | Portneuf | P-WNJ |
|---|---|---|
| • Pneumonia | 99% | 99% |
| • Heart Failure | 95% | 97% |
| • AMI | 96% | 96% |
| • SCIP | 100% | 98% |
| • Outpatient | 90% | 98% |

Outstanding NHSN Infection Rates (4th Qtr 2010)

| | | |
|---|---|---|
| – Total Hip | 0% | 0% |
| – Total Knee | 0% | 0% |
| – Cardiac Surgery | 0% | 0% |
| – CABG | 0% | 0% |
| – VAP | 4% | 0% |
| – Central Lines | 0% | 0% |

## 14. Due Diligence

a) Describe your due diligence process.

LHP and SMHS will need to conduct additional due diligence and gather more information to complete the proposed transaction. Our focus will be primarily on financial, legal, environmental, and compliance issues. We expect that we could complete our due diligence within 90 days of signing a non-binding LOI. We would likely bring in outside subject matter experts for certain legal matters and environmental surveys. However, LHP is staffed and experienced in completing complex acquisition and joint venture transactions and the vast majority of our due diligence review will be performed by LHP internal staff.

b) Provide a list of due diligence items you would like to receive in Phase II if you are selected to continue in the process.

See attached list.

## 15. Process and Approvals

Indicate the level at which your response has been approved within your organization and what approvals will be required to sign a Definitive Agreement and to close the transaction.

This proposal has been reviewed and approved by the Executive Committee of the Board of Directors of LHP and by the Joint Venture Task Force of the Board of SMHS. A definitive agreement between the parties would require approval from the full Boards of both LHP and SMHS.

## 16. Other

Please describe any other factors that GWHN should consider in evaluating your proposal.

- GWHN assures that the system maintains its historical charitable mission in the community through:
  - Continued accountability of management to a local Board of Trustees composed of local physicians and community leaders.
  - Continuation of the not-for-profit charity care policies.
  - Continued adherence to the Community Benefit Standards for not-for-profit healthcare organizations (required in the JV Operating Agreement between SMHS and LHP).
- The transaction will assure the ongoing viability of a single strong, well capitalized health system based in Waterbury. Together, the two health systems can better serve the city and region
- The complete recapitalization of the system makes it possible to pursue a much more ambitious strategic plan than would otherwise be possible under the existing capitalization.
- GWHN will maintain an active and significant governance role in the combined entity.
- With its transaction proceeds, GWHN will be able to establish a significant charitable foundation to perform good works in the community outside of the historical scope of hospital operations. This foundation, in cooperation with the SMHS foundation and the JV, can take a comprehensive and coordinated approach to addressing the full scope of community health needs.
- Upon initial capitalization, the JV will have access to substantial cash. This, along with the participation of a strong capital partner will give it the financial strength to grow and compete effectively.
- The JV will become one of the largest taxpayers in Waterbury providing much needed tax

revenues to local government.

[redacted]

May 23, 2011

Jason D. Horowitz
Senior Vice President
Cain Brothers and Company, LLC
360 Madison Avenue, 5th Floor
New York, NY 10017

Dear Mr. Horowitz:

[redacted] appreciates the opportunity to proceed to the next round of the Waterbury Hospital process. The following is [redacted]'s response to the specific items requested in your email dated May 17, 2011.

- ***We'd like to see improvement in both the Purchase Price (Valuation) and Long-Term Capital Commitment.***

  [redacted] proposed a Purchase Price and a Long-Term Capital Commitment based on the information provided to date. Once we are able to perform more detailed due diligence, we may be able to identify additional value that allows us to increase our purchase price or enhance our capital commitment.

- ***If you could amend or include a more detailed description of your consolidation / growth strategy as it relates to Waterbury and overall CT market, it would be useful in framing the discussion to our client.***

  [redacted] recognizes the need to have a credible geographic distribution system. In order to achieve that, we must develop a viable regional network that can provide care to the population of the state and be attractive to employers for contracting.

  [redacted] is committed to Connecticut and sees significant opportunities to grow our network within the State and the surrounding areas. A GWHN partnership will be the foundation for our strategic direction in Connecticut, with Waterbury Hospital as a key operation for [redacted] [redacted] believes there will be an opportunity to begin discussions with other area hospitals to begin working as partners once we have established our presence in the market. The partnerships would create a stronger system and form a stronger foundation for our continued growth throughout Connecticut.

  In addition, we are actively pursuing various opportunities throughout the Connecticut landscape to create a stronger system both within the state and the surrounding areas. These opportunities are focused on finding partnerships to create strategically located "pods". In addition to acute inpatient services, these delivery systems will include physician groups (primary care and subspecialists) retail and urgent care, behavioral health, workforce health, ambulatory care, post-acute care and community health

[redacted]

initiatives. These networks will benefit from being run locally and focused on the immediate community, as well as belonging to a larger network of providers throughout Connecticut and the rest of the country.

- ***There are several physicians on the board who have expressed a desire to understand more broadly your physician recruitment and retention strategy. If you could amend your proposal to provide this description, it would be welcomed.***

  [redacted] is committed to supporting our medical staffs through a plurality of models. Due to variations in physician preferences within each of our markets, we embrace a variety of integration and staff development models designed to recruit, retain and support our physician constituencies. These models include physician employment, recruitment assistance, co- management arrangements, bundled pricing, PHOs and IPAs.

  To support physician-hospital alignment, [redacted] established physician leadership councils (PLC's) across all [redacted] hospitals. We hold annual national medical staff leadership conferences and our hospital boards are typically comprised of 50% physicians and 50% community members.

  In addition to traditional recruitment and retention programs, [redacted] utilizes a variety of professional services agreements, management services agreements and other creative and flexible models for physicians and physician groups who choose to remain independent. We offer professional services agreements and employment for those who prefer less commercial independence, such as physicians who have only recently completed their training and those approaching retirement who may wish to rid themselves of the administrative burden and cost of managing their own practice.

  Through our partnership, we expect to provide the best opportunity for GWHN and its physicians to sustain and enhance the existing health system. Historically, [redacted] has exhibited financial sustainability and strength in its markets and with physician partners. [redacted] understands the pressures typically applied by regional payers and competitors and we are prepared to work together to excel as a market leader.

Thank you again for the opportunity to participate in this process. We are very interested in working toward a possible transaction with Greater Waterbury Health Network, Inc. If I can provide any additional information to facilitate this process and consideration of [redacted], please let me know.

Sincerely,

[redacted]

# Overview of Proposals

## Summary of Indications of Interest

| *($ in millions)* | [redacted] | LHP Hospital Group, Inc. – Culture · Collaboration · Capital – Saint Mary's Health System | [redacted] | [redacted] |
|---|---|---|---|---|
| **Form of Transaction** | ▪ Equity JV; or<br>▪ Non-equity Affiliation; or<br>▪ Full Integrated Affiliation | Asset purchase | ▪ Asset purchase; or<br>▪ 25% / 75% JV | ▪ Asset purchase; or<br>▪ Taxable JV |
| **Upfront Consideration** (1) | TBD | i. $109.0 – $124.0 or<br>ii. Minimum upfront w/ commitment for replacement hospital | $37.3 – $62.3 | $48.0 |
| **Long Term Capital Commitments** | TBD | i. Minimum investment of $160 over 5 years (2) or<br>ii. Commitment for replacement hospital | Minimum investment between $55 – $75 over 5 years (3) | Minimum investment of $90 over 7 years |
| **Governance** | TBD | 4 Board Members / Trustees | TBD (4) | TBD (4) |
| **Continuation of Services** | TBD | Up to 5 Years | TBD (5) | Up to 10 years |
| **No Sale Provision** | TBD (6) | Up to 3 Years | Up to 3 Years | TBD (7) |

*(1) Based on Cain Brothers estimates and discussions; see following pages for calculation*
*(2) Includes $75 million already committed to SMH;*
*(3) Based on percentage of historical depreciation and maintenance CapEx and subject to diligence; consists of "New" capital and does NOT preclude identified expansion opportunities*
*(4) To be determined, but anticipated local community board representation and oversight*
*(5) To be determined, but anticipated continuation services for foreseeable future*
*(6) As an tax-exempt organization, does not include nor anticipate such divestitures at a later date*
*(7) Does not buy assets with the intention of selling them*

# Overview of Proposals

## Summary of Indications of Interest

| | [redacted] | LHP Hospital Group, Inc. / Saint Mary's Health System | [redacted] | [redacted] |
|---|---|---|---|---|
| **Expansion of Services** | TBD | ▪ Priority to expand access to subspecialty services in the area<br>▪ More integrated approach to comprehensive cancer care<br>▪ Optimize Heart Center clinically and financially | ▪ Additions to service line and other clinical augmentations identified through strategic planning process undertaken by hospital<br>▪ Primary focus of due diligence process is to work with management to identify opportunities | ▪ Continually evaluate the existing service mix and identify new services which will benefit the hospital and community<br>▪ Work with local management, medical staff and local board to identify opportunities |
| **Right of First Refusal / Repurchase Rights** | Amenable to certain provisions to be determined | Open to extending a right to GWHN similar to existing SMH | If a JV structure, yes | Open for discussion |
| **Charity Care** | No changes expected | Use the existing SMH charity care policy | No changes to existing charity care expected | No changes to existing charity care expected |
| **Ethical and Religious Directives** | None | Open for discussion | None | None |
| **Employee Matters** | No changes expected | TBD | Employ active employees in good standing | No changes expected |

# Overview of Proposals

## Upfront Consideration Analysis – LHP / St. Mary's

*($ in millions)*

| | LHP | Saint Mary's | |
|---|---|---|---|
| Metric from Proposal | **$100.0** | **- $115.0** | |
| Adjustments: | | | |
| *Less:* | | | |
| Accounts Receivable @ 10% Discount | (34.6) | (34.6) | |
| Inventories, Other | (7.3) | (7.3) | |
| *Plus:* | | | |
| Accounts Payable | 16.3 | 16.3 | |
| Other Accrued Expenses | 15.5 | 15.5 | |
| **Total Net Work Capital Adjustment** | **(10.1)** | **(10.1)** | **A** |
| *Plus* Asset Retained: | | | |
| Cash | 21.5 | 21.5 | |
| Other Investments | 35.8 | 35.8 | |
| Assets Whose Use is Limited | 0.6 | 0.6 | |
| *Less* Liabilities Retained: | | | |
| Accrued Pension Liability | (9.4) | (9.4) | |
| Long Term Debt | (28.7) | (28.7) | |
| 3rd Party Liability [1] | (0.6) | (0.6) | |
| **Total Other Adjustments** | **19.1** | **19.1** | **B** |
| **Total Upfront Consideration** | **$109.0** | **- $124.0** | **A + B** |

*Note: Reflects March 31, 2011 GWHN financial statements unless otherwise stated*
*(1) Third-party liabilities need to be addressed and negotiated; assumes full GWHN liability, which may not be the case*

# Overview of Proposals

## Upfront Consideration Analysis – [redacted]

*($ in millions)*

[redacted]

| | | | |
|---|---|---|---|
| Metric from Proposal | 4.5x | - 6.5x | LTM EBITDA |
| EBITDA [(2)] | $6.0 | $8.0 | |
| Implied Value | **$27.0** | **$52.0** | |
| | | | |
| Adjustments: | | | |
| *Less:* | | | |
| Long Term Debt | (28.7) | (28.7) | |
| Net Working Capital | (10.1) | (10.1) | |
| Accrued Pension Liability | (9.4) | (9.4) | |
| *Plus:* | | | |
| Cash | 21.5 | 21.5 | |
| Other Investments | 35.8 | 35.8 | |
| Assets Whose Use is Limited | 0.6 | 0.6 | |
| 3rd Party Liability [(1)] | 0.6 | 0.6 | |
| **Total Adjustments** | 10.3 | 10.3 | |
| | | | |
| **Total Upfront Consideration** | **$37.3** | - **$62.3** | |

*Note: Reflects March 31, 2010 GWHN financial statements unless otherwise stated*
*(1) Based on estimated EBITDA from management discussions*
*(2) Third-party liabilities need to be addressed and negotiated; assumes full GWHN liability, which may not be the case*

# Overview of Proposals

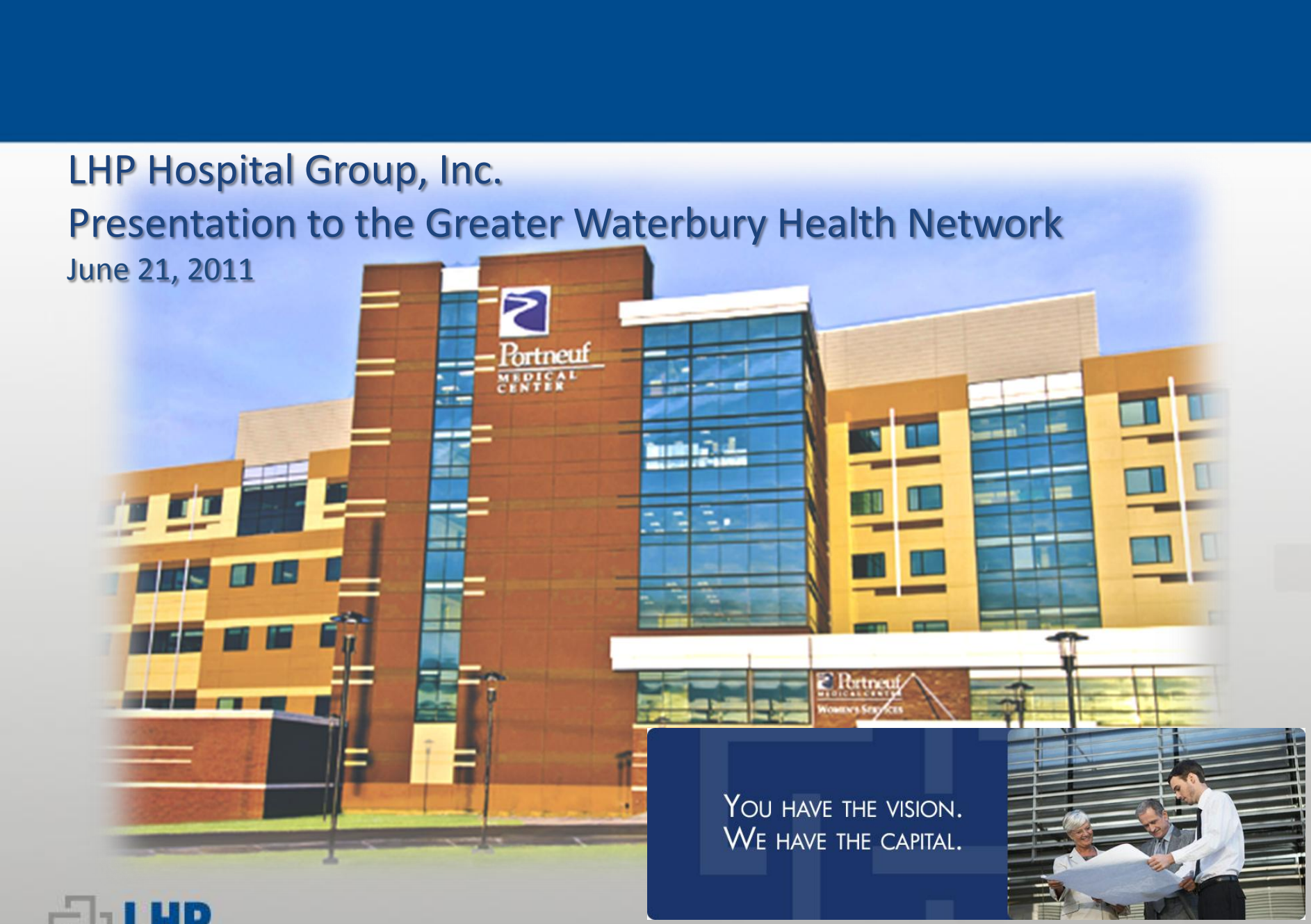
## Upfront Consideration Analysis – [redacted]

*($ in millions)*

| | [redacted] |
|---|---|
| Metric from Proposal | **$10.0** |
| Adjustments: | |
| *Less:* | |
| Long Term Debt | (28.7) |
| 3rd Party Liability [(1)] | (0.6) |
| *Plus:* | |
| Cash | 21.5 |
| Other Investments | 35.8 |
| Assets Whose Use is Limited | 0.6 |
| Assumption of Pension Liability | 9.4 |
| **Total Adjustments** | 38.0 |
| **Total Upfront Consideration** | **$48.0** |

*Note: Reflects March 31, 2010 GWHN financial statements unless otherwise stated*
*(1) Third-party liabilities need to be addressed and negotiated; assumes full GWHN liability, which may not be the case*

# LHP Hospital Group, Inc.
# Presentation to the Greater Waterbury Health Network
June 21, 2011




LHP
LHP Hospital Group, Inc.™



WH001033

Culture · Collaboration · Capital

# Outline

I. LHP Overview

II. LHP/Saint Mary's JV Structure

III. LHP/Saint Mary's JV: Waterbury Hospital Proposals

IV. LHP/Saint Mary's JV Structure: After Waterbury Hospital Transaction

V. JV References

# Who is LHP Hospital Group?

- Privately-held hospital company
- Experienced management team
- Based in Plano, Texas
- Owners with financial and healthcare expertise

CCMP CAPITAL

CPP INVESTMENT BOARD

# LHP Distinctives

- Focus solely on JVs with not-for-profit partners
- Unique Collaborative Culture
- Board of Directors - leading not-for-profit healthcare thought leaders

# LHP Overview – Board of Directors

| | |
|---|---|
| **David Bernd** | CEO, Sentara Healthcare, Norfolk, VA; former AHA chair |
| **George Lynn** | President Emeritus, Atlanticare Health System, Atlantic City, NJ; former AHA chair |
| **Gary Mecklenberg** | Former CEO, Northwestern Memorial Healthcare, Chicago, IL; executive partner, Waud Capital, LLC; former AHA chair |
| **Douglas Hawthorne** | CEO, Texas Health Resources, Inc., Arlington, TX; chair, Premier; former AHA board and executive committee member |
| **Jim Tinker** | President Emeritus, Mercy Health Systems, Cedar Rapids, IA; former AHA trustee |
| **Donald Halverstadt, M.D.** | Chair of Department of Pediatric Urology, Children's Hospital of Oklahoma; former Triad director |
| **Denny Shelton** | Former Chairman and CEO of Triad Hospitals, Inc.; former AHA board and executive committee member |

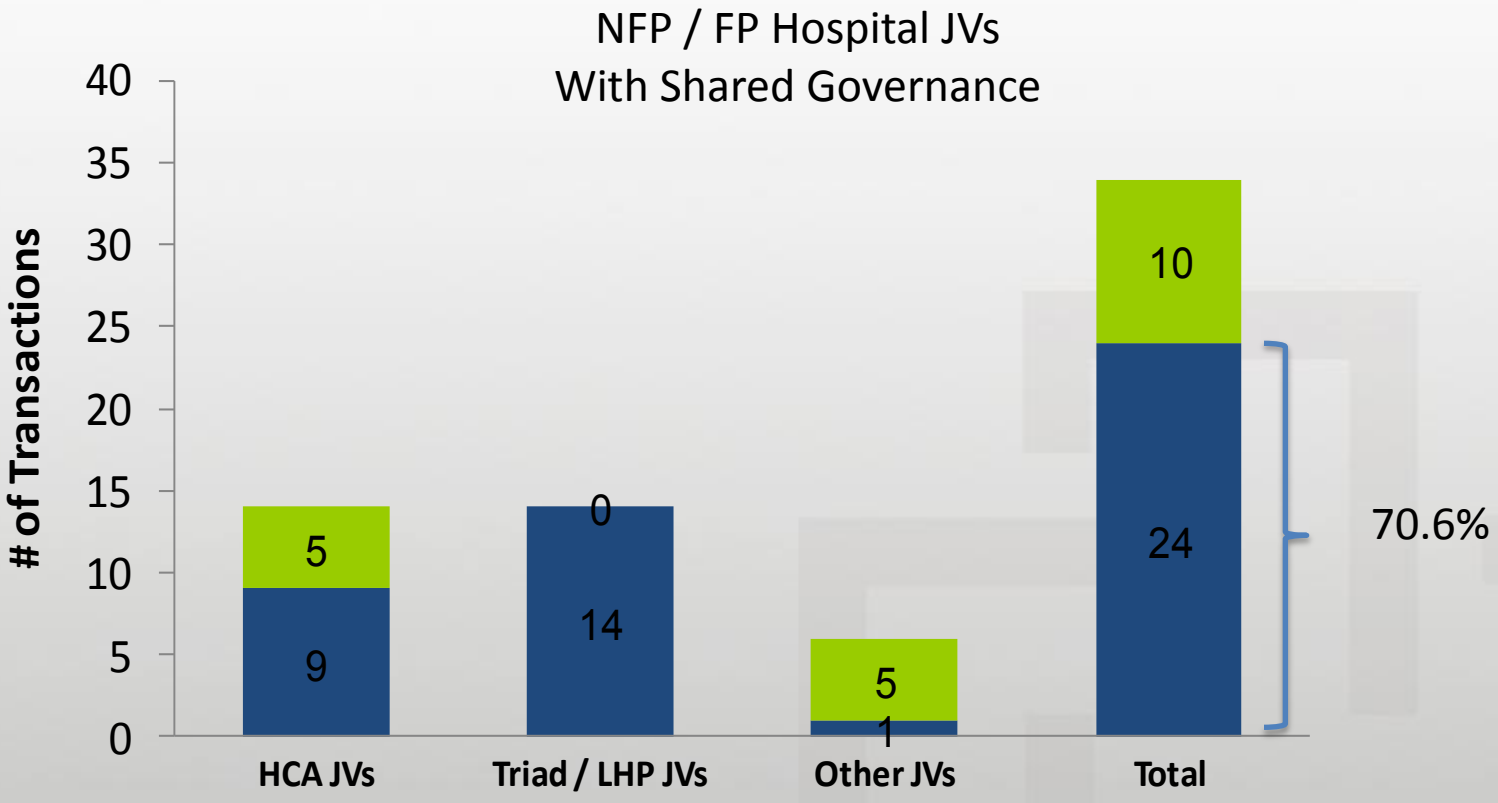
# LHP Overview – Board of Directors

| | | | |
|---|---|---|---|
| **Dan Moen** | CEO, LHP Hospital Group, Inc. | Former EVP, Triad Hospitals, Inc.; 30+ years of health care experience | Plano, TX |
| **Steve Murray** | President & CEO, CCMP Capital Advisors, LLC | Sponsor Representative | New York, NY |
| **Kevin O'Brien** | Managing Director, CCMP Capital Advisors, LLC | Sponsor Representative | Dallas, TX |
| **Michael Douglas** | Principal, Canada Pension Plan Investment Board | Sponsor Representative | Toronto, Canada |
| **Jim Fasano** | VP, Canada Pension Plan Investment Board | Sponsor Representative | Toronto, Canada |

# LHP JV Strategy

LHP forms whole hospital joint ventures with not-for-profit partners to provide necessary capital and expertise to help achieve partner's strategic goals

# LHP JV Experience



# JV Partners Over the Years

Cascade Health Foundation

Butterfield Memorial Foundation

Methodist Healthcare Ministries of South Texas, Inc. "Serving Humanity to Honor God"

baptisthealth system Answering the call.

The University of Oklahoma Health Sciences Center

Tulane University

SHARE Foundation Building a Healthier Community

Seton Family of Hospitals

Hackensack University Medical Center

MAT-SU HEALTH FOUNDATION

St David's FOUNDATION

cmc community Health Foundation

Portneuf Health Care Foundation

Saint Mary's Hospital Foundation

Texas Health Resources

Ascension Health

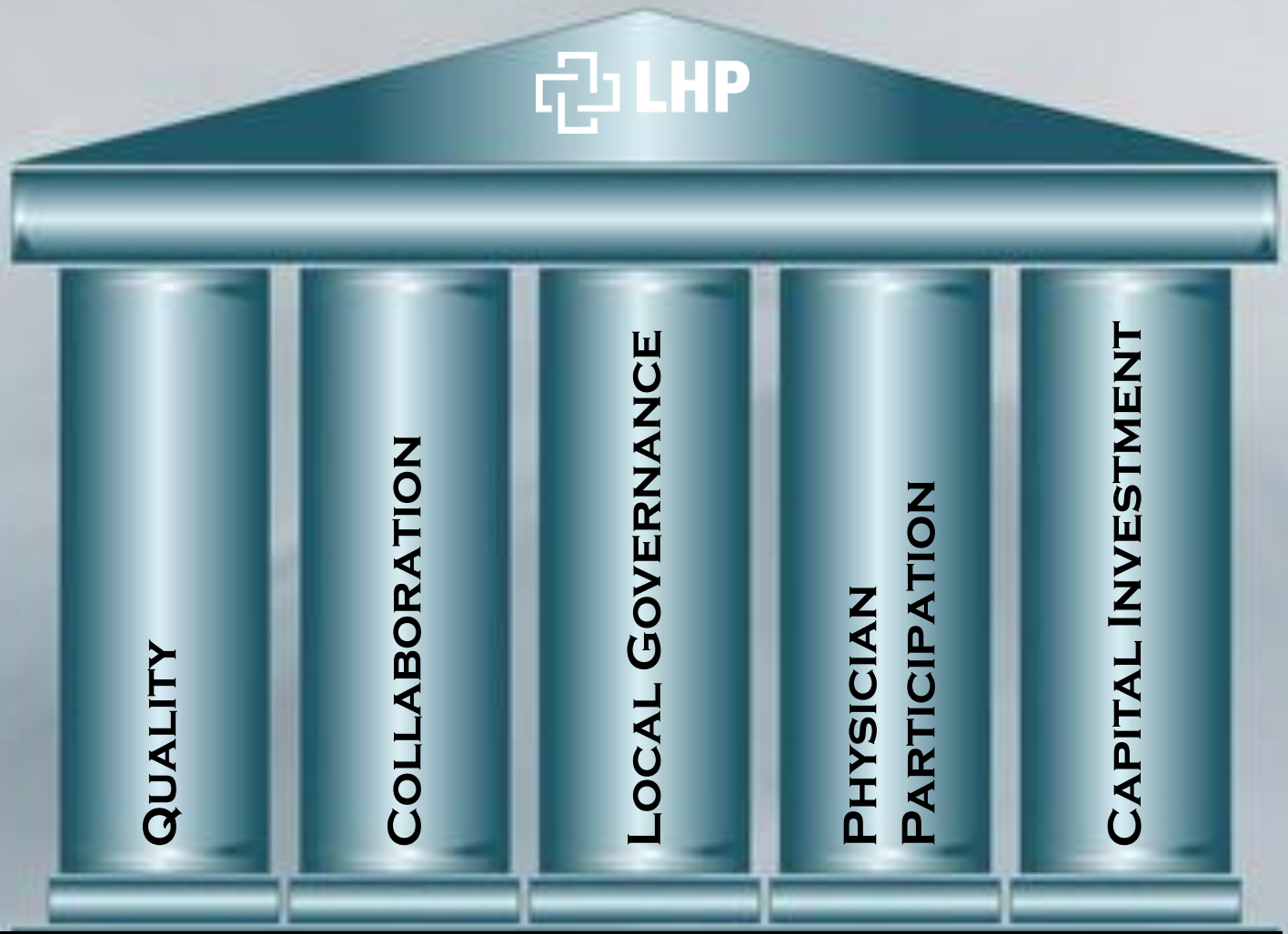
The Rapides Foundation

LHP Hospital Group, Inc.

# Media Coverage of LHP JV Model

Substantial media interest in LHP's unique culture and collaborative strategy for joint ventures

# LHP Overview - Culture




WH001043

# LHP Overview - Culture

## I. Commitment to Quality

- Providing quality patient care is our primary goal and concern
- “Good patient care is good business”
- Supported by LHP Board of Directors, JV Board of Directors, Hospital Boards of Trustees, Administration and Physician Roundtables

# LHP Overview - Culture

## II. Commitment to Collaboration

- We value the input of all hospital stakeholders
- We work with our partner, our medical staff and community leaders to share:
  - Ownership
  - Control
  - Governance
  - Decision-making

# LHP Overview - Culture

## III. Commitment to Local Governance

We empower community leaders to exercise local control

- "Our philosophy is simple, LHP and its partners may own the bricks and mortar, but the hospital really belongs to the community it serves."

  - *Denny Shelton, LHP Chairman and founder*

- Each LHP hospital has a Board of Trustees composed entirely of local leaders

# LHP Overview - Culture

## IV. Commitment to Physician Participation

Physicians are part of the decision-making process

- We involve physicians by integrating them into our decision making activities:
  - Governance…the Hospital Board of Trustees is composed of at least 50% physicians
  - Management…Physician Roundtable Program
- We want physicians to be able to control the environment in which they work.

# LHP Overview - Culture

## V. Commitment to Capital Investment

- Invest in state-of-the-art facilities
- Add new services and equipment

# LHP Corporate Resources

**Operations Support**

- Reimbursement / Government Programs
- Financial Operations Support
- Capital Management
- Physician Recruiting
- Physician Roundtable Support
- Managed Care
- Policies & Procedures
- Plant Operations
- ER Management

**Development**

- Market Assessment/Strategic Planning
- Transaction Structuring & Negotiation
- Design & Construction
- Real Estate

**Legal**

- Operations Legal
- Acquisition/Development Legal
- Regulatory/Compliance

# LHP Corporate Resources

**Information Systems**
- Planning
- Contracting
- Implementation

**Quality/Resource Management**
- Accreditation & Licensure
- Quality & Outcomes
- Resource Management

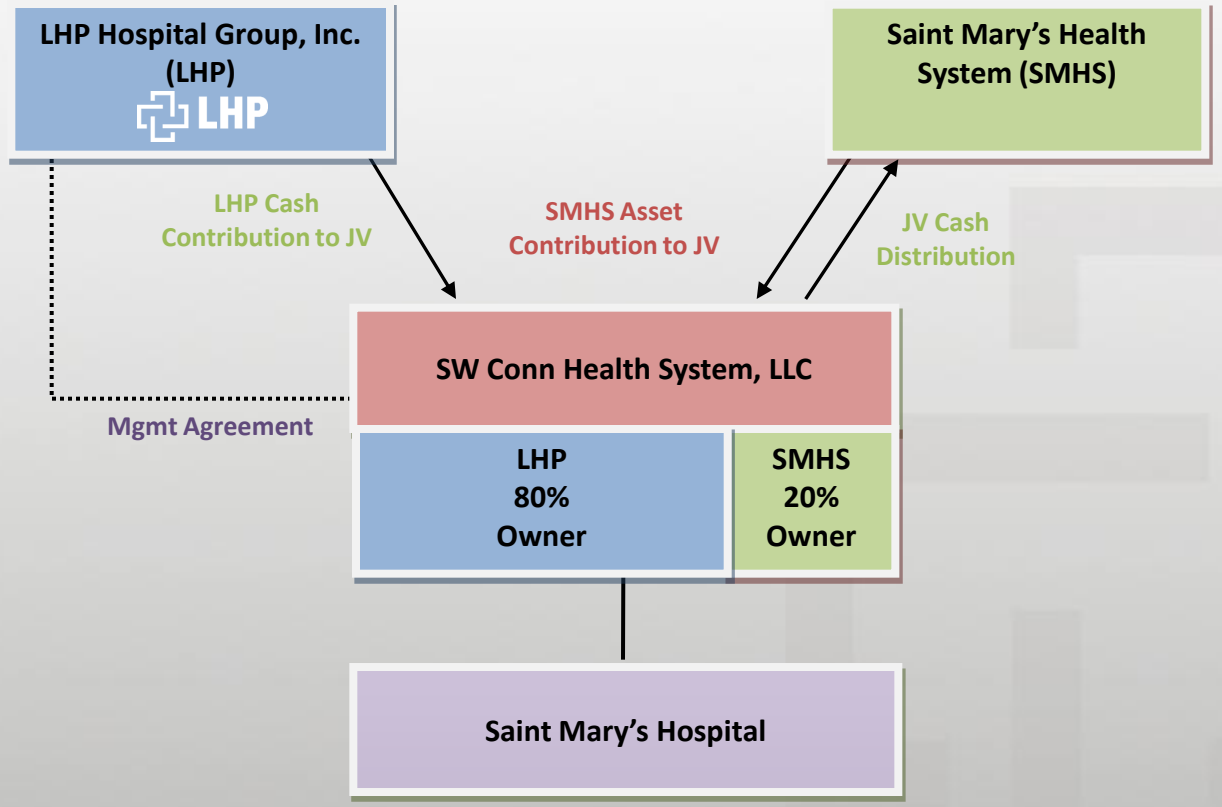
**Marketing/Public Affairs**
- Government Relations
- Marketing
- Public Relations
- Customer Satisfaction

**Materials Management**
- GPO Contracting
- Equipment Purchasing

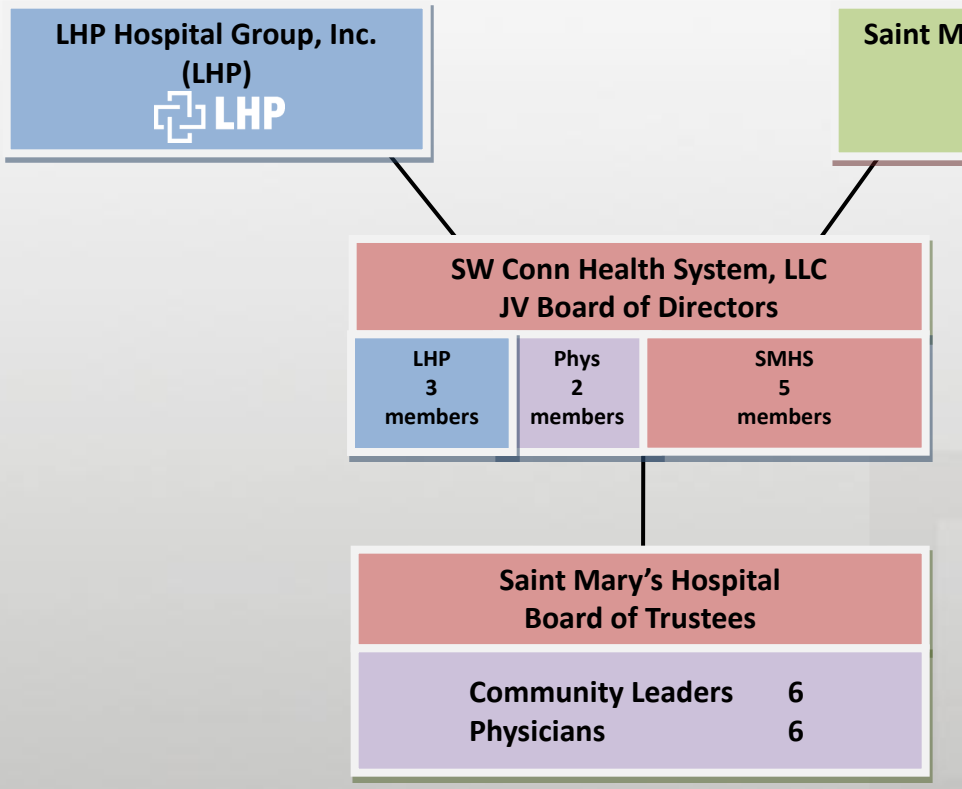
**Finance & Accounting**
- Budgeting/Financial Planning
- Treasury
- Tax
- Accounting
- Risk Management
- Internal Audit

**Human Resources**
- Executive Recruiting
- Wage & Salary Admin.
- Benefit Administration

# LHP/Saint Mary's JV Structure



# LHP/Saint Mary's JV Governance




- Block voting between LHP and SMHS
- Strategic decisions
- Meets quarterly
- LHP has no reserve powers

- Day-to-day decisions
- Meets monthly

# Governance of JV

SMHS Members' Reserve Powers:

- Right to unilaterally remove the CEO of JV
- Right to name the JV Board Chairman
- Right to dissolve JV upon failure to meet the Community Benefit Standards (1986 Internal Revenue Code)

# Preservation of Non-Profit Mission

- Allows SMHS to maintain a tax-exempt income stream by operating under the same standards required of tax-exempt organizations:
  - JV operates in accordance with 1986 IRS Code
  - JV fulfills Community Benefit Standards for 501(c)(3)
- Even though the JV pays local sales and real estate taxes the JV is considered a "flow-through" entity for federal income tax purposes

# Employee Matters

- The JV agrees (through LHP) to:
  - Employ personnel
  - Honor current salaries
  - Assume current paid-time-off benefits
  - Honor seniority
  - Provide a comprehensive, competitive benefits package
- Employees are then leased back to the JV at LHP's cost

# Other JV Commitments

- Provides for the treatment of indigent patients based upon the existing policy in use at the time of the JV's initiation;

- Continues to adhere to the Ethical and Religious Directives for Catholic Health Care Services

# Saint Mary's Benefits of the JV

- Maintaining an existing charity care policy;
- Continuing to operate under the same community benefit standards required by the IRS for not-for-profit hospitals;
- Maintaining substantial governance through JV Board of Directors;
- Maintaining continued accountability to a local Board of Trustees;
- Employing (thru LHP) existing employees

# Saint Mary's Benefits of the JV

- Provides management team access to substantial LHP corporate resources to help them do their jobs better;
- Makes the hospital a source of tax revenue for the community thereby enabling expanded public services;
- Pays off all existing debt and pension liabilities
- Resets capital structure to allow for immediate upgrades to plant, equipment, and physician infrastructure; and
- Provides for a strong source of capital for potential acquisitions.

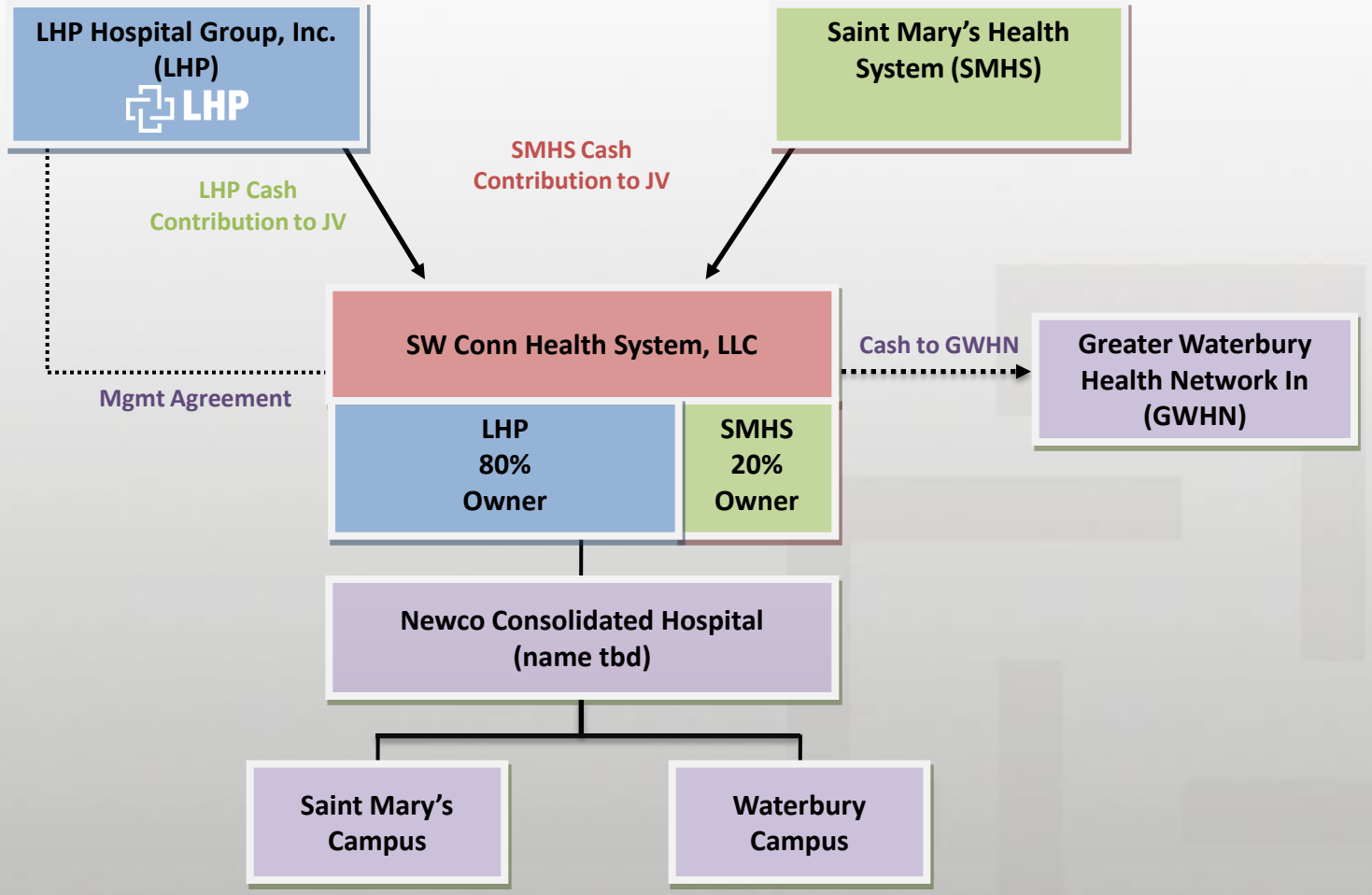
# LHP/Saint Mary's JV:
## Waterbury Hospital Proposals

The two alternatives proposed by LHP/Saint Mary's JV are as follows:

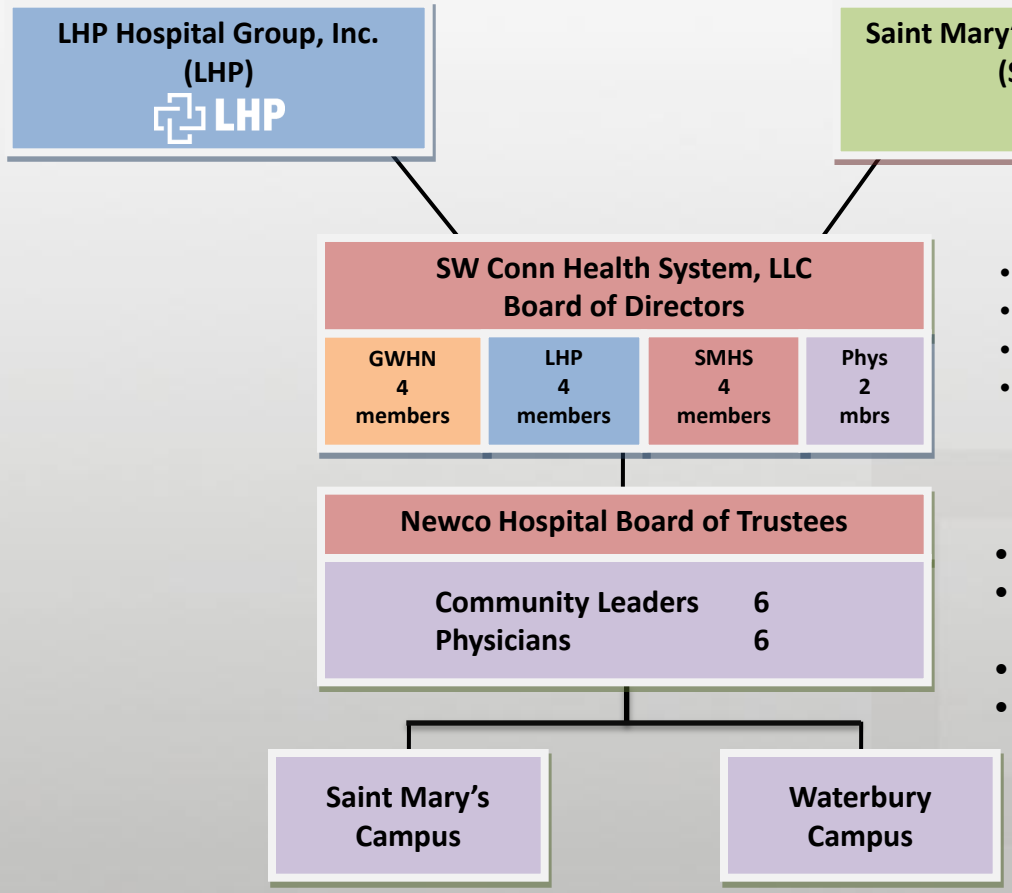
- **Alternative 1**
  - $100M-$115 valuation
  - $160M follow on investment to upgrade both Waterbury Hospital and Saint Mary's Hospital
  - $260M-$275M Total
- **Alternative 2**
  - $5M valuation
  - $300M-$400M follow on investment to build a single consolidated new replacement hospital for Waterbury Hospital and Saint Mary's Hospital.
  - $305M-$405M Total

Note: Each alternative assumes that Waterbury Hospital and Saint Mary's Hospital will be combined and operated as a single hospital.

# LHP/Saint Mary's JV Structure:
## After Waterbury Hospital Transaction



# LHP/Saint Mary's JV Governance:
## After Waterbury Hospital Transaction




- Block voting between LHP and SMHS
- Strategic decisions
- Meets quarterly
- LHP has no reserve powers

- 6 physician trustees (from both facilities)
- 6 community leaders (incl. members of the current GWHN Board)
- Day-to-day decisions
- Meets monthly

# Medical Staff Matters

- Initially there would be no changes to the Waterbury Hospital medical staff. However, as we combine the operations of both facilities the medical staff and their leadership would be merged.
- The JV will implement the “Physician Roundtable Program” with physicians from both facilities Waterbury Hospital and Saint Mary’s Hospital to plan for the combination of the facilities and medical staffs.

# Non Union Employee Matters

- The JV agrees (through LHP) to:
  - Employ personnel
  - Honor current salaries
  - Assume current paid-time-off benefits
  - Honor seniority
  - Provide a comprehensive, competitive benefits package
- Employees are then leased back to the JV at LHP's cost

# Union Employee Matters

- We have worked with union employees in other hospitals that we have managed in the past.
- We recognize the rights of the existing unions to represent their bargaining units under their existing agreements with Waterbury Hospital.
- We have reviewed the agreements but need further information…
  - Health and welfare benefits
  - Retirement benefits
- Considering the need to combine both facilities we need to better understand contract provisions relating to union employee transfers between facility/campuses.

# Ethical and Religious Directives

- The Ethical and Religious Directives of Catholic Healthcare Services (ERDs) would be observed in the consolidated hospital
- An organization other than LHP/Saint Mary's JV would provide the ERD prohibited reproductive health services.
- The typical solution for another organization to provide these services involves leasing an operating room and other ancillary services in the consolidated hospital
  - This is referred to as a "Hospital Within A Hospital"

# Other JV Commitments

- Provides for the treatment of indigent patients based upon the existing policy in the community at the time of the JV's initiation;

# Consolidated Replacement Hospital Plan

- A replacement hospital located in Waterbury becomes a significant tertiary medical center with the same services and capabilities in a primary service area of 165,000 people
- Combined Hospital last twelve months: Revenue $521M, EBITDA $20M, ADC 291
- The synergies and efficiencies from the combined hospitals should make it practical to build a consolidated replacement hospital.
- Some of the synergies and efficiencies are as follows:
  - Combining underutilized services such as Obstetrics, Nursery, Open Heart Surgery
  - Not duplicating every services such as Emergency Department and Ancillaries
  - New hospital with private rooms will reduce patient outmigration and increase volumes
- We need 60 days to determine the financial viability of new hospital
  - Location
  - Size and scope of services
  - Capital cost…land, building, equipment budget
  - Complete proforma financial statements

# Consolidated Replacement Hospital Plan

| Year | Hospital Consolidation Activity |
|---|---|
| At Closing | • Complete replacement hospital planning and secure CON approval for replacement hospital |
| 1st Year | • Begin construction of a single consolidated replacement hospital.<br>• While replacement hospital is being built, operate a single hospital using both facilities and operate on both the Saint Mary's and Waterbury campuses.<br>• Combine those services not requiring construction/renovation at one of the existing facilities such as Open Heart Surgery and NICU.<br>• Begin common management for both facilities<br>• Combine medical staffs |
| 2nd Year | • Replacement hospital construction continues |
| 3rd Year | • Open replacement hospital and combine all services and functions |

# Regulatory Approval

- A new hospital is badly needed in Waterbury and a commitment to replace both hospitals with a single new consolidated hospital in Waterbury will help overcome any regulatory concerns.

# LHP Expertise in Building New Hospitals

- LHP has an experienced design and construction team
  - Ed Davidson, VP Design and Construction
  - Gene Hildman, Engineer
  - Jan Carty, Equipment Planning and Purchasing
  - Peter Wehner, Telecommunications
  - Larry Schunder, SVP Information Systems
- LHP team has built many new hospitals since 1999

# Hospital Construction Experience

**Northwest Medical Center - Bentonville**

Project Type: Replacement
Market: Bentonville, AR
Licensed Beds: 128
Completion Date: 2003

# Hospital Construction Experience

**Mat-Su Regional Medical Center**

Project Type: Replacement
Market: Wassilla, AK
Licensed Beds: 76
Completion Date: 2005

# Hospital Construction Experience

**Presbyterian Hospital of Denton**

Project Type: Replacement
Market: Denton, TX
Licensed Beds: 255
Completion Date: 2005

LHP Hospital Group, Inc.™



WH001073

Culture · Collaboration · Capital

# Hospital Construction Experience

**Gateway Medical Center**

Project Type: Replacement
Market: Clarksville, TN
Licensed Beds: 276
Completion Date: 2008

# Hospital Construction Experience

**SouthCrest Hospital**

Project Type: De-Novo Facility
Market: Tulsa, OK
Licensed Beds: 180
Completion Date: 1999

# Hospital Construction Experience

**Mountainview Regional Medical Center**

Project Type: De-Novo Facility
Market: Las Cruces, NM
Licensed Beds: 168
Completion Date: 2002

# Hospital Construction Experience

**Mesa View Medical Center**

Project Type: De-Novo Facility
Market: Mesquite, NV
Licensed Beds: 25
Completion Date: 2004

LHP Hospital Group, Inc.™



WH001077

Culture · Collaboration · Capital

# Hospital Construction Experience

**Northwest Medical Center – Oro Valley**

Project Type: De-Novo Facility
Market: Tucson, AZ
Licensed Beds: 96
Completion Date: 2005

# Hospital Construction Experience

**Beacon Hospital**

Project Type: De-Novo Facility
Market: Dublin, Ireland
Licensed Beds: 122
Completion Date: 2006

# Hospital Construction Experience

**Cedar Park Regional Medical Center**

Project Type: De-Novo Facility
Market: Cedar Park, TX
Licensed Beds: 77
Completion Date: 2007

# Hospital Construction Experience

**Portneuf Medical Center**

Project Type: Replacement Facility
Market: Pocatello, ID
Licensed Beds: 187
Completion Date: May 2011

# Hospital Construction Experience

**Seton Medical Center Harker Heights**

Project Type: De-Novo Facility
Licensed Beds: 83 (expandable to 150)
Completion Time: Fall 2012

# JV References

## Current JVs (LHP)

| Hospital | Location | Not-For-Profit Partner | Contact Name | Phone Number |
|---|---|---|---|---|
| Portneuf Medical Center | Pocatello, ID | Portneuf Health Care Foundation, Inc. | Mark Buckalew, Board Chair | 208-235-5740 |
| Wilson N. Jones Medical Center | Sherman, TX | Texas Health Resources | Doug Hawthorne, THR CEO | 817-462-7915 |
| Hackensack University Medical Center North at Pascack Valley | Westwood, NJ | Hackensack University Medical Center | Bob Garrett, HUMC CEO | 201-996-2004 |
| Seton Medical Center Harker Heights | Harker Heights, TX | Seton Family of Hospitals (an affiliate of Ascension) | Tom Gallagher, Seton EVP | 512-324-1903 |
| Saint Mary's Hospital | Waterbury, CT | Saint Mary's Health System | Chad Wable, SMHS CEO | 203-709-3368 |


WH001083

# JV References

## Previous JVs (Triad)

| Hospital | Location | Not-For-Profit Partner | Contact Name | Phone Number |
|---|---|---|---|---|
| McKenzie-Willamette Medical Center | Springfield, OR | Cascade Health Solutions | Maureen Weathers Board Chair | 541-954-5765 |
| Mat-Su Regional Medical Center (fka Valley Hospital) | Wasilla, AK | Valley Hospital Association | Rick Johnson, Board Chair | 907-232-8016 |
| Presbyterian Hospital of Denton (fka Denton Community Hospital) | Denton, TX | Texas Health Resources | Doug Hawthorne, THR CEO | 817-462-7915 |
| Trinity Medical Center (fka Montclair Baptist Medical Center) | Birmingham, AL | Baptist Health System | Beth O'Brien, Group Exec Officer, CHI (former BHS CEO) | 859-594-3854 |
| Cedar Park Regional Hospital | Cedar Park, TX | Seton Healthcare Network (an affiliate of Ascension) | Tom Gallagher, Seton EVP | 512-324-1903 |
| Gateway Medical Center | Clarksville, TN | Gateway Health System | Bill Wyatt, Board Chair | 931-553-2030 |
| Medical Center South Arkansas | El Dorado, AR | Share Foundation | Steve Smart, DDS, Board Chair | 870-863-0088 |

# LHP Contact Information

If you would like to learn more about LHP Hospital Group please visit our website at www.lhphospitalgroup.com

If you would like to discuss specific points of this proposal or ask further detailed questions, please contact Jim Shannon, Executive Vice President of Development, at 972-943-1705 or by e-mail at jim.shannon@lhphospitalgroup.com.

-HIGHLY CONFIDENTIAL-

# THE GREATER WATERBURY HEALTH NETWORK, INC

## Discussion Materials

July 5, 2011

CAIN BROTHERS

*Table of Contents*

I. Fiduciary Responsibility and Administrative Items

II. Terms & Objectives

III. Draft Letter of Intent

# GWHN's Trustee and Board Fiduciary Responsibilities

- **Duty of Obedience**
  - Fulfilling GWHN's mission to the community
- **Duty of Care**
  - Discharge work in good faith and in a manner the trustees believe to be in the best interests of GWHN
  - Reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances
- **Duty of Loyalty**
  - Avoid conflicts of interest related to competition, self-dealing, use of inside information
  - No usurpation of GWHN's opportunities
  - Maintain confidentiality

## *I. Fiduciary Responsibilities and Administrative Items*

### APPROVALS REQUIRED FOR VARIOUS TRANSACTION TYPES

| Transaction Type | Network | | Hospital | |
|---|---|---|---|---|
| | Directors | Members | Trustees | Sole Member |
| Merger | Majority[1] (5) | Majority of members present (16) | Majority (5) | 2/3 of Network Directors then in office (12) |
| Sale of assets w/o significant continuing activity[2] | Majority (5) | Majority of members present (16) | Majority (5) | 2/3 of Network Directors then in office (12) |
| Dissolution & Plan of Distribution | Majority (5) | Majority of members present (16) | Majority (5) | 2/3 of Network Directors then in office (12) |
| Amend Certificate of Incorporation | Majority (5) | Majority of members present (16) | Majority (5) | 2/3 of Network Directors then in office (12) |
| Amend Bylaws | 2/3 of Directors (12) | Not required | Trustees may not amend Bylaws | 2/3 of Network Directors then in office (12) |
| Other Transactions[3] | Majority (5) | Not required other than as listed above | Majority (5) | 2/3 of Network Directors then in office (12) |

Network: 17 Directors
Hospital: 17 Trustees

Quorum for Network Board: majority of Directors, counting ex-officio Directors; i.e. 9 Directors
Quorum for Hospital Board: majority of Trustees, counting ex-officio Trustees; i.e. 9 Trustees
Quorum for Network Members: 30

[1] "Majority" means a majority of the Trustees or Directors, as the case may be, present at a meeting at which a quorum is present. Corresponding number of assumes the minimum number of Directors or Trustees, as the case may be, required to constitute a quorum are present (i.e. 9).

[2] Applicable if disposition would leave the corporation without a significant continuing activity. If a corporation retains an activity that represented at least twenty-five per cent of total assets at the end of the most recently completed fiscal year, and twenty-five per cent of either income from continuing operations before taxes or revenues from continuing operations for such fiscal year, for the corporation and each of its subsidiaries on a consolidated basis, the corporation will conclusively be deemed to have retained a significant continuing activity. C.G.S. §33-1166.

[3] Any transaction providing for either (i) the sale, mortgage or other disposition of greater than three per cent of the operating assets of the Hospital; or (ii) the sale or disposition of an operating unit of the Hospital; or organize, acquire, or dispose of, or authorize the organization, acquisition or disposition of, any subsidiary or affiliate.

## *II. Terms & Objectives*

| Terms & Objectives | Cain Brothers Understanding | Must Have | Area for Negotiation | Partner(s) Most Likely To Achieve |
|---|---|---|---|---|
| **Form of Transaction (Asset Purchase vs. JV)** | Asset Purchase | | | |
| **"One Hospital Town"**<br><br>**(Two Campus vs. One Campus)** | One Campus / One Owner | | | |
| **Replacement Hospital** | Highly Desired | | | |
| **Upfront Consideration (Foundation Funding)** | Enough to Pay Liabilities Not Being Transferred | | | |
| **Capital Commitment**<br><br>**(Gross Amount & Years Committed)** | Uncertain, ("Highest Amount in Shortest Period") | | | |

## *II. Terms & Objectives*

| Terms & Objectives | Cain Brothers Understanding | Must Have | Area for Negotiation | Partner(s) Most Likely To Achieve |
|---|---|---|---|---|
| **Name of Hospital** | N/A | | | |
| **Local Governance** | Equal Physician Representation To Ensure Quality of Service | | | |
| **ERDs** | Non-committal As long As Restricted Services Provided to Community | | | |
| **Service lines** | GME, Cardiology (Other?) | | | |
| **No Sale Provision** | As Long As Possible | | | |

## *II. Terms & Objectives*

| Terms & Objectives | Cain Brothers Understanding | Must Have | Area for Negotiation | Partner(s) Most Likely To Achieve |
|---|---|---|---|---|
| **CBA** | Assumption of CBA Not Required | | | |
| **Employee Matters** | Uncertain | | | |
| **Pension Obligation** | Uncertain | | | |
| **Management** | Uncertain | | | |

*III. Draft Letter of Intent*

# Executive Summary

# Executive Summary

## Introduction

**The Greater Waterbury Health Network ("GWHN") engaged Cain Brothers & Co. ("Cain Brothers") on March 4, 2011 to lead the search for a strategic or capital partner**

- As such, we have been working closely with GWHN's Partnering Committee (the "Committee") not only to develop strategic alternatives based on the Committee's goals and objectives for GWHN, but to also help execute on one or more of the chosen paths

- Since this is our first opportunity to meet with full GWHN Board, our agenda today is to:
  - Provide an overview of Cain Brothers' credentials representing hospital systems in situations similar to GWHN's;
  - Briefly review the current state of the acute care hospital macro environment;
  - Provide an overview of potential strategic alternatives available to GWHN; and
  - Update the Board on the status of the partnering process

# Cain Brothers Overview

# Cain Brothers Overview

## Introduction

**Cain Brothers is the leading investment bank focused exclusively on the health care industry**

- Since our founding in 1982, Cain Brothers has been a trusted advisor to clients in over 200 hospital strategic, capital-raising and distressed transactions
- Fully integrated corporate finance and not-for-profit teams covering key health care industry sectors
  - Significant experience working with complex transactions, including tax-exempt conversion processes and multiple-party joint-ventures
  - Well established credentials with the local and national regulatory bodies
  - Expertise advising clients in all facets of a transaction, from strategic assessment to negotiations to providing fairness opinions

**Tax-Exempt M&A**
- Hospital Sales and Acquisitions
- Strategic Advisory

**Corporate Finance**
- Mergers & Acquisitions
- Private Equity / Debt Capital Raises

**Tax-Exempt Capital Markets**
- Underwriting, Strategic Planning & Advisory

**Real Estate**
- Monetization of Non-Core Real Estate Assets

**Asset Management**
- Bond Proceeds, Reserve Funds & Board Designated Funds

WATERBURY HOSPITAL

# Cain Brothers Overview

## Broad Client Base of Health Care Organizations

**Cain Brothers' clients include hospitals and health systems, academic medical centers, physician groups, managed care companies, long-term care providers, and health care IT companies**

### Hospitals & Health Systems

- Adventist Health, CA
- Adventist Health Care, MD
- Adventist Health/Sunbelt, FL
- Baylor Health Care System, TX
- Benefis Healthcare, MT
- Catholic Healthcare West, CA
- Caritas Christi Health Care System, MA
- Carolinas Healthcare System, NC
- Children's National Medical Center, D.C.
- Clarian Health Partners, IN
- Concord Hospital, NH
- Covenant Healthcare, MI
- Crozer-Keystone Health System, PA
- Edward Hospital & Health Services, IL
- Empire Health Services, WA
- Greater Baltimore Medical Center, MD
- **Hartford Health Care, CT**
- Kennedy Health System, NJ
- Lowell General Hospital, MA
- Lutheran Medical Center, NY
- Maine Medical Center, ME
- Meridian Health, NJ
- Meriter Health Services, WI
- Moses Taylor Hospital, PA
- NorthBay Healthcare, CA
- Oaklawn Hospital, MI
- Potomac Hospital, VA
- Rush Northshore University Health System, IL
- **Saint Francis Hospital and Medical Center, CT**
- Sanford Health, SD
- Solaris Health Care, NJ
- South Shore Hospital, MA
- Sparrow Health System, MI
- St. Anthony's Health Center, IL
- St. Anthony's Medical Center, MO
- St. Vincent Medical Center, PA
- Sutter Health, CA
- ThedaCare, WI
- Trinity Mother Frances Health System, TX
- Unity Health, NY
- University of Cincinnati Health, OH
- University of Miami, FL
- University of Michigan Health System, MI

### Academic Medical Centers

- Baylor University Medical Center, TX
- Cleveland Clinic, OH
- Rush University Medical Center, IL
- Tulane University Hospital, LA
- UC Health (University of Cincinnati), OH
- University Hospital San Antonio (University of Texas), TX
- University Hospitals Health System, Cleveland, OH
- University of Alabama Medical Center, AL
- University of California San Diego, CA
- University of California Irvine, CA
- University of Chicago Hospitals, IL
- University of Miami Medical Center, FL
- University of Michigan Health System, MI

### Healthcare Information Technology

- Alliance Medical, AZ
- athenahealth, MA
- Care Medic Systems, IA
- Choicelinx, NH
- ConnectYourCare, MD
- Daou Systems, PA
- Health Management Systems, NY
- Information Management & Solutions, AZ
- Innovative Health Strategies, GA
- Intellicare, ME
- Medi-i-Bank, MI
- Physician WebLink, MA
- Synertech, PA

### Long-Term Care

- Bienvivir Senior Health Services, TX
- Casa de las Campanas, CA
- Elder Care Alliance (Catholic Healthcare West), CA
- Eskaton Properties, Inc., CA
- Good Neighbors Care Centers, OR
- Isabella Geriatric Center, NY
- Jewish Home of San Francisco, CA
- Loretto Management Company, NY
- Los Angeles Jewish Home for the Aging, CA
- Masonic Homes of California, CA
- Morningstar Health Care, TX
- On Lok Senior Health Services, CA
- Pacific Retirement Services, OR
- St. James Place, LA
- St. John Health Care Corp., NY
- South Franklin Circle (Judson), OH
- The Taube-Koret Campus for Jewish Life, CA
- Mary Ann Morse Nursing Home, MA

### Physician Groups

- Billings Clinic, MT
- Brown and Toland Medical Group, CA
- Dean Health Systems, WI
- DuPage Medical Group, IL
- Healthcare Partners, CA
- Nevada Cancer Institute, NV
- Northeast Arkansas Clinic, AK

### Managed Care Companies

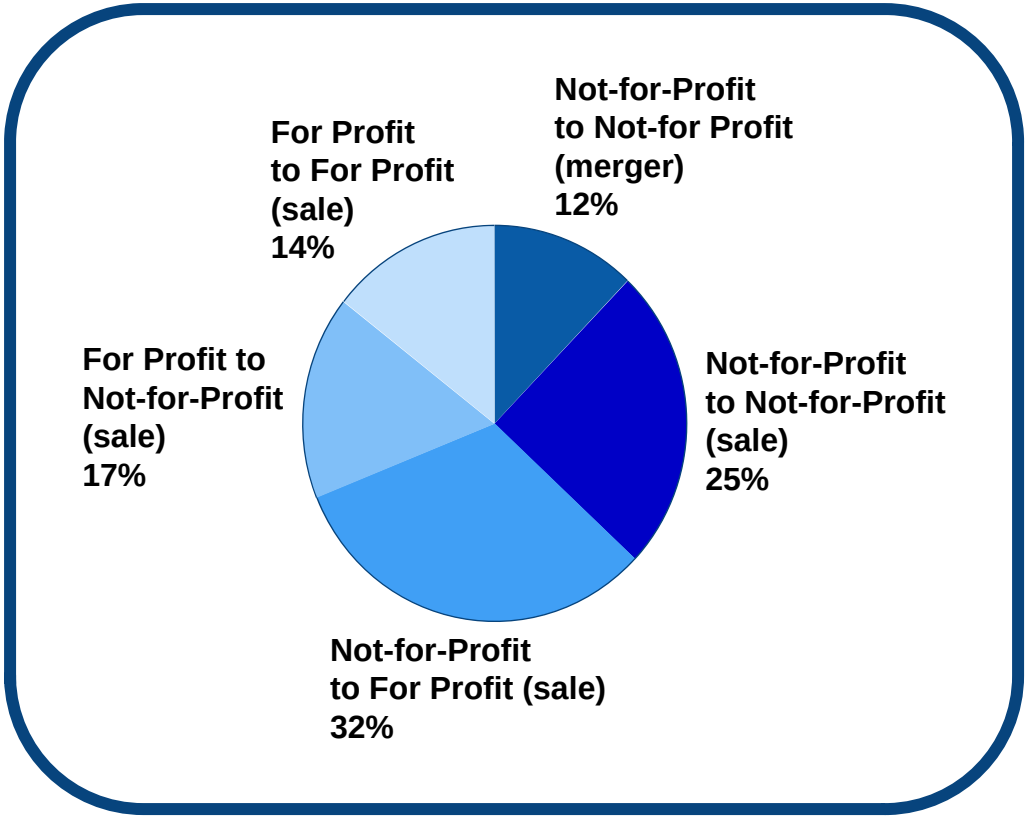
- AHI Healthcare Corporation, TX
- AmeriHealth Mercy Health Plan, PA
- **Anthem Blue Cross Blue Shield of Connecticut**
- AvMed, FL
- BlueCross BlueShield of Massachusetts
- BlueCross BlueShield of North Carolina
- BlueCross BlueShield of Tennessee
- BlueCross BlueShield of Vermont
- BlueCross of Northeastern Pennsylvania
- BlueShield of California
- Bravo Health, MD
- **Cigna Corporation, CT**
- **ConnectiCare, CT**
- GlobalHealth, OK
- Health New England, MA
- Horizon Blue Cross Blue Shield of New Jersey
- Horizon Health, TX
- Independence Blue Cross, PA
- John Deere Health, IL
- OmniCare, MI
- ppoNext, CA
- Sharp HealthPlan, CA
- SelectCare, MI
- Wellmark BlueCross BlueShield, IA
- The Wellness Plan, MI

WATERBURY HOSPITAL

# Cain Brothers Overview

## Leader in Strategic Transactions for Hospitals and Health Systems

**Cain Brothers is the leading investment banking firm serving not-for-profit hospitals. Over the past decade, Cain Brothers has assisted in the execution of over 100 hospital strategic transactions including sales, mergers, affiliations and disaffiliations comprising a multitude of structures, including:**




***Over 100 hospital sale and merger transactions over the past decade***

**Cain Brothers Overview**
Investment Banker to Caritas Christi in Groundbreaking 2010 Merger

January 28 2011 VOL. 77 NO. 4 Est. 1935

Investment Dealers' Digest Est.1935 IDD
The insider's guide to investment banking and capital markets

# Deal of the Year Awards

CAIN BROTHERS

**HEALTH CARE**

BY DANIELLE FUGAZY

# Nonprofit? Not Anymore

A hospital chain's transforming purchase shows that 'status change' isn't just for Facebook users

Selling itself to the private-equity giant **Cerberus Capital Management** had the unprecedented effect of turning the **Caritas Christi Health Care** hospital chain from a nonprofit charity to a for-profit business.

The six-location Caritas, now known as **Steward Health Care**, was New England's largest community-based hospital network when it sold itself last year for $895 million.

Like many hospital chains, Caritas was struggling financially. An employer of 13,000 people, it had deferred capital expenditures and was badly in need of improvements. It had a large pension plan that was unfunded, and it needed money to grow.

Dr. **Ralph de la Torre**, Caritas' chief executive, was implementing a turnaround when he contacted **Robert Fraiman**, the CEO of **Cain Brothers & Co.**, to explore options. It quickly became clear that raising capital through the sale of bonds — a common move for hospitals — would not cover the costs associated with all the things Caritas needed to do.

A private capital infusion was starting to look like the best option, but Caritas would have to become a for-profit entity.

Caritas' management team "spent an enormous amount of time with the board exploring alternative options, because they knew how complicated converting to a for-profit hospital system would be," said Fraiman.

"A not-for-profit hospital system had never before gone through a conversion and been sold to a private-equity firm. However, despite the complexities associated with becoming a for-profit hospital system, there were numerous benefits. Caritas Christi would get the capital it needed. It would actually start generating tax revenue for [Massachusetts], which made the state happy, and local jobs would be preserved. And there will probably be an opportunity for corporate staff growth as the company implements its growth plans."

The approval process for Caritas' status change was long and arduous. First, the Massachusetts Public Health Department conducted local hearings for each of the six hospitals, and the state Attorney General's Office, which had to approve the change, had to ensure that transaction would be in the state's best interest.

Also, the deal required approval not only from the highest court in Massachusetts, but also from the Vatican.

"It was quite extraordinary, and we knew it was going to take a unique and extremely committed private-equity partner to get this deal done," says Fraiman.

Private-equity firms have operated in the health care sector before, but this was a new field for the buyer.

"Cerberus hasn't done any health care deals, so that part was surprising, but they are motivated and deeply knowledgeable about the space," said one dealmaker familiar with the transaction. "And they like controversial transactions and to take on hard deals, so this is a good start for them in the sector." Since the deal was completed, the pension fund has been funded. The hospital chain is paying its debt down, and de la Torre is looking at growth prospects, including opening more hospitals in other states.

"The transaction really has a broader impact, because many hospital systems are in great need of capital, and this transaction certainly opened private-equity firms' eyes, as well as nonprofit hospitals," said the dealmaker familiar with the transaction. "This will definitely lead to other innovative hospital deals in the future." **IDD**

### The Deal Teams

**Price of deal:** $895 million

**Adviser to seller:** Cain Brothers & Co.

**Legal adviser to buyer:** Schulte Roth & Zabel

**Legal adviser to seller:** McDermott Will & Emery



©2011 SourceMedia Inc. and Investment Dealers' Digest. All rights reserved. SourceMedia, One State Street Plaza, New York, N.Y. 10004 (800) 367-3989

WATERBURY HOSPITAL

CAIN BROTHERS

# Cain Brothers Overview

## Broad Based Acute Care Experience

Has announced its intent to form a joint operating company with

EMORY HEALTHCARE

Sellside M&A Advisory

Valley Baptist Health System

has agreed to enter into a joint venture partnership with

VANGUARD HEALTH SYSTEMS

Sellside M&A Advisory

essent

has sold

Merrimack Valley Hospital

Nashoba Valley Medical Center

to

Steward Health Care System
an affiliate of

CERBERUS CAPITAL MANAGEMENT, L.P.

Sellside M&A Advisory

LICH

a subsidiary of Continuum Health Partners

Fairness Opinion

LICH sale to
State University of New York

Saint Vincent Catholic Medical Centers

has agreed to sell Pax Christi Hospice to

VISITING NURSE SERVICE OF NEW YORK

Sellside M&A and Restructuring Advisory

UC Health

has retained ownership of

West Chester Medical Center

Buyside M&A Advisory

Caritas

CARITAS CHRISTI HEALTH CARE

has been acquired by

Steward

an affiliate of

CERBERUS CAPITAL MANAGEMENT, L.P.

Sellside M&A Advisory

RUSH NORTH SHORE MEDICAL CENTER

has agreed to merge with

NorthShore University HealthSystem

Merger M&A Advisory

Sun Health

has been acquired by

Banner Health

Merger Advisory

Saint Vincent Catholic Medical Centers

has successfully transferred clinical responsibility of its Comprehensive Cancer Center to

Beth Israel

Comprehensive Cancer Center
West Side Campus

Financial Advisory

Empire HEALTH SERVICES

has been acquired by

CHS

Sellside M&A Advisory

Potomac Hospital

has affiliated with

SENTARA

Sellside M&A Advisory

Catholic Healthcare West

CHW

transferred seven acute care hospitals and related facilities to

Daughters of Charity Health System

Strategic Advisory

Caritas Medical Laboratories, LLC

A MEMBER OF THE CARITAS FAMILY

has been acquired by

Quest Diagnostics

Sellside M&A Advisory

Mountainside Hospital

A member of Atlantic Health System

has been acquired by

MERIT HEALTH SYSTEMS LLC

Sellside M&A Advisory

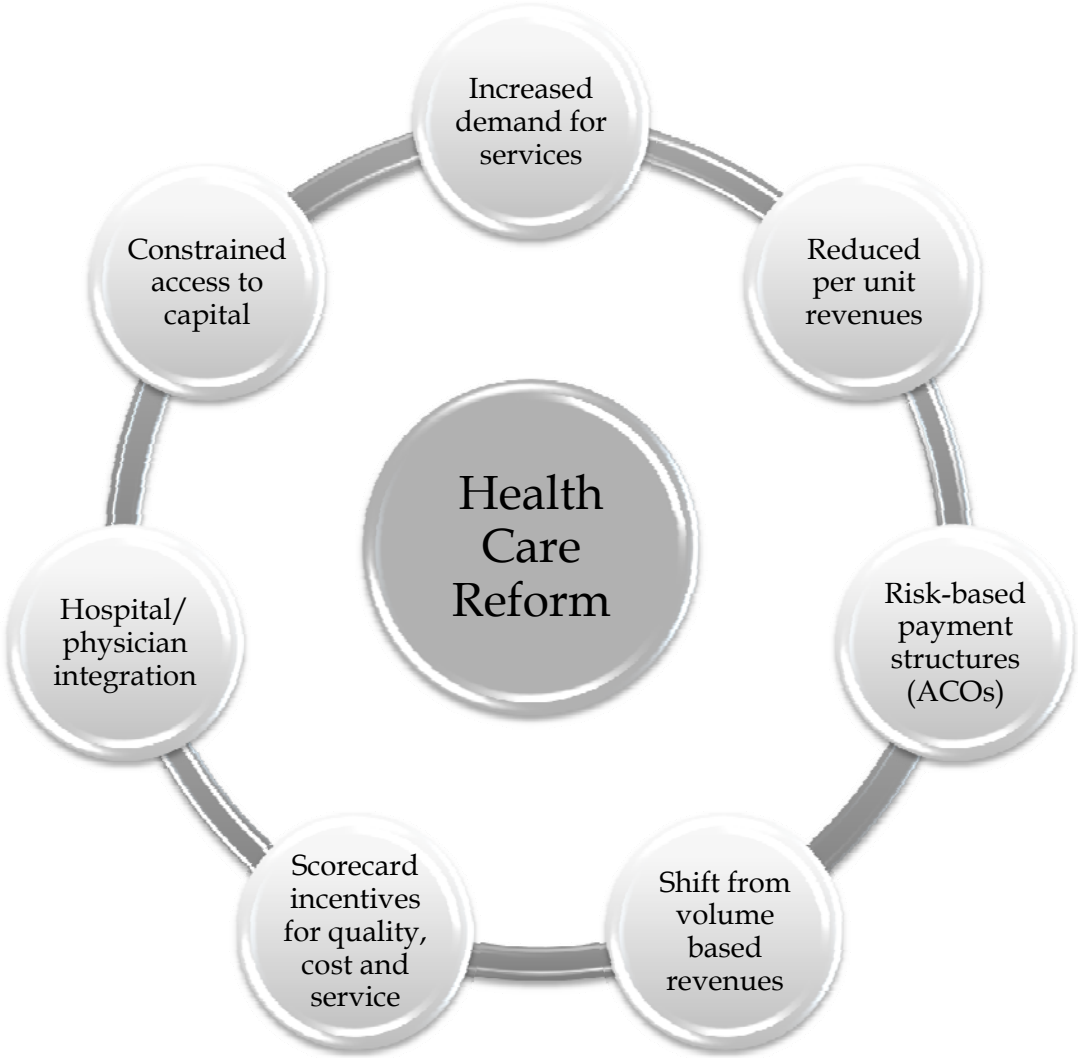
# Industry Perspectives

WATERBURY HOSPITAL

# Industry Perspectives

## Health Care Reform: Mandate for Industry Change

**Health Care Reform legislation has created significant uncertainty for the industry but there is a mandate for change under any scenario that may emerge**



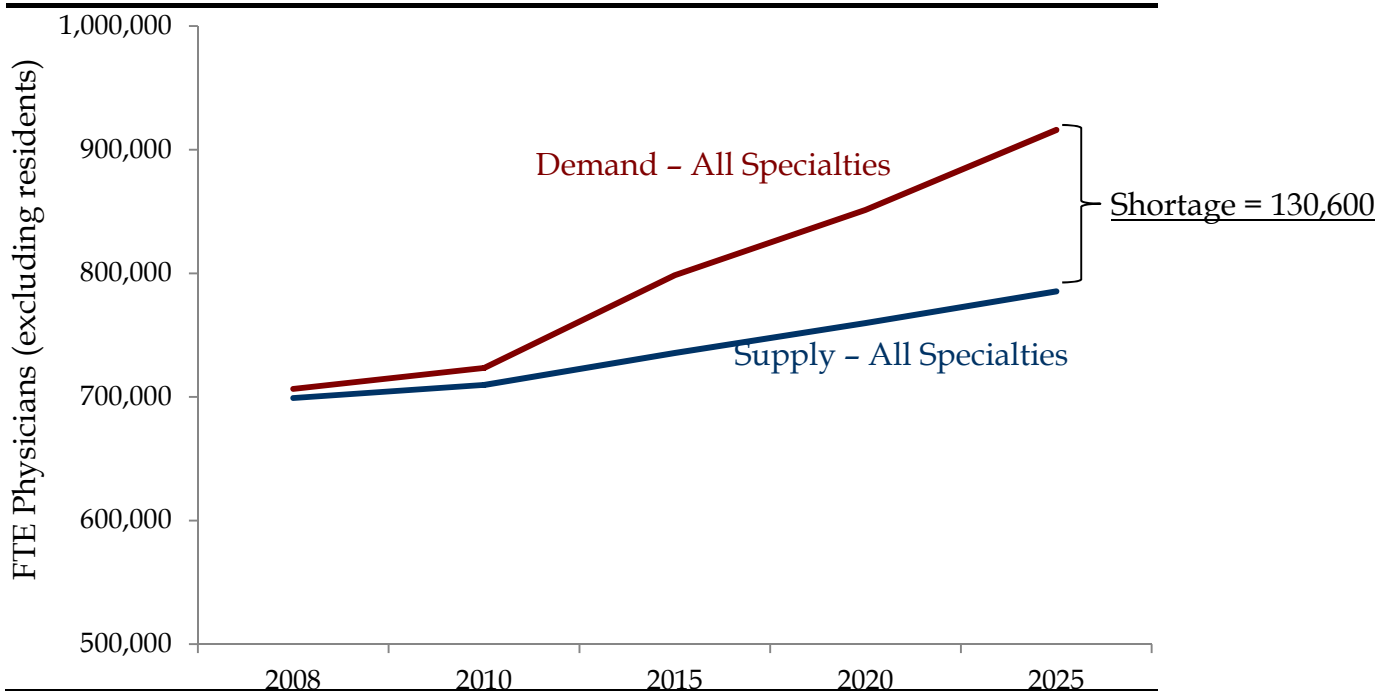
# Industry Perspectives

## Physician Shortage – Projected Supply and Demand 2008-2025

**Physician supply shortages that existed since 2005 will be exacerbated by health care reform**

- Resources dedicated to retain and recruit medical staff will need to expand
  - Cost and time to recruit will increase
  - Payments to physicians to support hospital needs (i.e., call coverage, medical directors, performance improvement, etc.) will increase
- Stable practice models must be developed to assure continuity
- Physician integration strategies including PHOs, IPAs, employment models and various forms of joint ventures will be required to attract physicians

**Estimated Physician Demand Trends**



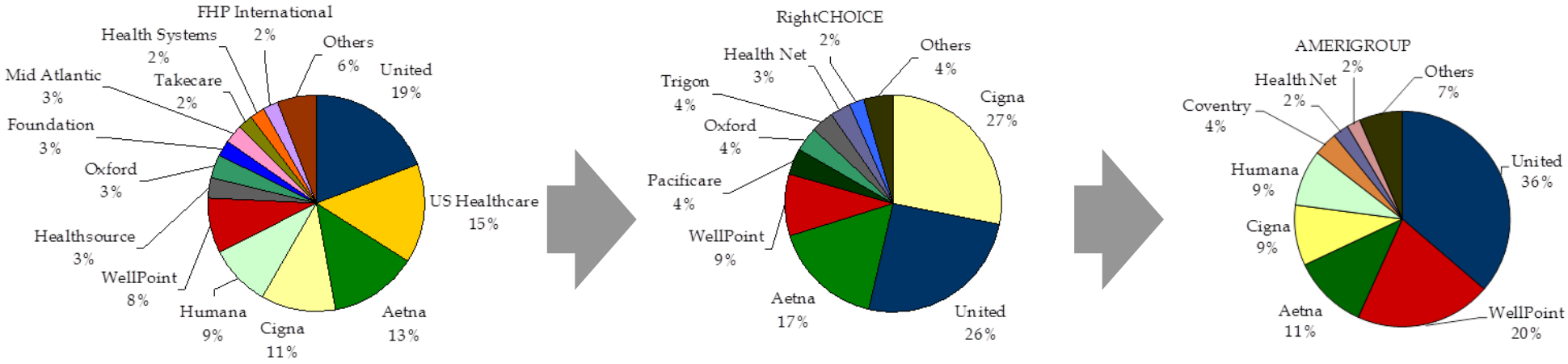

*Source: Association of American Medical Colleges (Includes expected physician supply needs as a result of health care reform)*

# Industry Perspectives

## Managed Care Consolidation: Impacting Highmark and all Blues

- Since the mid-1990's, the managed care industry has seen significant consolidation
  - In many markets, providers are price takers with reduced clout to secure favorable contract terms
  - Providers in markets that consolidate either horizontal (hospital/hospital) and / or vertically (hospital/physicians) are better able to offset concentration of managed care payors
  - Health care reform is likely to reconfigure the payor landscape
    - Battle to control ACO dollars

## Managed Care Companies (as a Percentage of Total Market Capitalization)




**1995 – Total $40.6 billion**
**Top 5 = 67% of total**

**2000 – Total $54.5 billion**
**Top 5 = 83% of total**

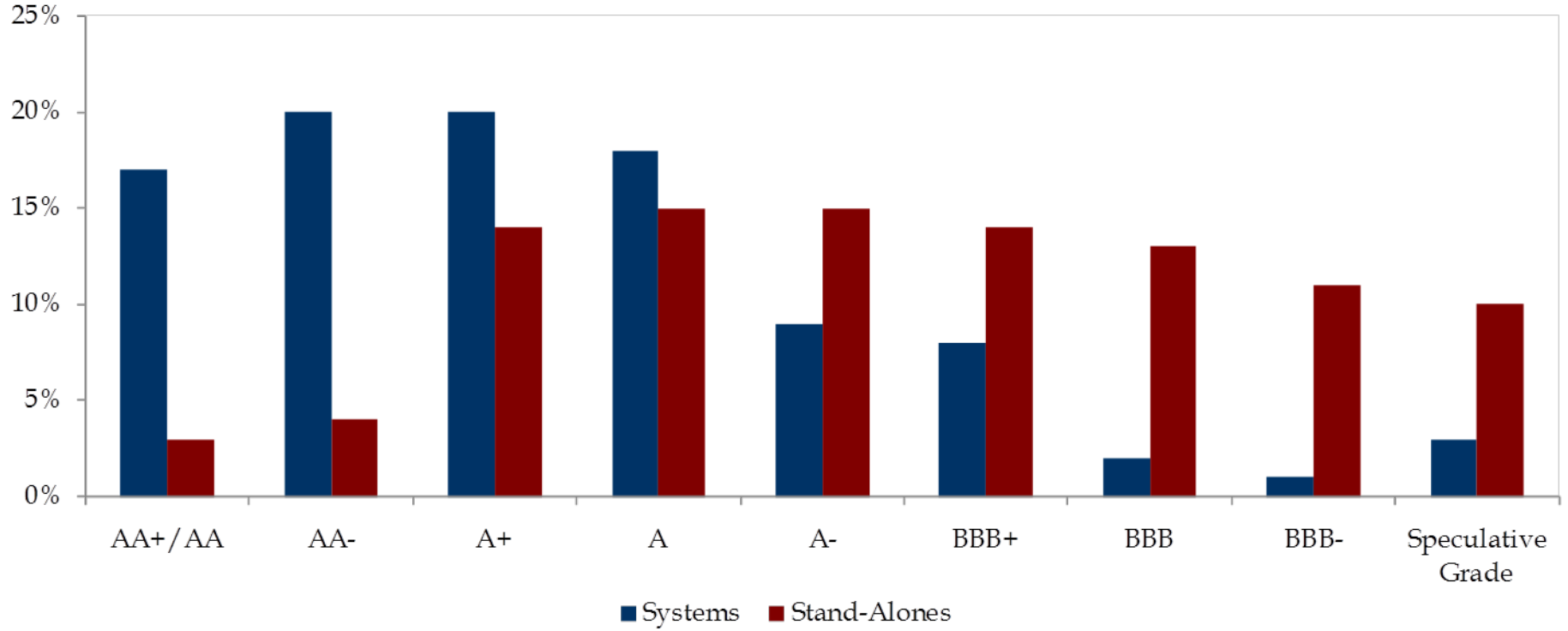
**2010 – Total $109.5 billion**
**Top 5 = 86% of total**

# Industry Perspectives

## Capital Markets

**Ratings distributions show that larger systems continue to have greater access to capital than their smaller competitors**

### S&P Not-For-Profit Health Care Ratings Distribution




*Source: S&P Median Report 2009*

# Potential Strategic Alternatives

# Potential Strategic Alternatives

## Strategic Framework

**Cain Brothers believes GWHN has strategic alternatives, which when structured appropriately through a process and framework, achieves the best results**

### Strategic Evaluation

- Define vision, mission and strategic objectives
- Understand environment
  - Internal
  - External
- Evaluate key activities
  - Hospital operations
  - Physician strategies
  - Non-core operations
- Understand the tradeoffs in defending and extending market share
- Obtain competitor intelligence
- Formulate potential strategic alternatives
- Develop financial forecasts to support strategic analyses of alternatives

*Historically, most assets have been owned & controlled by hospital systems*

### Funding Assessment

- Estimate funding requirements for strategic alternatives considered
- Calculate debt capacity
- Determine enterprise valuations and business unit valuations
- Prioritize funding options to meet capital needs
  - Cash from operations
  - Debt
  - Philanthropy
  - Governmental support
  - Non-core asset sales
  - Joint ventures and other contractual arrangements
  - Outright sale or merger
- Prioritize strategies based on accretive opportunities and availability and cost of capital

*Capital demands to pursue strategies often exceed capital required (funding gap)*

### Strategic Response

- Engage in operational improvement initiatives
  - Cost efficiencies
  - Program realignment
  - Revenue cycle
- Adjust capital plans
  - Ensure hurdle rate discipline
- Acquisition/development
  - Hospitals
  - Outpatient facilities
  - Physician practices
  - Other
- Enter into joint ventures
- Sale of non-core operations
- Pursue other affiliations
- Issue debt
- Joint venture
- Sell/Merge hospital system

*Balance strategies that can be financed with strategies that achieve long-term mission*

WATERBURY HOSPITAL

# Potential Strategic Alternatives

## Fiduciary Duties and Attorney General Oversight

**GWHN's board must be particularly cognizant of its fiduciary duties during this process**

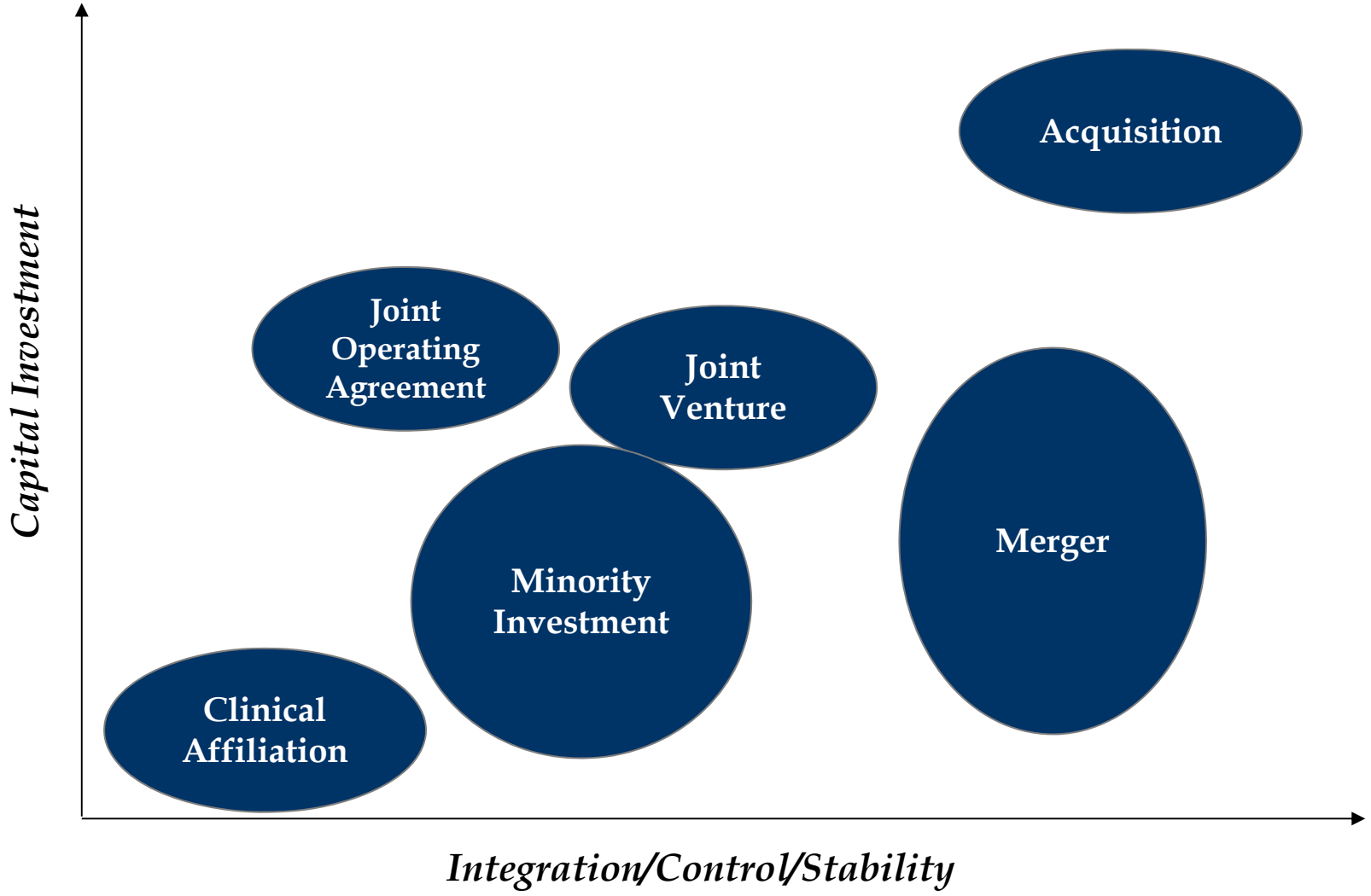
- Key Issues for the Attorney General
  - Are the trustees properly exercising their fiduciary responsibilities?
  - Is GWHN adhering to its stated purpose?
  - Are board members preserving value?
  - Are GWHN's assets used for the purposes for which they were obtained, and will they continue to be used for those purposes in a change of control situation?
  - Are the trustees adhering to their fiduciary duties of care and loyalty?
- Nature of transaction has significant impact
  - Process
    - Negotiated vs. auction format
  - Form of transaction
    - Tax-exempt vs. Taxable
  - In-state vs. out-of-state partner
  - Form of consideration
    - Cash, securities, real estate, future obligations
- Future financial commitments are typically not "value" for purposes of fair market value consideration

WATERBURY HOSPITAL

# Potential Strategic Alternatives

## Structure Cost versus Benefits

**Each alternative has trade-offs between capital access and control; Cain Brothers' case studies in Appendix A highlight such benefits and issues**



# Potential Strategic Alternatives

## Transaction Structures

**Several strategic alternatives can be achieved through either tax-exempt or taxable partners, but only few give GWHN the access to needed capital**

### Tax-Exempt Alternatives

| | |
|---|---|
| **Clinical Affiliation** | • Contractual arrangement for specific clinical relationships and programs<br>• Shared intellectual capital<br>• Licensing fees |
| **Joint Operating Agreement** | • Separate legal and fiduciary entities<br>• Shared services, contracting, strategy<br>• Joint governance<br>• Segregated assets |
| **Minority Interest Investment** | • Proportional governance<br>• Supermajority rights<br>• Financial returns |

### Tax-Exempt or Taxable Alternatives

| | |
|---|---|
| **Joint Venture** | • New entity<br>• Shared governance<br>• Shared capital |
| **Merger** | • Combination typically without cash consideration<br>• Shared governance<br>• Contractual obligations for capital, services, etc. |
| **Sale** | • Purchase of hospital system<br>• 100% control to Buyer<br>• Contractual obligations for capital, services, etc. |

# Potential Strategic Alternatives

Benefits and Considerations of Taxable vs. Tax-Exempt Health Care

## Maintain Tax-Exempt Status

### Pros

- Maintain 100+ year history of charitable mission in Waterbury
- Preservation of GWHN community identity and role in medical education in Waterbury
- Flexibility; numerous transaction structures if appropriate partners can be identified (see prior page)
- Easier and faster approval process in most cases
- Less controversial than conversion
- Allows for meaningful community input in governance
- Access to inexpensive tax-exempt capital markets (***when available***)

### Cons

- Tax-exempt capital markets ***not available*** to overleveraged GWHN at present
- Access to necessary amount of capital is very difficult
- Few logical partners have shown interest
- Major capital needs must be addressed soon: capital improvements, physician alignment strategies, unfunded pension,
- If approved by the AG and OCA, cross-town competitor Saint Mary's will soon be a well-capitalized, formidable (and taxable) competitor through its proposed 80/20 joint venture with LHP

# Potential Strategic Alternatives

Benefits and Considerations of Taxable vs. Tax-Exempt Health Care

## Taxable Conversion

### Pros

- Access to capital is dramatically more significant
- Increased critical mass to generate operational efficiencies
- Repay debt, fund pension plan, gain capital for improvements
- Investor-owned hospital companies are well-capitalized and seeking major footprint acquisitions/partnerships
- Flexibility of transaction structures: willingness to maintain Board goals for governance, community benefit assurances, medical education
- Political support due to increased tax payer base

### Cons

- Complex process with numerous approvals required
- Considered by some to be controversial; community opposition may be intense, particularly labor
- Lose or reduce charity mission and community identity
- Less stable over the long run as financial markets and financial drivers influence corporate strategy

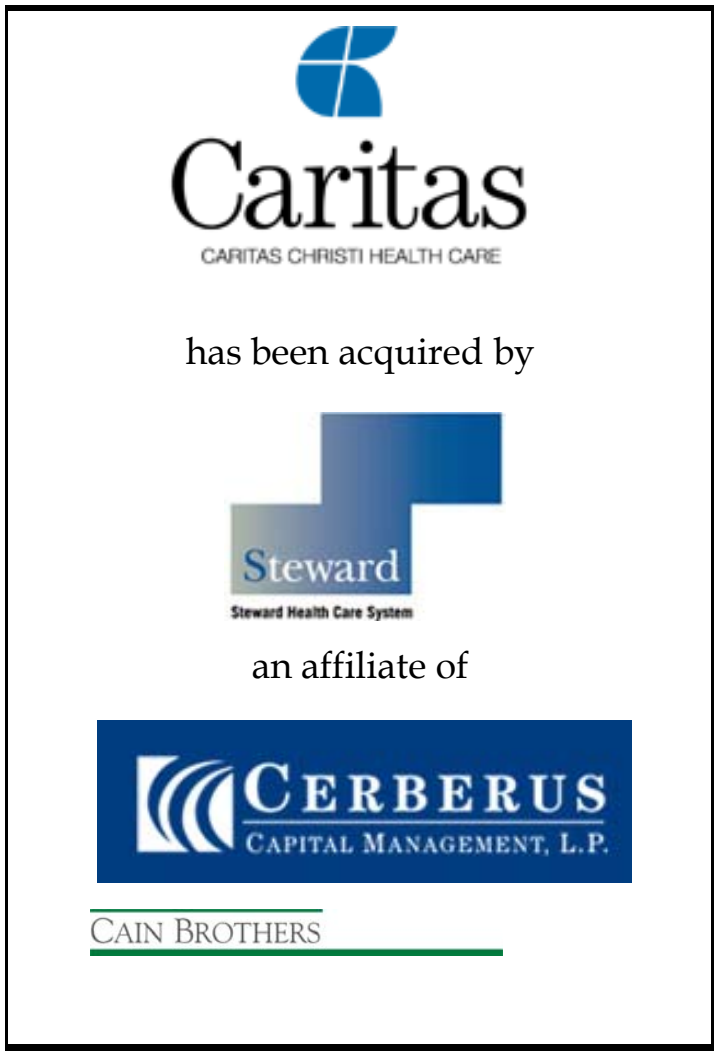
## Process Update (Oral)

# Appendix A: Case Studies

# Case Studies

## Caritas Christi Health Care

### Caritas Christi Health Care




### Highlights

- Caritas Christi Health Care ("The Company") was acquired in 2010 by a newly formed affiliate of Cerberus Capital Management, L.P. and is now doing business as Steward Health Care System ("Steward")
  - Steward is New England's largest community-based hospital network with six hospitals and 13,000 employees
  - Required approvals from Massachusetts Attorney General, Department of Public Health and the Archbishop of Boston
- Under the terms of the agreement, Steward receives approximately $830 million of capital support:
  - Approximately $430 million generated through:
    - Assumption of all Caritas employee pension obligations;
    - Repayment of virtually all of Caritas's outstanding debt; and
    - Significant capital investment to help fund operations going forward
  - Commitment of approximately $400 million of capital projects in Massachusetts, including six major, immediate construction projects to improve the facilities at each of Caritas's hospitals
- Steward continues to be led by its previous executive team, including CEO Ralph de la Torre, MD
- Steward hospitals retain their Catholic identities, maintain their existing policies on charitable and pastoral care and community benefits
- This agreement marked the successful completion of an extensive process to identify a capital partner to position the system for future growth

# Case Studies

## Saint Joseph's Hospital of Atlanta

### Saint Joseph's Hospital of Atlanta

### Highlights

- Saint Joseph's Health System ("SJHS"), an affiliate of Catholic Health East, has announced its intent to form a joint operating company ("JOC") with Emory Healthcare ("Emory")
  - Emory is Atlanta's largest health system with seven hospitals and over 9,000 employees
  - SJHS is a 346-bed tertiary care hospital with leading programs in cardiovascular, orthopedic and other acute care specialties
- Under the terms of the proposed JOC, SJHS will contribute the assets and operations of Saint Joseph Hospital Atlanta, its research institute and physician organizations. Emory will contribute certain complementary hospital assets and operations
- SJHS will retain its Catholic identity, maintaining its existing policies on charitable and pastoral care and continue to provide community benefits
- Prior to the recent announcement with Emory, SJHS had three prior attempts at developing affiliations with Atlanta-based health systems, none of which were concluded successfully
- Cain Brothers was engaged to conduct a competitive process to solicit additional affiliation proposals from credible, qualified potential partners and reengage with organizations involved in earlier discussions
- The process included selection of three finalists that included complete due diligence and fully-negotiated definitive agreements subject only to Georgia Attorney General review and approval
- Cain Brothers is acting as exclusive financial advisor to SJHS in this transaction

## Valley Baptist Health System

Valley Baptist
Believe in a better life.™

*has agreed to enter into a joint venture partnership with*

VANGUARD
HEALTH SYSTEMS

CAIN BROTHERS

## Highlights

- Valley Baptist Health System ("VBHS") has agreed to enter into a joint venture partnership with Vanguard Health Systems ("Vanguard")
  - Vanguard, acquired by Blackstone Group in 2004, is a 26 hospital health system with 23,000 employees
  - VBHS is a faith-based, two-hospital system with over 800 licensed beds and is only one of three not-for-profit health systems serving the lower Rio Grande Valley
- Under the terms of the Letter of Intent, a newly formed subsidiary ("VHS") of Vanguard will purchase the assets and operations of VBHS' two-hospital system. VHS will be jointly owned by Vanguard and VBHS with Vanguard being the majority owner
- VBHS and Vanguard will contribute to VHS, in proportion to their respective ownership interests, an amount equal to the purchase price of VBHS' assets and business plus transaction expenses. Vanguard will provide a line of credit to VHS to fund working capital and capital expenditures
- Cain Brothers was engaged to conduct a competitive process to solicit proposals from credible, qualified potential partners
- Following the solicitation process, VBHS received five competitive offers resulting in a final bid one and a half times the initial indication of interest
- Cain Brothers is acting as exclusive financial advisor to VBHS in this transaction

# Case Studies

## Saint Vincent Health System

### Saint Vincent Health System

SAINT VINCENT

*Strategic Partnership Search*

*M&A Advisory*

SAINT VINCENT

*$77,115,000*
*ERIE COUNTY HOSPITAL AUTHORITY*
*Hospital Revenue Bonds*
*Series 2010A&B*
*(St. Vincent Health Center Project)*

*Sole Manager*

SAINT VINCENT

*$12,945,000*
*ERIE COUNTY HOSPITAL AUTHORITY*
*Hospital Revenue Bonds*
*Series 2009*
*(St. Vincent Health Center Project)*

*Sole Manager*

### Highlights

- SVHS is a full service general acute care hospital system with 425 licensed beds in Erie, PA serving a 15 county region within northwestern Pennsylvania, eastern Ohio and western New York
- SVHS retained Cain Brothers as its exclusive financial advisor to evaluate and pursue a sale or merger transaction that would secure sufficient capital and strategic resources to ensure that SVHS remains viable and competitive in its market
- Cain Brothers prepared for the Board an assessment of potential strategic alternatives including remaining a stand-alone system and various affiliation options including sale, merger and joint venture arrangements. Cain Brothers identified potential partners in the priority categories identified by the Board: i) Catholic not-for-profit; ii) other not-for-profit; and iii) for-profit
- Cain Brothers prepared a detailed strategic partner solicitation document and sought proposals from seven Catholic not-for-profit health care systems
- Two Catholic not-for-profit systems executed confidentiality agreements and received the solicitation information but neither system submitted a partnership proposal
- Cain Brothers reported the results of this first part of the search process to management and the Board. SVHS decided to suspend the search process so that it could improve its financial position and wait for a better economic environment
- SVHS is currently implementing a financial improvement plan and monitoring the hospital consolidation market. Cain Brothers provides on-going updates and analysis to SVHS of the hospital partnership market

## Empire Health Services

Empire HEALTH SERVICES

*has been acquired by*

CHS

*Sellside M&A Advisory*

Empire HEALTH SERVICES

*$20 million Subordinated Loan with*

Madison Capital Company

*Financial Advisory*

## Highlights

- Empire Health Services ("EHS") was a not-for-profit, multi-service health care system serving Spokane, eastern Washington and the surrounding three-state region. EHS operates 511 licensed acute care beds at Deaconess Medical Center and Valley Hospital and Medical Center and participates in Inland Northwest Healthcare Services, a joint venture providing information technology, rehab and other community services
- Cain Brothers was retained by EHS to evaluate strategic and capital alternatives and to conduct a broad auction process to solicit bids from strategic buyers and capital providers
- The Cain Brothers' team negotiated a purchase price of $157 million (approximately 7.5x forward EBITDA) as well as a commitment from Community Health Systems, Inc. to spend at least $100 million over 5 years on capital expenditures for improvements in facilities and technologies across the EHS system
- The net proceeds from the sale of EHS will be used to endow an $80 million foundation for the benefit of the greater Spokane community. Cain Brothers assisted the Board of EHS in developing the mission for the new foundation
- Cain Brothers assisted in obtaining state regulatory approvals for the transactions including hospital certificates of need and conversion of the EHS hospitals to profit entities
- In addition to the sale of EHS, Cain Brothers advised EHS on securing a $20 million subordinated bridge loan from Madison Capital Company, LLC to provide operating cash to EHS during the lengthy regulatory approval process
- Cain Brothers served as EHS' exclusive financial advisor for the sell-side advisory, issued a fairness opinion to the Board of EHS on the terms of the sale, developed a plan to discharge debt obligations and negotiated the terms and conditions of the subordinated loan

# Case Studies

## Potomac Hospital

### Potomac Hospital

Potomac Hospital

*has merged with*

SENTARA

CAIN BROTHERS

### Highlights

- Potomac Hospital is a full service general acute care hospital system with 183 licensed beds located in Woodbridge, Virginia and serving eastern Prince William, southern Fairfax and northern Stafford counties of the Washington, D.C. metro area
- Potomac Hospital retained Cain Brothers as its exclusive financial advisor to evaluate and pursue a sale or merger transaction that would secure sufficient capital and strategic resources to ensure the hospital remains viable and capable of meeting the increasing health care needs of the community
- Cain Brothers prepared an assessment for the Board of potential strategic alternatives including remaining a stand-alone system and various affiliations options including sale, merger and joint venture arrangements
- Cain Brothers prepared a detailed strategic partner solicitation document and sought proposals from a variety of potential partners including not-for-profit and for-profit operators
- The company signed an affiliation agreement with Sentara Healthcare, an integrated Norfolk-based not-for-profit system with more than 100 sites of care in Virginia and North Carolina including 7 acute care hospitals, rehabilitation and advanced imaging centers, ambulatory campuses, a 380-member medical group, and a 380,000 member health plan
- The Cain Brothers team negotiated the terms of the transaction including a commitment from Sentara to fund capital expenditures of at least $110 million over the first 10 years
- Net proceeds from the sale endowed a $92 million foundation that will support the unmet health care needs of the greater Woodbridge community

# Appendix B: Acute Care Hospital Sector Trends

# Acute Care Hospital Sector Trends

## Overview of Sector Trends

**Health Care Reform and Economic Backdrop**

- The passage of the Patient Protection Affordable Care Act ("PPACA") has created significant reimbursement uncertainty for the acute care hospital sector, with expected cumulative rate cuts to providers totaling approximately $126 million by 2019
- Bundled payments and the development of ACOs will ultimately force hospital administrators to think of patients in terms of "continuum" of care versus "episodes" of care
- States' economies, while appearing to rebound from lows in 2010, remain challenged

**Financial Performance**

- Not-for-profit net patient revenue growth is declining with growth of 7.3% and 6.6% for 2008 and 2009, respectively
- For-profit net patient revenue growth averaged 9.1% annually between 2005 – 2010
- The American Hospital Association reports that roughly one-third of all hospitals have negative total margins, largely reflected in the not-for-profit hospitals

**Utilization and Physician Supply Trends**

- Utilization trends indicate that, since 2005, inpatient admissions are growing at a slower rate than outpatient visits, for both not-for-profits and for-profit hospitals
- Expanded coverage to the Medicaid population will increase inpatient and outpatient volumes, however, average reimbursement will decline
- It is estimated that by 2025, there will be a shortage of about 130,000 physicians, excluding residents and including all specialties

WATERBURY HOSPITAL

# Acute Care Hospital Sector Trends

## Overview of Sector Trends

**Reimbursement Trends**

- As unemployment grew from 5.1% to as high as 10.1% over the last three years, many of the unemployed moved from commercial plans to Medicaid plans or have become uninsured and, consequently, average reimbursement to hospitals has been negatively impacted
- Managed care commercial pricing has deteriorated over the last several years, however, minimum MLR requirements may push economics towards payors
- Providers are finding it more challenging to offset lower government reimbursement with rate increases from commercial payors

**Capital Markets Trends**

- It is widely believed that the U.S. is in the midst of a slow recovery period, with real GDP growing 2.9% in 2010 and continuing modest growth in 2011
- Volatility still remains as fears of potential municipal defaults build
- Issuance of tax-exempt health care sector debt decreased by 32.0% in 2010
- Limited capital access is reducing the opportunities for value creation through expansion and renovation

**Valuation and M&A Trends**

- Average first quarter 2011 revenue and EBITDA publicly traded enterprise valuation multiples were 1.03x and 7.5x, respectively. Since first quarter 2007, revenue multiples are down 11.8% and EBITDA multiples are down approximately 16.7%
- Hospital M&A transaction volume has increased by over 300% between 2008 and 2010 due to health care reform, lack of access to capital, advent of ACOs, need to gain leverage in negotiating with payors and increased participation from private equity in health care services
- It is expected that consolidation will continue for the next several years

WATERBURY HOSPITAL

# Acute Care Hospital Sector Trends

## Health Care Reform Potential Upside and Challenges

**Health care reform is geared to provide more cost effective, high quality care; however, it will require substantial investment to implement and many smaller providers will find access to capital difficult**

- Health care reform will likely benefit larger provider organizations that can use size and scale to adopt reform measures and maintain profitability

**Potential Upside**

- Enhanced incentives for hospital/physician integration as cuts in Medicare payments challenge private practices
- Bundled payments help to improve overall quality of care
- Reduction in bad debt as Medicaid expands to cover the uninsured
- Utilization expected to increase as newly insured have better access to care
- Minimum MLR requirements may push economics to providers

**Potential Challenges**

- Physician shortages, especially for primary care physicians
- Technology investment substantial, especially for smaller provider organizations
- Many provider organizations not experienced or equipped to take on risk and manage care (i.e., care management, utilization management)
- Reduced average payments from commercial and government payors (i.e., market basket, disproportionate share and readmission reductions or adjustments)

WATERBURY HOSPITAL

# Acute Care Hospital Sector Trends

## Health Care Reform Key Events

**Health care reform is intended to be gradually implemented with many reform measures occurring in the next four years**

- It is clear that **rate cuts** are a substantial part of PPACA

### 2011

- CMI established to test innovative payment and service delivery models to reduce health care costs and enhance quality
- Freezing 2011 Medicare Advantage payment benchmarks at 2010 levels
- Phase down of Part-D co-insurance to 25%
- Medicare quality measures published (annual thereafter)
- Medicare cuts in ambulance, certain DME, ASCs, home health, clinical laboratories, LTACH, IRF and home health agency

### 2012

- Establishes ACOs to move to value-based purchasing program that enhances quality outcomes for acute care hospitals
- CMS to track hospital readmission rates for certain conditions and implement payment penalties
- Begin Medicare cuts to inpatient, outpatient, SNF, IRF, psychiatric hospital, dialysis and LTACH payments

### 2013

- Continued Medicare cuts to inpatient, outpatient, SNF, IRF, psychiatric hospital, dialysis and LTACH payments
- Establishes pay-for-reporting program for IRFs, LTACHs, hospices and psychiatric hospitals; noncompliance results in 2% reduction in market basket updates
- Establishes pay-for-reporting program for freestanding and unit-based inpatient psychiatric hospitals
- Mandatory quality reporting program begins for prospective payment system exempt cancer hospitals

### 2014

- Continued Medicare cuts to inpatient, outpatient, IRF, psychiatric hospital payments
- Begins reduction in Medicare DSH payments; reductions are tied to coverage
- Begins reduction to Medicaid DSH payments; reductions are not directly triggered by coverage targets
- Medicaid adult quality reporting program begins
- Health insurance exchange created and insurance coverage required
- Health plans can no longer exclude coverage for treatments based on pre-existing conditions

*Source: Credit Suisse, Equity Research Report, dated April 14, 2010. Washington State Hospital Association, Timeline for Health Care Reform American Hospital Association, Health Care Reform Implementation Timeline, dated May 2010*

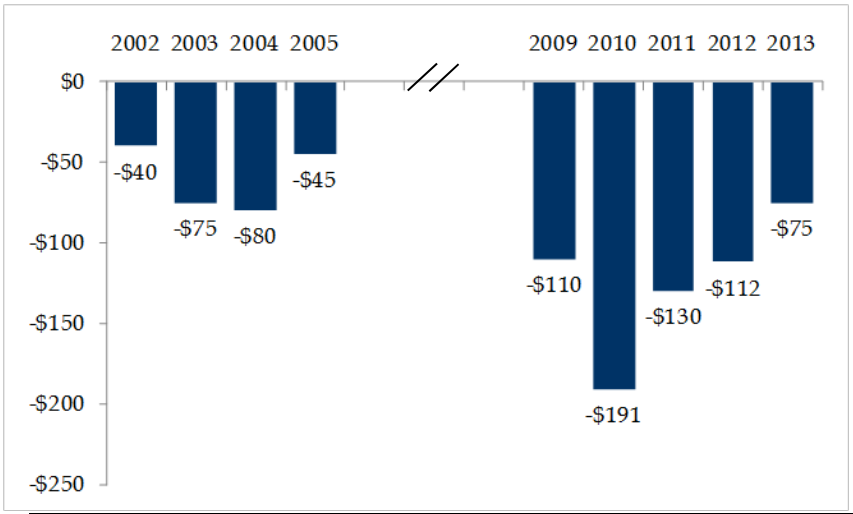
# Acute Care Hospital Sector Trends

## Economic Backdrop

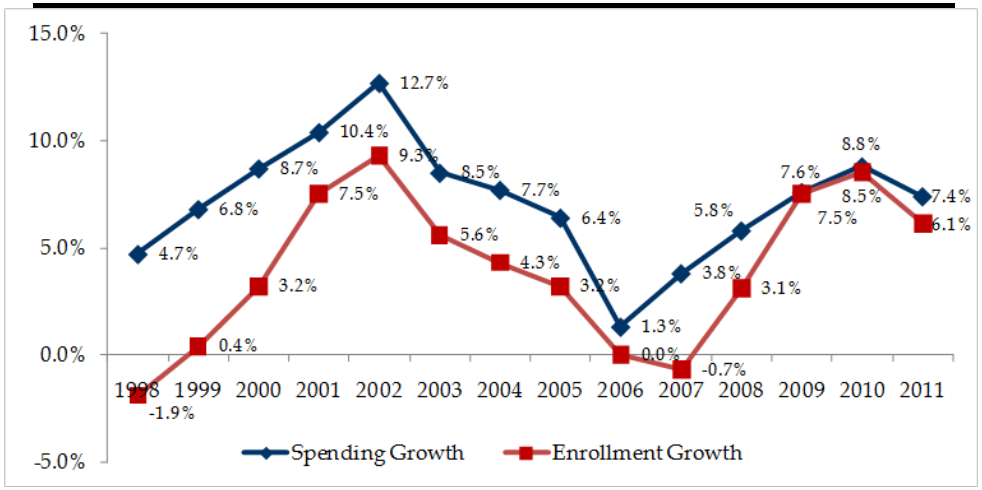
**State economies, while appearing to rebound, are still struggling**

- Many states have been running deficits for the last several years
  - California, Illinois, New Jersey, and Texas are a few states with some of the largest projected shortfalls
  - Connecticut is currently expected to have a $1.6 billion budget shortfall two fill in the next two years
- Medicaid spending has continued to outpace enrollment, though enrollment growth has accelerated as more individuals moved from commercial to Medicaid enrollment due to the downturn in the economy, and enrollment trend are expected to increase as PPACA is implemented

**Largest State Budget Shortfalls on Record (2002 – 2005, 2009 - 2013)(1)**




**Change in Medicaid Spending and Enrollment FY (1998 – 2011)(2)**




(1) *CBPP Survey, revised March 2011*
(2) *Kaiser Family Foundation*

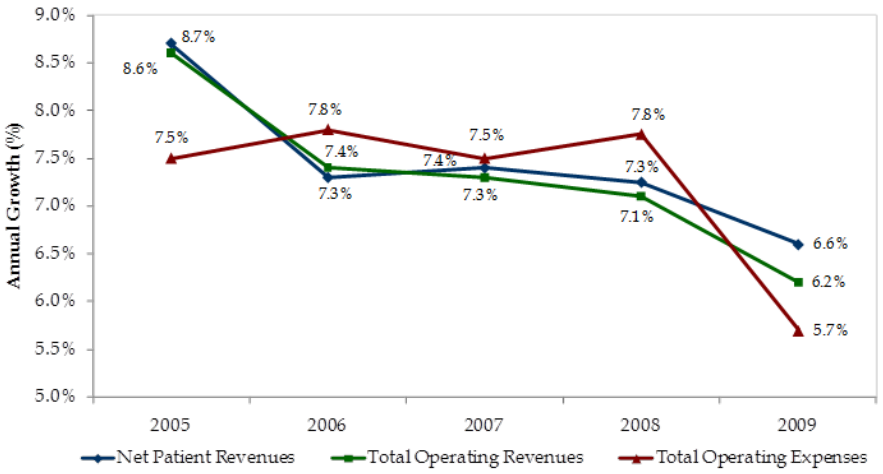
# Acute Care Hospital Sector Trends

## Financial Performance

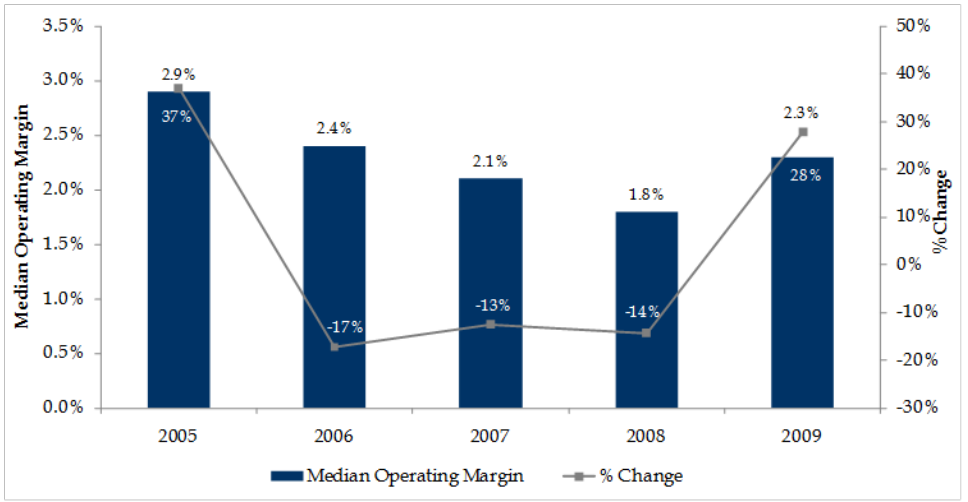
**Revenue growth for not-for-profit hospitals has slowed over the past several years due to a slow down in utilization**

- As volumes have softened across the nation during the economic downturn, revenue growth has slowed substantially
- Aggressive cost reduction policies, including layoffs and salary and benefit reductions, represented temporary ways to maintain operating margins but, will likely not be available in the future
- Operating margins have been below historic norms, but are starting to rebound
  - 2009 was the first time in three years that revenue growth outpaced expense growth
  - Operating margins are still off of five year median highs of 2.9%, which occurred in fiscal year 2005

**Revenue and Expense Growth - All Rating Categories(1)**




**Median Operating Margin - All Rating Categories(2)**




(1) *Moody's Not-For-Profit Hospitals & Healthcare Systems Medians 2009 (August 25, 2010)*
(2) *Moody's Not-For-Profit Hospitals & Healthcare Systems Medians 2009 (August 25, 2010)*

WATERBURY HOSPITAL

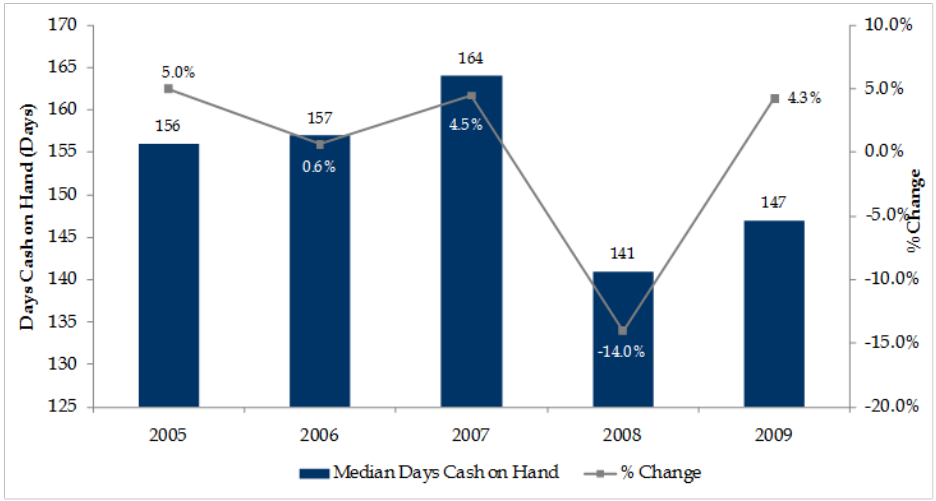
# Acute Care Hospital Sector Trends

## Financial Performance (Cont'd)

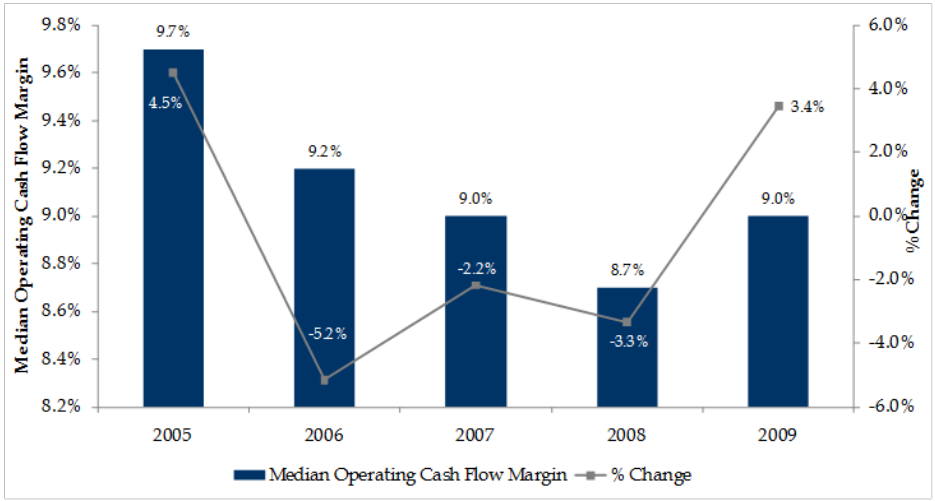
**Not-for-profit hospitals and health systems have experienced liquidity and cash flow stress over the last several years**

- Operating losses and slower revenue growth led to weakened balance sheets in 2008 for many hospitals and health systems
  - Collateral posting on derivatives, pension liabilities, and high interest rates on certain variable rate and auction rate securities were also contributing factors to diminishing balance sheet strength
- Liquidity was further strained as the capital markets became expensive and, at times, inaccessible for certain credits
  - Flight to quality led to large credit spreads during more turbulent periods of the economic downturn
- Recent trends show that hospitals and health systems are focusing on restoring cash reserves

**Median Days Cash on Hand(1)**




**Median Operating Cash Flow Margin(2)**




(1) *Moody's Not-For-Profit Hospitals & Healthcare Systems Medians 2009 (August 25, 2010)*
(2) *Moody's Not-For-Profit Hospitals & Healthcare Systems Medians 2009 (August 25, 2010)*

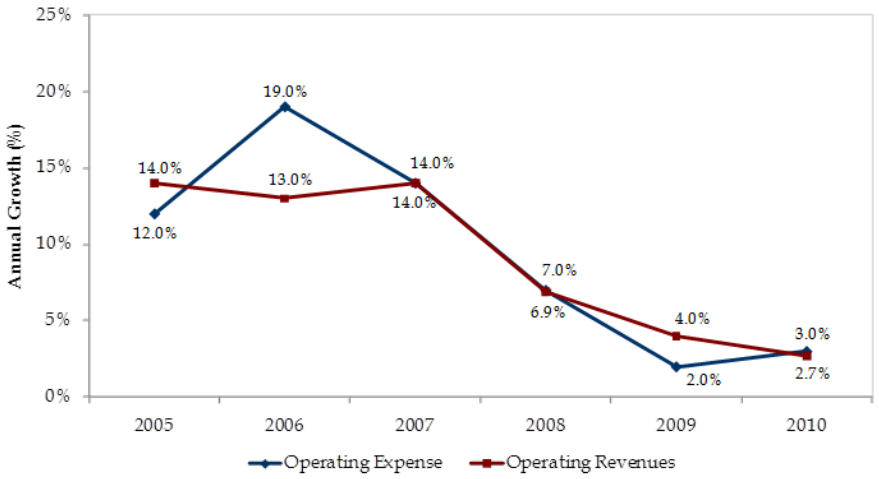
# Acute Care Hospital Sector Trends

## Financial Performance (Cont'd)

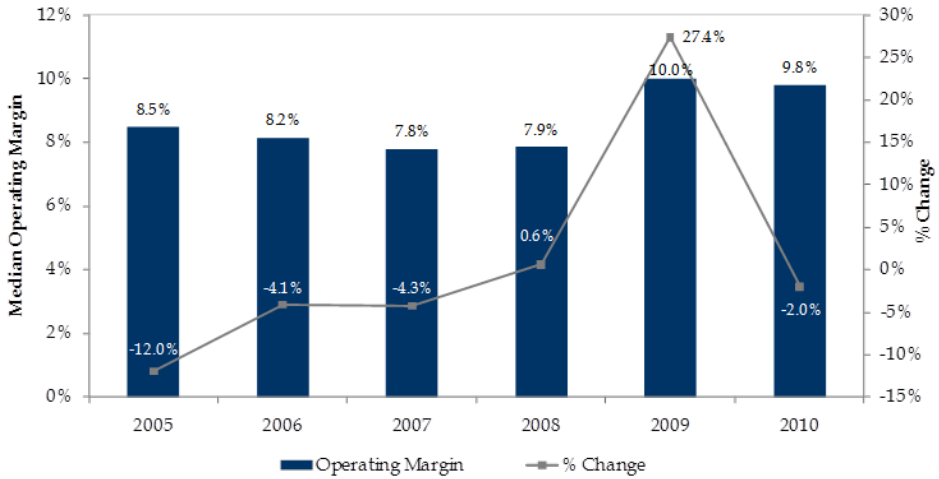
**While revenue growth has slowed for the publicly traded health systems, operating cash flow margins have remained strong in 2009 and 2010**

- Revenue and expense growth have decreased, on a percentage basis, in parallel since 2007, indicating management's ability, for the time being, to reduce costs as revenues decline
  - 2009 was a strong year as revenue growth slightly outpaced expenses
- Median operating cash flow margins have rebounded to around 10% recently after seeing lows of 7.8% in 2007
- It is expected that large publicly traded health systems will continue to thrive during and after the implementation of PPACA due to size and scale capabilities

**Publicly Traded Health Systems: Revenue and Expense Growth(1)**




**Publicly Traded Health Systems: Median Operating Cash Flow Margin(2)**




(1) *Company Filings; Calculations based on financials from CYH, HMA, LPNT, THC, UHS*
(2) *Company Filings; Calculations based on financials from CYH, HMA, LPNT, THC, UHS*

# Acute Care Hospital Sector Trends

## Utilization Trends

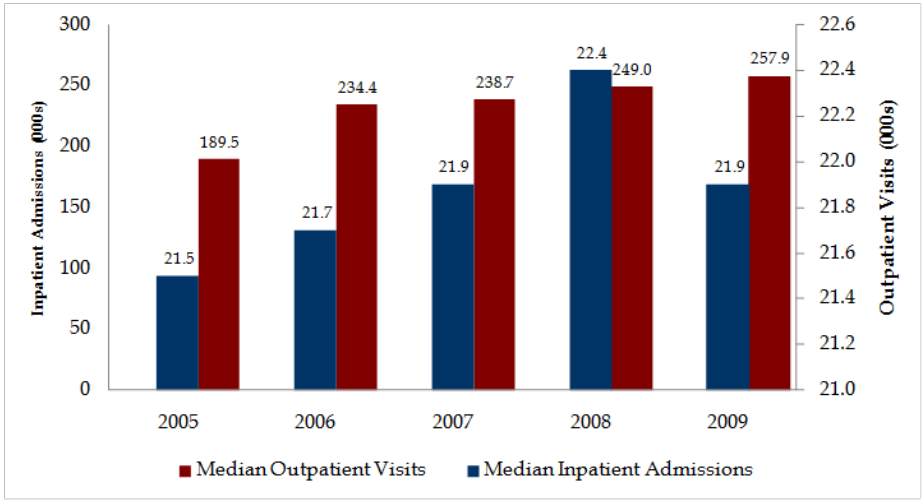
**Inpatient admissions are down since the beginning of the economic downturn for not-for-profit and for-profit hospitals**

- There are many factors impacting hospital inpatient utilization:
  - Continued weak economic backdrop
  - Deferred elective treatments
  - Benefit design changes
  - Specialty hospital and ambulatory surgery center competition

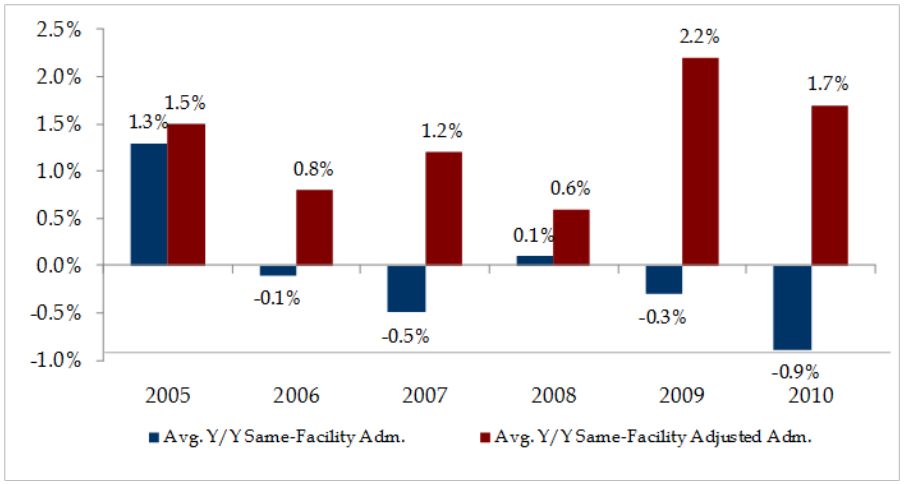
- In the not-for-profit sector, outpatient volumes have consistently increased over the past several years, in part due to increases in outpatient capacity through affiliation, acquisition and employment of physicians

- Expected that healthcare reform will increase utilization as coverage expands to the uninsured

**Not-for-Profit Utilization Trends(1)**




**For-Profit Utilization Trends(2)**




(1) *Moody's Not-For-Profit Hospitals & Healthcare Systems Medians 2009 (August 25, 2010)*
(2) *Credit Suisse Same-Facility Handbook – 3rd Quarter 2010*

WATERBURY HOSPITAL

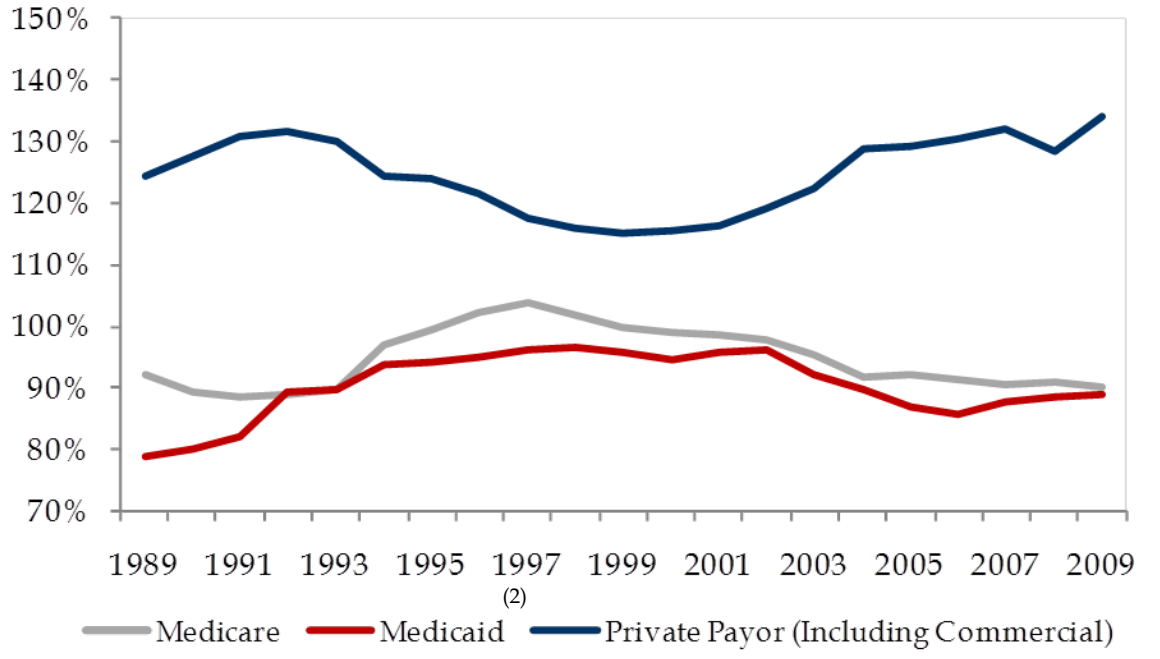
# Acute Care Hospital Sector Trends

## Government and Private Payor Rate Trends

**There is an inverse relationships between government and commercial pricing trends for hospitals**

- Commercial payors have historically "subsidized" lower rate trends for government payors
- Considering the current and expected economic pressures on commercial payors, it is unclear if hospitals will be able to offset expected reduced government payor rates with increased rates from commercial payors

**Aggregate Hospital Payment-to-Cost Ratios (1)**



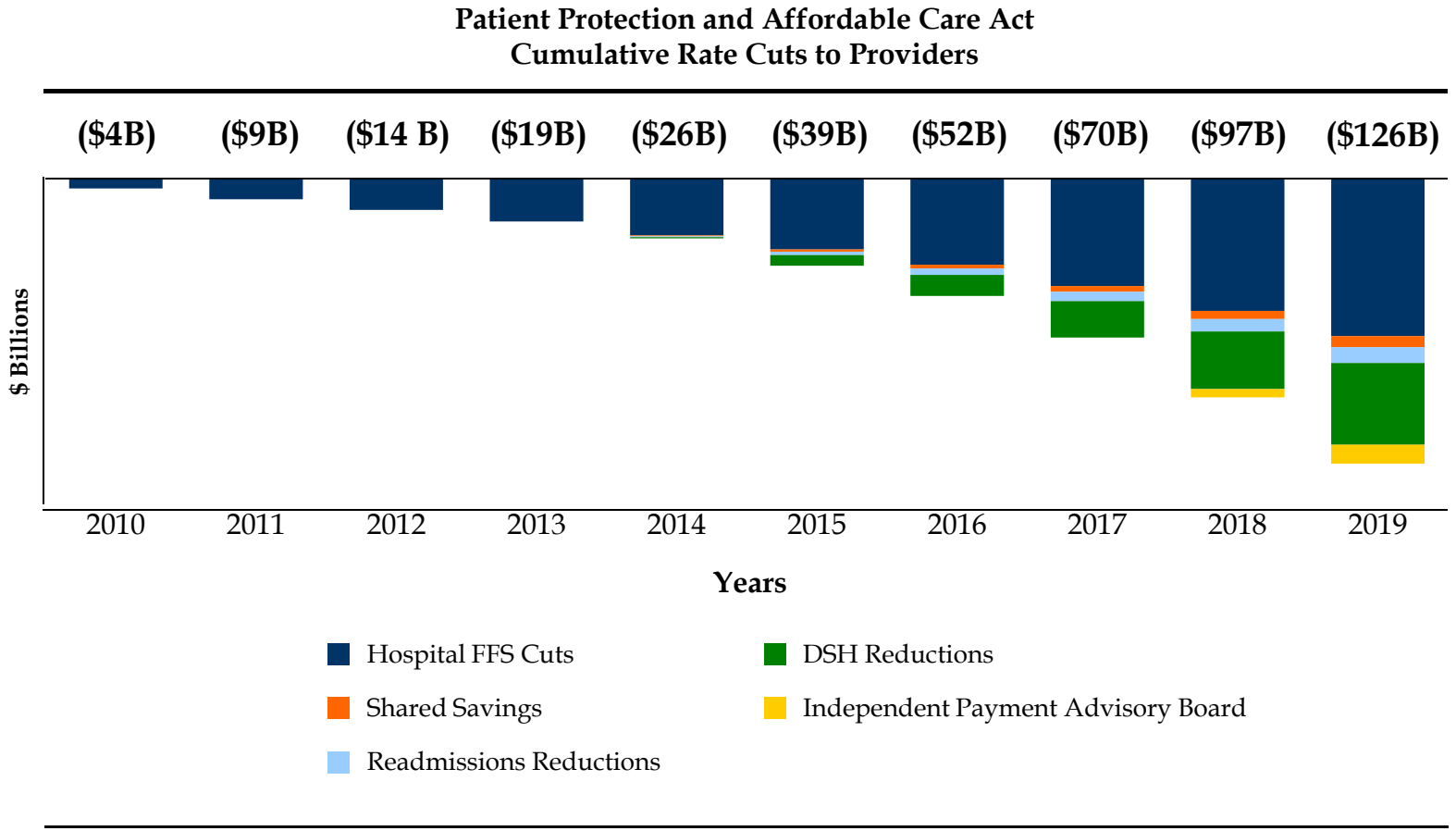

(1) *Source: Avalere Health analysis of American Hospital Association Annual Survey Data, 2009, for community hospital*
(2) *Includes Medicaid DSH payments*

WATERBURY HOSPITAL

# Acute Care Hospital Sector Trends

## PPACA and Expected Rate Cuts

**The expected cumulative rate cuts are staggering and point towards continued consolidation in the hospital sector**




CAIN BROTHERS

*Source: The Advisory Board*

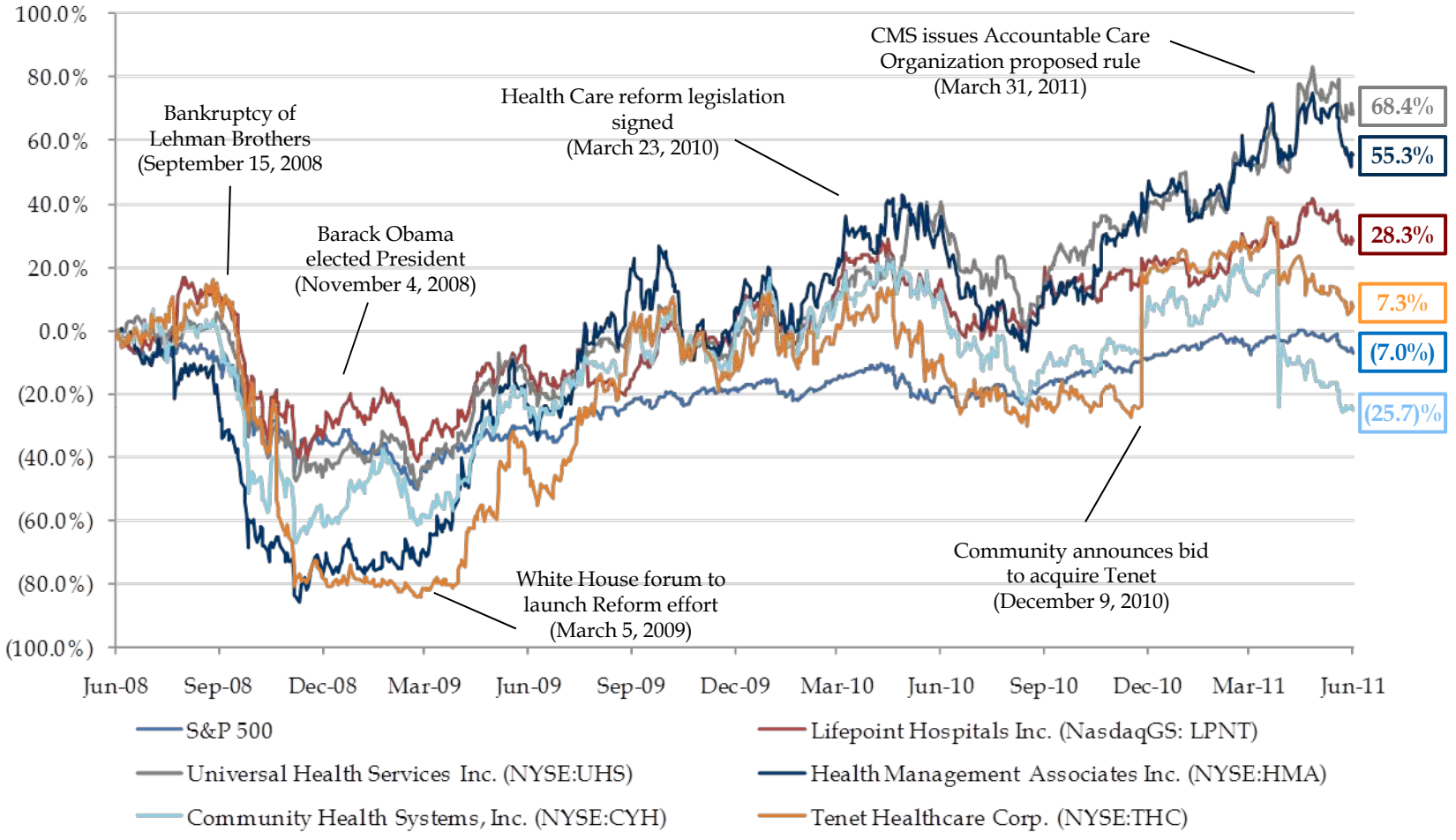
WATERBURY HOSPITAL

# Acute Care Hospital Sector Trends

## Equity Valuation Trends

**Publicly traded hospital companies have outperformed the S&P 500 over the last three years, except for Community Health Systems.**

### Publicly Traded Hospital Company Equity Valuations




*Source: CapitalIQ and company filings*

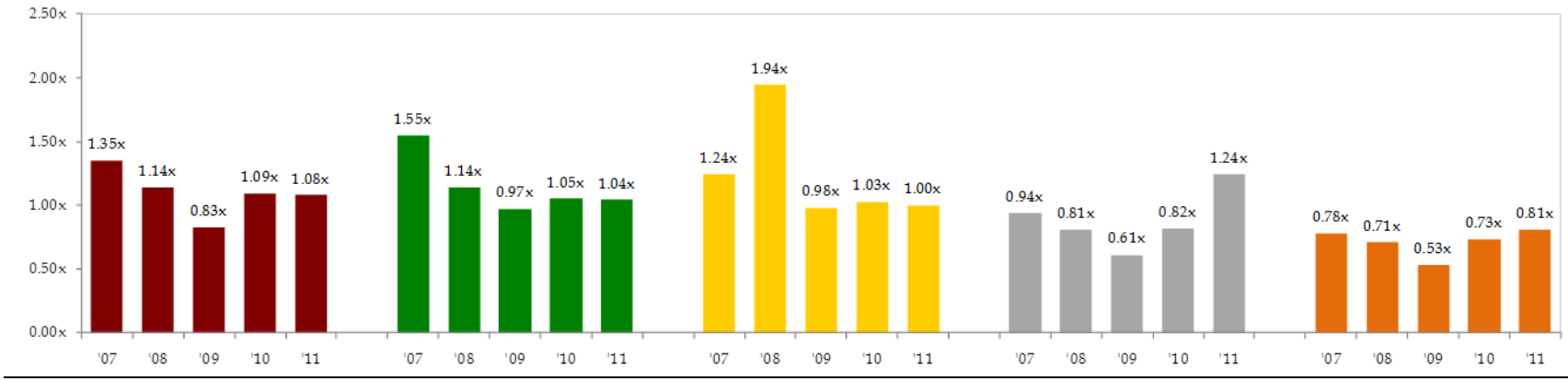
WATERBURY HOSPITAL

# Acute Care Hospital Sector Trends

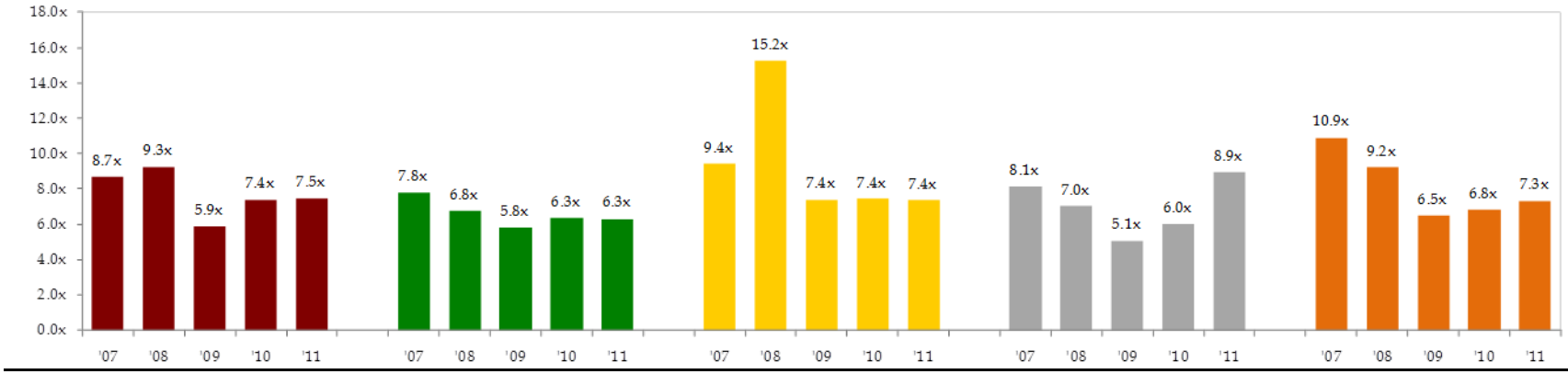
## Enterprise Value Multiples Trends

**Between March 31, 2007 and 2011, the average publically traded hospital enterprise value revenue multiple was down 11.8% and the average EBITDA multiple was down 16.7%**

### Enterprise Value Revenue Multiples – 1st Quarter




### Enterprise Value EBITDA Multiples – 1st Quarter




*Source: CapitalIQ and company filings as of quarter ending 3/31/2011*

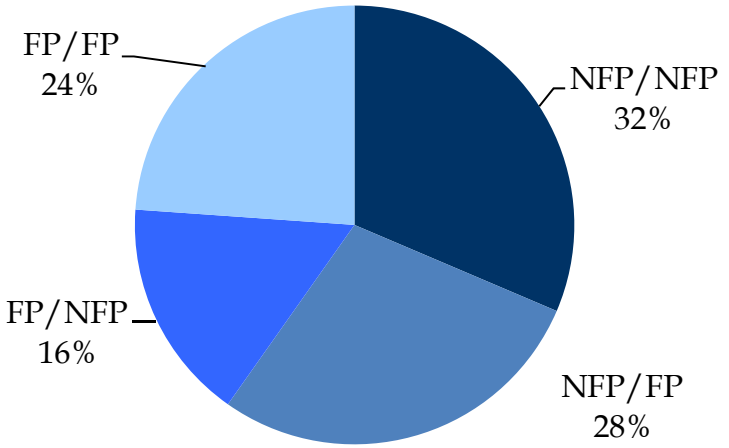
WATERBURY HOSPITAL

# Acute Care Hospital Sector Trends

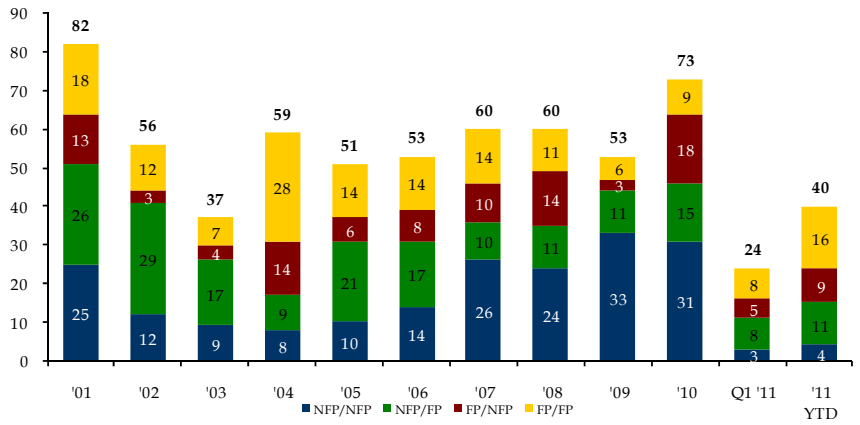
## M&A Environment

- Joint-ventures with for-profit health care systems are increasingly used to address key challenges
  - Capital constraints
  - Market consolidation
- Not-for-profit systems continue to have a significant role in transaction activity
  - 78% of all transactions since 2001 have involved a not-for-profit system as either a target, acquirer or both

### Cumulative 2001 to 2011YTD Type of Transaction (Target / Acquirer)(1)




### Not-for-Profit vs. For Profit Transactions (Target / Acquirer)(1)(2)




*Source: Irving Levin Associates, Inc.*

(1) *Excludes the Community Health System attempted hostile takeover of Tenet HealthCare*

(2) *YTD includes data through 5/30/2011*

# Acute Care Hospital Sector Trends

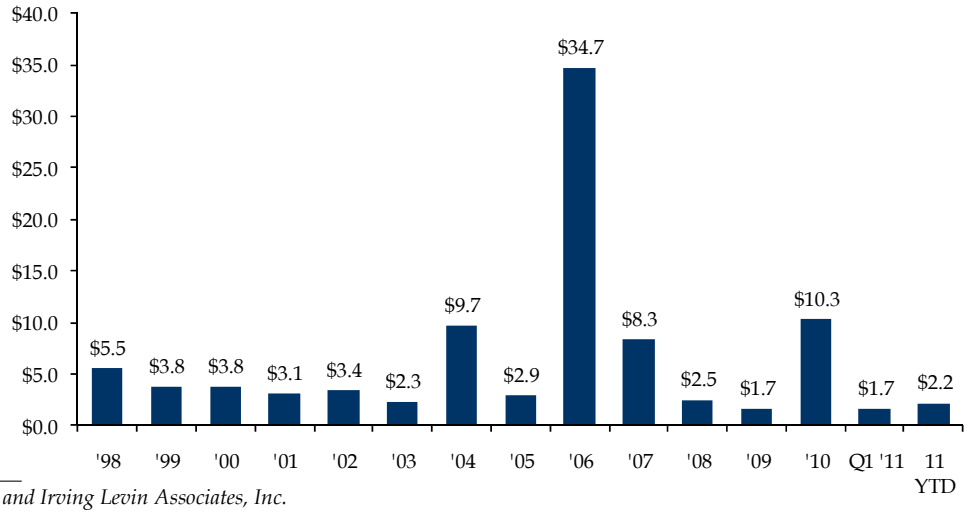
## M&A Environment (Cont'd)

- Hospital M&A activity has picked up significantly in 2010 and 2011
- We expect this trend to continue for the foreseeable future
- Two noteworthy transactions occurred in 2010
  - PE firm Cerberus Capital's acquisition of Caritas Christi
  - Vanguard's acquisition of Detroit Medical Center
- Large transactions have had a significant impact on the total dollar volume of transactions in 2004, 2006 and 2007

## Hospital M&A Transactions Over $1 Billion

| Acquirer | Target | Price ($in billions) | Date Announced | Enterprise Value / Revenue | Enterprise Value / EBITDA |
|---|---|---|---|---|---|
| Vanguard Health Systems | Detroit Medical Center | $1.3 | 3/2010 | 0.6x | NA |
| Community Health Systems, Inc. | Triad Hospitals, Inc. | $6.7 | 3/2007 | 1.2x | 10.6x |
| KKR, Bain Capital, Merill Lynch† | HCA, Inc. | $33.0 | 7/2006 | 1.3x | 7.8x |
| Welsh, Carson, Anderson & Stowe† | Select Medical Corp. | $2.3 | 10/2004 | 1.2x | 7.6x |
| LifePoint Hospitals | Province Healthcare Company | $1.8 | 8/2004 | 2.5x | 14.3x |
| The Blackstone Group† | Vanguard Health Systems | $1.8 | 7/2004 | 1.0x | 11.1x |
| Texas Pacific Group† | Iasis Healthcare Corporation | $1.4 | 5/2004 | 1.2x | 9.1x |
| HCA, Inc. | Health Midwest | $1.0 | 10/2002 | 0.5x | NA |
| Triad Hospitals, Inc. | Quorum Health Group, Inc. | $2.4 | 10/2000 | 1.2x | 6.9x |
| Tenet Healthcare | OrNda HealthCorp | $3.1 | 10/1996 | 1.5x | 9.1x |
| Forstmann Little & Co.† | Community Health Systems | $1.4 | 6/1996 | NA | NA |
| Catholic Health Initiatives | Three Catholic Systems | $4.0 | 4/1995 | NA | NA |
| Tenet Healthcare | American Medical International | $3.3 | 10/1994 | 1.4x | 6.8x |
| Columbia/HCA Healthcare Corp. | HealthTrust, Inc. | $5.6 | 10/1994 | NA | NA |
| Columbia Hospital Corp. | Galen Health Care | $4.1 | 6/1993 | NA | NA |

## Hospital M&A Volume ($ in Billions)(1)(2)




*Source: Cain Brothers and Irving Levin Associates, Inc.*
*Note: Transactions with no disclosed value are not included. †: Private equity firm*
*(1) Excludes the Community Health System attempted hostile takeover of Tenet HealthCare*
*(2) YTD includes data through 5/30/2011*

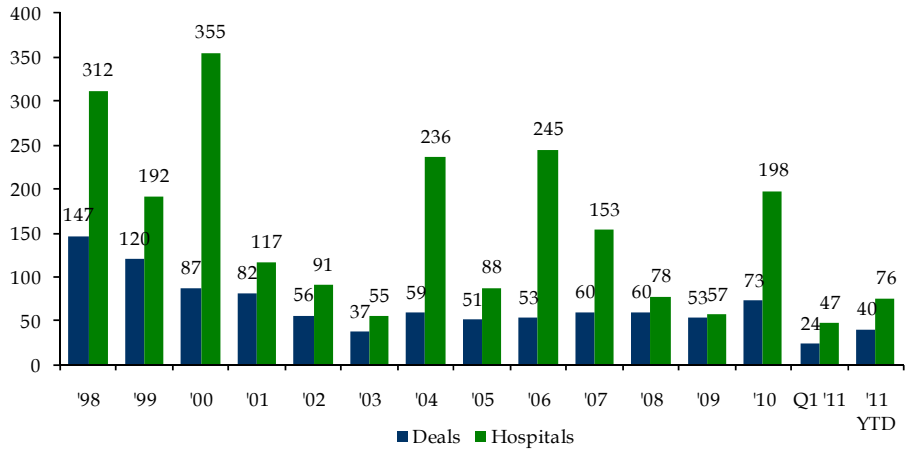
WATERBURY HOSPITAL

# Acute Care Hospital Sector Trends

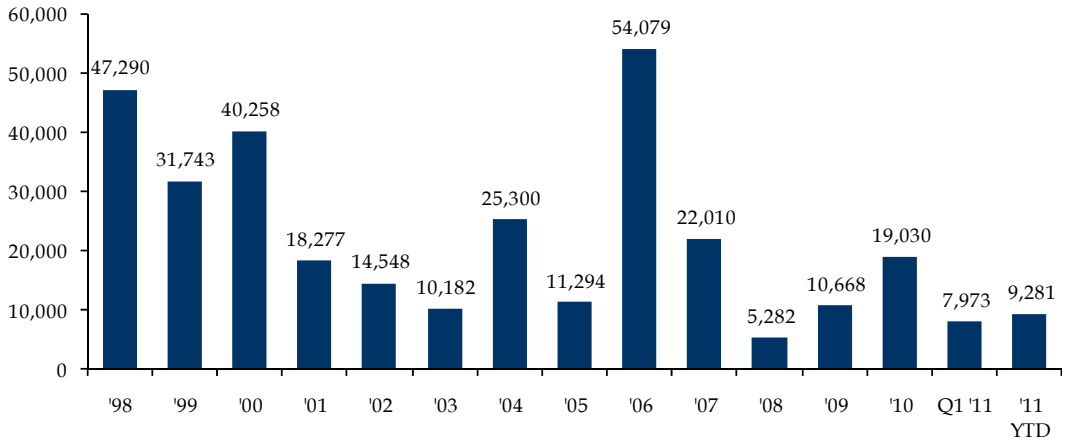
## M&A Environment (Cont'd)

- Hospital transactions have continued to remain generally strong over the past 10 years
  - M&A activity continues to be robust in 2011
- Over the past 13 years the average number of deals was 72 annually
- Several noteworthy transactions have occurred in 2011, to date
  - HCA signed a definitive agreement to buy Catholic Health East's Mercy Hospital in Florida
  - Vanguard Health Systems signed a letter of intent to partner with Valley Baptist in Texas (Cain Brothers' client)
  - Emory agreed to enter into partnership agreement with Saint Joseph's Health System in Atlanta (Cain Brothers' client)
  - LHP Group signed a definitive agreement to partner with Saint Mary's in Connecticut

### Hospital M&A Volume (# of Deals and Hospitals)[1][2]




### Number of Acute Care Hospital Beds Acquired[1]




*Source: Irving Levin Associates, Inc.*

*(1) Excludes the Community Health System attempted hostile takeover of Tenet HealthCare*

*(2) YTD includes data through 5/30/2011*

# Confidential Discussion Materials

July 14, 2011

| **Table of Contents** | **Section** |
|---|---|
| Executive Summary | 1 |
| Cain Brothers Overview | 2 |
| Industry Perspectives | 3 |
| Potential Strategic Alternatives | 4 |
| Process Update (Oral) | 5 |

**Exhibits**

| | |
|---|---|
| Case Studies | A |
| Acute Care Hospital Sector Trends | B |

# Executive Summary

WATERBURY HOSPITAL

# Executive Summary

## Summary of Objectives Identified

**Since the commencement of our engagement in early March, we have been working closely with Greater Waterbury Health Network's ("GWHN") Partnering Committee (the "Committee") to develop strategic alternatives based on the Committee's goals and objectives**

- Given GWHN's mission, financial and operational results, as well as other qualitative considerations, the following objectives were identified as important to the evaluation of strategic alternatives:
  - ***Viable Health Care Delivery System for the Community*** – Strategy must be able to promote a strong, competitive, comprehensive health care system option to residents of Waterbury
    - Choice is important to the community
    - Enhancing existing clinical services and development of other sophisticated, profitable clinical services
    - Foster quality improvement to support quality improvement efforts
    - Pursue clinical excellence
  - ***Maintain and Grow Services*** – Strategy must support GWHN's ability to maintain essential services and grow service line offerings
  - ***Capital Access*** – Generate access to the capital necessary to maintain hospital's competitive position with respect to facilities, equipment and technology and to address new strategic initiatives
  - ***Enhance the Physician Community*** – Support GWHN by increasing the number of primary care and specialists with strong interest in using the Hospital's services and facilities
  - ***Not-for-profit*** – Maintaining GWHN as a tax-exempt is generally judged "nice to have" but not critical to strategic objectives

## Summary of Process Results

WATERBURY HOSPITAL

# Summary of Process Results

## Overview

**Cain Brothers was asked to make preliminary, "pre-marketing" calls beginning March 14 to a predetermined Tier I partnering list of 11 organizations**

- Saint Mary's was initially contacted on March 7 (*prior* to March 14,) to determine whether there was an interest in restarting discussions between the two hospitals before we went out to a broader group
  - Although Saint Mary's expressed an interest to meet, we were unable to secure a meeting in a timely fashion
  - After several postponements, the Committee instructed us to start our out-bound calls
- In total, 14 parties were eventually contacted, seven (7) of which executed separate confidentiality agreements and received Confidential Information Memoranda ("CIM")
  - Although LHP was contacted separately from Saint Mary's at first, we learned that the Saint Mary's / LHP proposed joint-venture prohibited either institution from having discussions separately from one another
    - As a result, LHP / Saint Mary's are combined as one (1), taxable bidding group for the purpose of this discussion
- Four (4) parties responded with non-binding proposals
  - One (1) tax-exempt system
  - Three (3) taxable entities
- Preliminary Initial Valuations
  - One (1) proposal had no valuation associated with the response
  - Three (3) proposals included structures as an asset purchase, with initial value ranges from $20 million to $100 million plus additional capital commitments
- Subsequent conversations and negotiations with these parties tried to improve the initial indications of interest
  - Three (3) parties continued to work with us to try and improve their bids, including the tax-exempt organization
  - One (1) taxable entity became unresponsive to our requests and self-selected themselves out of the process

# Summary of Process Results

## Parties Who Submitted Offers

**One (1) tax-exempt and three (3) taxable entities submitted initial indications of interest**

| Tax-Exempt Organizations | |
|---|---|
| [redacted] | [redacted] |

| Taxable Organizations | |
|---|---|
| LHP / Saint Mary's JV | (Waterbury, CT) |
| [redacted] | [redacted] |
| [redacted] | [redacted] |

* [redacted] *was unresponsive to any further negotiations after their initial indication of interest; as a result, self-selected themselves out of the process*

WATERBURY HOSPITAL

# Summary of Process Results

## Parties Who Declined

**Nine (9) organizations contacted declined to pursue a strategic partnership / acquisition**

| Tax-Exempt Organizations | |
|---|---|
| [redacted] | [redacted] |
| [redacted] | [redacted] |
| [redacted] | [redacted] |
| [redacted] | [redacted] |

| Taxable Organizations | |
|---|---|
| [redacted] | [redacted] |
| [redacted] | [redacted] |
| [redacted] | [redacted] |
| [redacted] | [redacted] |
| [redacted] | [redacted] |

*Italicized organizations signed confidentiality agreements*

WATERBURY HOSPITAL

# Summary of Process Results

## Reasons for Decline

### Key Issues and Concerns Raised

- Competitive landscape and GWHN market position
  - LHP / Saint Mary's proposed joint venture
    - Does a competitive, two-hospital town in Waterbury make sense?
  - Inconclusive that GWHN is the clear market or quality leader
- Lack of geographic and strategic fit
  - Preference for transactions that add to geographic footprint
  - Minimal desire to expand into new geographies without significant operational leverage or revenue enhancement potential
- Capital constraints
  - Difficult economic environment limits ability to finance a transaction
  - Limited current capital dedicated for acquisitions
  - Capital commitment and/or purchase price deemed too high

WATERBURY HOSPITAL

# Summary of Process Results

## Transaction with a Tax-Exempt Entity

**We are still in discussions with [redacted] to determine what type of transaction structure is possible and advantageous to Waterbury**

- Not-for-profit transactions typically involve sponsorship transfer (merger)
  - However, [redacted] may propose an asset purchase
- Operating risk shifts to new sponsor
  - Contractual commitments dictate constraints on operations
- Fiduciary governance maintained at corporate level
  - Local board with significant input and Joint Commission responsibility
- Independent foundation are typically not proposed
  - Creates potential issue of contract enforcement
- Achieving GWHN objectives are based on buyer's ability to fulfill terms of a transaction
  - Not-for-profits tend to be more stable over the long-run
- The Attorney General of Connecticut may review and approve the transaction
  - Key focus will primarily be insider dealing
  - Fair market value not an issue
- Office of Health Care Access ("OHCA") reviews and approves the transaction

WATERBURY HOSPITAL

# Summary of Process Results

## Transaction with a Taxable Entity

**Transaction necessarily involves the conversion to taxable status through sale of not-for-profit assets to a for-profit via an asset purchase, though transactions are formed in joint venture structures**

- Purchase of specific assets and operations and assumption of certain operating liabilities
- Operating risk shifts to buyer or the joint venture
  - Contractual commitments dictate constraints on operations
  - Local advisory board with substantial input
- Achieving GWHN objectives is based on buyer's ability to fulfill terms of a transaction
  - Markets are dynamic; the partner you have today may change
- Net proceeds from the conversion transaction funds community foundation
  - Foundation would be locally controlled and for the benefit of the community
- The Attorney General of Connecticut will be required to review and approve the conversion transaction, focusing on:
  - Fairness and diligence of process
  - Exchange of fair market value consideration
  - Foundation structure
    - Grant making (use of proceeds)
  - Governance
- OHCA reviews and approves the transaction

WATERBURY HOSPITAL

# Summary of Process Results

## Determination of Net Proceeds

**Net proceeds is the amount of funds generated from an asset purchase transaction after all liabilities have been discharged and assets realized**

- Tax-exempt proposals are not typically evaluated from a net proceeds perspective
- Assumes 100% of GWHN's assets are sold
  - The current LHP / Saint Mary's proposal provides a 10% interest in the newly formed joint venture to be retained by the Foundation
    - In exchange for all the GWHN operating assets, LHP / Saint Mary's anticipates building a replacement hospital, thus foregoing a cash payment to GWHN for Foundation use
    - In the event a replacement hospital is not feasible, the fall back position would be an asset purchase
  - [redacted] is willing to explore a joint-venture option for up to a 20% interest retained by the Foundation
- Future capital commitments are not considered net proceeds for Foundation purposes
- Pro forma for net balance sheet items as allocated by buyer
- In addition to net balance sheet items, proceeds from sale are reduced for other items:
  - Write-off of unamortized deferred financing costs
  - Estimated bond defeasance costs
  - Estimated transaction costs
  - Reserves (rough estimates)
    - Realizability to assets
    - Other contingencies

# Overview of Potential Partners

WATERBURY HOSPITAL

# Overview of Potential Partners

[redacted]

[redacted]

[redacted]

[redacted]

*Source: Materials provided by buyers, company website & Capital IQ*

# Overview of Potential Partners

## LHP Hospital Group

## Overview

- LHP Hospital Group, Inc. ("LHP") is sponsored-back and privately-held established to provide essential hospital capital and expertise to not-for-profit hospitals and systems
- LHP's strategy is to form whole hospital JVs to provide necessary capital and expertise to help achieve partner's strategic goals
- Culture of collaboration is at the heart of hospital partnerships
  - Quality: Providing quality patient care is primary goal
  - Collaboration: Value the input of all hospital stakeholders
  - Local Governance: Empower community leaders to have local control
  - Physician Participation: Physicians are part of decision-making
  - Capital Investment: Invest in state-of-the art facilities and add services and equipment

## Current JV Partners

## Basic Information

- **Headquarters**: Plano, TX
- **Founded**: 2008
- **Ownership**: CCMP Capital Advisors and CPP Investment Board
- **Website**: www.lhphospitalgroup.com

## Management

| Name | Position |
|---|---|
| Dan Moen | CEO and President |
| Jim Shannon | EVP, Development |
| Rebecca Hurley | EVP, General Counsel |
| Tom Frazier | EVP, Administration |
| Bill Hibbitt | EVP and CFO |
| Patricia Ball | SVP, Strategic Development |
| Larry Schunder | SVP, Business Processes and CIO |
| Paul Kappelman | Division President |
| Ed Davidson | VP, Design and Construction |
| Joe Johnson | VP, Legal Affairs and CCO |
| Brady Sturgeon | VP, Development |

## News

- 6/2/11: LHP and Hackensack University Medical Center announce CEO of Hackensack University Medical Center at Pascack Valley
- 4/4/11: LHP and Seton Family of Hospitals break ground on Seton Medical Center Harker Heights, slated to open fall 2012
- 3/22/11: Saint Mary's Hospital announces plans to form a joint venture with LHP

*Source: Materials provided by buyers, company website & Capital IQ*

WATERBURY HOSPITAL

# Overview of Potential Partners

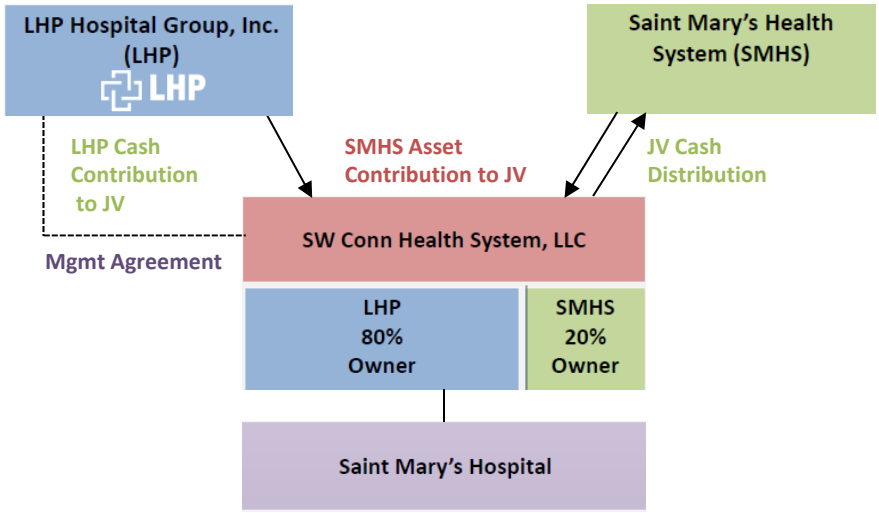
## LHP / Saint Mary's Joint Venture

LHP Hospital Group, Inc. | Saint Mary's HEALTH SYSTEM

## Saint Mary's / LHP JV Overview

- Currently pending regulatory and religious approvals
- LHP will own 80% and Saint Mary's will own 20%
  - LHP will contribute $108 million in cash and Saint Mary's will contribute its assets valued at $135 million
  - $75 million strategic capital commitment within the JV's first five years
- Equal governance rights on the JV Board with block voting
- Saint Mary's Hospital local Board of Trustees consisting of six community leaders and six physicians
- Continue to adhere to the Ethical and Religious Directives for Catholic Health Care Services and uphold community benefit standards
- Chad Wable, CEO of Saint Mary's, is anticipated to be the CEO

## Saint Mary's / LHP JV Structure




## Saint Mary's Financials

| *($ in millions)* | For the Fiscal Years Ended September 30, 2010 | 2009 |
|---|---|---|
| Revenues: | | |
| Net revenues from services to patients | $243.8 | $238.1 |
| Other operating revenues | 7.6 | 7.6 |
| **Total Revenue** | **$251.4** | **$245.7** |
| Expenses: | | |
| Salaries and wages | 105.4 | 102.5 |
| Employee benefits | 28.3 | 27.8 |
| Supplies and other expenses | 89.7 | 83.5 |
| Provision for uncollectible accounts, net of recoveries | 13.3 | 13.2 |
| Depreciation and amortization | 8.8 | 8.8 |
| Interest | 1.8 | 1.9 |
| Total Expenses | $247.3 | $237.6 |
| **Operating Income** | **$4.1** | **$8.2** |
| Total nonoperating gains, net | $2.4 | $0.3 |
| **Excess of revenue over expenses** | **$6.5** | **$8.5** |
| **Increase (decrease) in unrestricted net assets** | **$10.8** | **($3.9)** |

## JV Pro Forma Balance Sheet

| ASSETS | | LIABILITIES AND FUND BALANCE | |
|---|---|---|---|
| Cash | $46.1 | Current portion of long term debt | $1.5 |
| Short term investments | 1.2 | Due to third parties | 6.3 |
| Total current assets | 47.3 | Total current liabilities | 7.8 |
| Marketable securities | 14.2 | Long term obligations | 6.0 |
| | | Estimated self insurance liability | 17.0 |
| By donor and held in trust | 14.7 | Other long term liabilities | 7.4 |
| For estimated self insurance liability | 25.3 | | |
| Net interest in foundation | 4.8 | Total liabilities | 38.2 |
| Other | 0.0 | | |
| Total assets whose use is limited | 44.8 | Unrestricted | 77.1 |
| | | Temporarily restricted | 2.2 |
| Investment in joint ventures | 27.0 | Permanently restricted | 15.7 |
| **Total assets** | **$133.2** | **Total liabilities and fund balance** | **$133.2** |

CAIN BROTHERS

*Source: Conversion filing and company documents*

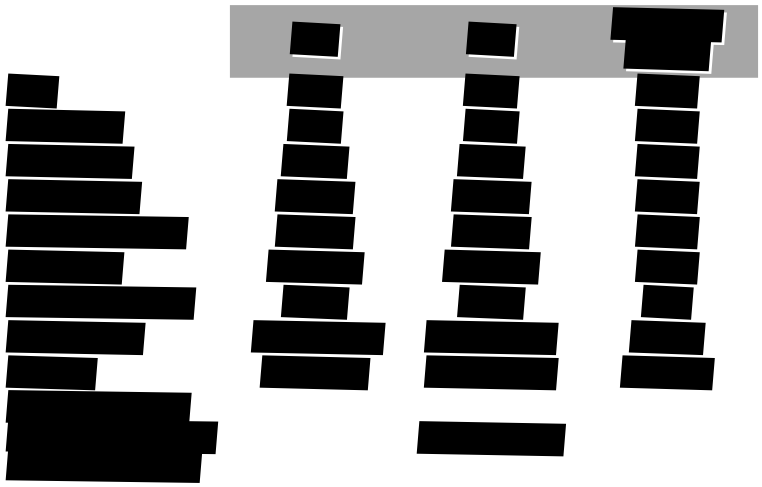
[redacted]

[redacted]

buyers, company website & Capital IQ

WATERBURY HOSPITAL

[redacted]



[redacted]



Source: Materials provided by buyers, company website & Capital IQ

## Next Steps

WATERBURY HOSPITAL

# Next Steps

**There is a Special Board Meeting scheduled for Monday, August 15, to seek the vote of GWHN Board of Trustees on the next direction of the process**

- On August 15, we will present, summarize and provide analysis on the proposals
- Since each proposal is materially different from one another in terms of goals, objectives, economic value, governance structure, as well as ease (or difficulty) of execution, we are recommending we enter into a Letter of Intent ("LOI"), which would limit exclusive negotiation to the chosen party to maximize the best possible deal for GWHN
  - We therefore will be asking for authorization by the GWHN Board to select a party in which we can negotiate with, exclusively, towards a definitive agreement
- The execution of an LOI does **not** equate to a "done" or "final" deal
  - However, this is a necessary step in order to gauge GWHN's appetite for risk and reward related to each proposed transaction
- Following the vote on August 15, next steps would include:
  - Negotiation and documentation of definitive agreements
  - Confirmatory diligence (in the case of LHP / Saint Mary's, confirmation of the replacement hospital feasibility study as well)
- The GWHN Board would then have the opportunity to vote again on the final, definitive documents after the exclusivity period ends

# Appendix A: Response Matrix Request

# Response Matrix Request

| Transaction Element | Description |
|---|---|
| **1. Form of Transaction** | a) Please describe the structure of the proposed transaction and resulting relationship with the surviving GWHN organization. |
| **2. Objectives Alignment** | Please describe how you envision achieving GWHN's Objectives:<br>a) Ensure Waterbury Hospital remains a viable health care entity, providing the highest safety and quality health care services the Greater Waterbury and surrounding communities for the long-term;<br>b) Deploy repeatable and scalable tools and clinical care services to continually improve the health of the community;<br>c) Provide access to sufficient capital to meet current and future capital needs while strengthening the balance sheet;<br>d) Enhance the Hospital's medical staff by attracting and retaining physicians to the market;<br>e) Maintain high satisfaction scores by patients, physicians, employees and volunteers; and<br>f) Continue charitable care delivery and funding. |
| **3. Ownership, Governance and Management** | a) Describe how GWHN will be organized in relation to your organization.<br>b) Describe the proposed governance structure and the ongoing role, if any, of GWHN's current Board of Directors.<br>c) Describe the proposed management organizational structure for GWHN. |
| **4. Transaction Value** | If you are proposing an asset purchase, please describe how GWHN will be valued, including the methodology and calculation of any adjustments to the proposed consideration. |
| **5. Maintenance of Clinical Services** | a) Describe your commitment to maintaining existing clinical services.<br>b) Describe any new services you anticipate implementing over the next five years.<br>c) Describe which, if any, clinical services may not be maintained at GWHN and the Hospital.<br>d) Indicate the minimum time horizon for maintaining existing services. |

WATERBURY HOSPITAL

# Response Matrix Request

| Transaction Element | Description |
|---|---|
| **6. Excluded Activities and Operations** | a) Describe any GWHN activities and operations that are expected to be excluded from a transaction.<br>b) Describe how the surviving GHWN organization (if any) could support the ongoing activities of the acquired operations after the transaction. |
| **7. Charity Care** | Describe your existing charity and indigent care policies and any potential changes to GWHN policies you foresee. |
| **8. Ethical and Religious Directives** | Describe any ethical or religious directives of your organization, if any, which would impact the future operations of GWHN. |
| **9. Employee Relationships** | a) Describe your commitment to GWHN employees, anticipated layoffs, and type of severance package that may be offered to any affected employees.<br>b) Describe any anticipated employee benefit changes. |
| **10. Capital Expenditure Commitments** | Describe your expectations and commitment to capital investments over the next five years to improve GWHN facilities and expand programs and services. |
| **11. No Sale** | Describe your commitment to retaining ownership of the GWHN operations acquired. |
| **12. Right of First Refusal/Repurchase Rights** | Describe any terms and conditions under which the surviving GWHN organization (if any) could reacquire interests transferred in a transaction. |
| **13. Financial and Operating Information** | a) Provide a copy of your most recent audited financial statements.<br>b) Describe how you propose to finance the transaction and any proposed ongoing financial commitments to GWHN.<br>c) Provide an overview of your existing operations, including, but not limited to, the following:<br>(i) Number and location of facilities owned and operated<br>(ii) Number of beds owned and operated<br>(iii) Key operating statistics<br>(iv) Key quality indicators |

WATERBURY HOSPITAL

# Response Matrix Request

| Transaction Element | Description |
|---|---|
| **14. Due Diligence** | a) Describe your due diligence process.<br>b) Provide a list of due diligence items you would like to receive in Phase II if you are selected to continue in the process. |
| **15. Process and Approvals** | Indicate the level at which your response has been approved within your organization and what approvals will be required to sign a Definitive Agreement and to close the transaction. |
| **15. Other** | Please describe any other factors that GWHN should consider in evaluating your proposal. |

# Confidential Discussion Materials

August 11, 2011

| **Table of Contents** | **Section** |
|---|---|
| Executive Summary | 1 |
| Summary of Process | 2 |
| Overview of Potential Partners | 3 |
| Next Steps | 4 |

**Exhibits**

| | |
|---|---|
| Response Matrix Request | A |

| Table of Contents | Section |
|---|---|
| Summary of Proposals | 1 |
| Net Proceeds Calculations | 2 |

WATERBURY HOSPITAL

# Overview of Proposals

## Summary

| *($ in millions)* | LHP Hospital Group, Inc. Culture · Collaboration · Capital Saint Mary's HEALTH SYSTEM | LHP Hospital Group, Inc. Culture · Collaboration · Capital Saint Mary's HEALTH SYSTEM | [redacted] |
|---|---|---|---|
| **Form of Transaction** | Joint Venture – 80% LHP / 10% Saint Mary's / 10% Waterbury to be held in newly formed Foundation | Asset purchase **ONLY** in the case where a Replacement Hospital is not feasibility | Asset purchase though, if feasible, will consider a 20% JV |
| **Net Proceeds Calculation** (1) | ($2.0)<br>Negative net proceeds would require a note or some other commitment by LHP to capitalize the Foundation | $113.0 | $18.0 (2) |
| **Long Term Capital Commitments** | Committed to Build a Replacement Hospital at ~$350 | Minimum investment of $80 over 5 years (3) | Minimum investment of $90 over 7 years |
| **Governance** | ▪ Equal Governance w/ Saint Mary's in Block Voting at JV Level<br>▪ Saint Mary's Maintains Reserve Rights on ERDs<br>▪ Equal Medical Staff Representation at Local Level | ▪ Four members at the JV Level:<br>  ▪ Block A: 4 LHP / 2 GWHN / 1 Physician<br>  ▪ Block B: 4 SMHS / 2 GWHN / 1 Physician<br>▪ Saint Mary's Maintains all its Reserve Rights<br>▪ Equal Medical Staff Representation at Local Level | TBD but anticipated local community board representation and oversight |

*(1) Based on Cain Brothers estimates and discussions with management; see following pages for calculation*
*(2) Vanguard will assume up $10 million in pension obligations, which with otherwise be the Foundation's liability*
*(3) Excludes initial SMH commitment of $75; Anticipated at least $50 in "New / LHP" capital above and beyond operational cash flow; still may consider new facility*

WATERBURY HOSPITAL

# Overview of Proposals

## Summary

| | LHP Hospital Group, Inc. Culture · Collaboration · Capital Saint Mary's Health System | LHP Hospital Group, Inc. Culture · Collaboration · Capital Saint Mary's Health System | [redacted] |
|---|---|---|---|
| **Continuation of Services** | Up to 5 Years | Up to 5 Years | Up to 10 years |
| **No Sale Provision** | Up to 3 Years | Up to 3 Years | TBD |
| **Expansion of Services** | ▪ Goal to Develop New Replacement Hospital with Combined Services on Single Campus<br>▪ Priority to expand access to subspecialty services<br>▪ More integrated approach to comprehensive cancer care<br>▪ Optimize Heart Center clinically and financially | ▪ Priority to expand access to subspecialty services<br>▪ More integrated approach to comprehensive cancer care<br>▪ Optimize Heart Center clinically and financially | ▪ Continually evaluate the existing service mix and identify new services which will benefit the hospital and community<br>▪ Work with local management, medical staff and local board to identify opportunities |
| **Right of First Refusal / Repurchase Rights** | Similar to existing SMH JV (repurchase up to 20%) | Amenable to certain provisions TBD | Amenable to certain provisions TBD |
| **Charity Care** | Use the existing SMH charity care policy | Use the existing SMH charity care policy | No changes to existing charity care expected |
| **Ethical and Religious Directives for Catholic Health Care Services** | Yes | Yes | None |
| **Employee Matters** | TBD | TBD | No changes expected |

WATERBURY HOSPITAL

# Summary of Alternatives

## Benefit Analysis

| | LHP / Saint Mary's | [redacted] |
|---|---|---|
| **Transaction Type** | Joint Venture<br>(80% LHP/ 10% SMH / 10% GWHN)<br>OR<br>Asset Purchase (Sale) if No Replacement Hospital | Asset Purchase (Sale)<br>OR<br>Possibility of JV |
| **Estimated Net Proceeds to Foundation** | ▪ If Replacement Hospital / JV structure there will be an estimated shortfall of $2 million in the Foundation<br>▪ Fall back asset purchase: $113 million | ▪ Asset purchase: $18 million<br>▪ TBD if JV |
| **Capital Committed by Buyer / Partner** | ▪ Replacement Hospital estimated to cost $350 million<br>▪ Fall back commitment of $80(1) million over 5 years | ▪ $90 million over 7 years |
| **Proposed Exclusivity Provisions** | ▪ 45 day "Feasibility Study Period" to determine economics for a replacement hospital<br>➢ During this time, have right of first refusal<br>▪ An additional 90 day "Exclusivity Period" for confirmatory diligence and to negotiate definitive agreements | ▪ We would propose a 30-day "Exclusivity Period" for confirmatory diligence and to negotiate definitive agreements<br>▪ Probability that Exclusivity would be negotiated to 45 days up to 60 days |
| **Overall Benefits** | ✓ Highest possibility for replacement hospital short term (5 years or less)<br>✓ In case of asset purchase, significant capitalization of Foundation as well as future capital commitments<br>✓ Rationalization of services and consolidation may achieve several million dollars of synergies<br>✓ "Best of Breed" medical staff between SMH / GWHN improves overall quality of health delivery to community<br>✓ JV participation may yield future dividends to Foundation<br>✓ Equal JV and local governance representation | ✓ Maintains "Waterbury Hospital" and its 121 -year old Tradition<br>✓ Views GWHN as "The Anchor" for a greater Connecticut / regional strategy<br>✓ Significant amount of capital committed to operations with proven ability to deploy more<br>✓ Assumes pension liability of up to $10 million<br>✓ Proven operator with successful history of acquisitions and turn-arounds<br>✓ Proven executive leadership and track record of providing quality health care<br>✓ Local governance representation |

*(1) Excludes initial SMH commitment of $75; Anticipated at least $50 in "New / LHP" capital above and beyond operational cash flow; still may consider new facility*

WATERBURY HOSPITAL

# Summary of Alternatives

## Risk Analysis

| | LHP / Saint Mary's | [redacted] |
|---|---|---|
| **Transaction Type** | Joint Venture<br>(80% LHP/ 10% SMH / 10% GWHN)<br>OR<br>Asset Purchase (Sale) if No Replacement Hospital | Asset Purchase (Sale)<br>OR<br>Possibility of JV |
| **Closing Considerations** | —Up to 135 days in "limbo"<br>—Would require SMH conversion and SMH / LHP JV approval<br>—May require FTC review<br>—Requires an ERD solution within community<br>—In Replacement Hospital scenario, Foundation's liabilities exceed its assets<br>—Will require additional capitalization (loan?) from LHP | —Up to 60 days in "limbo"<br>—Second conversion for AG in one community may pose approval issues<br>—Economic consideration is lower than LHP / SMH asset purchase proposal<br>—Determination of fair market value made more difficult |
| **Execution Considerations** | —Extremely difficult to combine two entities with different missions, goals and objectives who've competed for decades for the same patient population<br>—Economic synergies may not be realized quickly, requiring unanticipated capital calls early on<br>—Organized labor at GWHN; SMH is union-free | —Increased competitive market with two well-capitalized organizations fighting for market share<br>—Uncertain if [redacted] "bench" is readily deployable<br>—Need to develop strategy for Cancer and Heart Center JVs with SMH |
| **Other Considerations** | —NewCo will adhere to the Ethical & Religious Directives for Catholic Health Care Services<br>—LHP / SMH requested GWHN Foundation to finance non-ERD related services<br>—Naming rights for new hospital<br>—Deteriorating financial condition of GWHN may be exacerbated during "limbo" period<br>—Capital calls, dilution and / or loss of governance | —Deteriorating financial condition of GWHN may increases likelihood of re-trade prior to closing<br>—Only local governance with very little opportunity to influence strategic decisions within and outside community |

# Net Proceeds Calculation

WATERBURY HOSPITAL

# Net Proceeds Calculation

## LHP / Saint Mary's Joint Venture Structure

| | Balance Sheet as of 5/31/11 | Pro Forma Retained by GWHN | Pro Forma Purchased/ Assumed by Buyer |
|---|---|---|---|
| **Assets** | | | |
| Current Assets: | | | |
| Cash and Cash Equivalents | $19,322,522 | $19,322,522 | $ - |
| Assets Whose Use is Limited | 229,202 | 229,202 | - |
| Net Accounts Receivable | 40,408,586 | - | 40,408,586 |
| Accts Receivable - Other | 1,745,529 | 1,745,529 | - |
| Inventories | 940,685 | - | 940,685 |
| Prepaid Insurance | 666,940 | - | 666,940 |
| Prepaid Expenses - Other | 1,493,983 | - | 1,493,983 |
| Other Assets | 2,373,880 | 2,373,880 | - |
| Due From Affiliates | 1,140,605 | 1,140,605 | - |
| Total Current Assets | $68,321,932 | $24,811,738 | $43,510,194 |
| Noncurrent Assets Who Use Is Limited: | | | |
| CHEFA Obligations | 7,091,809 | 7,091,809 | - |
| Investments | 20,891,308 | 20,891,308 | - |
| Board Designated Funds | 3,105,310 | 3,105,310 | - |
| Investments in Subs | 718,418 | 718,418 | - |
| Loans and Other Receivables | 243,046 | 243,046 | - |
| Other Investments | 810,628 | 810,628 | - |
| Net PP&E | 48,896,897 | - | 48,896,897 |
| **Total Assets** | **$150,079,348** | **$57,672,257** | **$92,407,091** |
| **Liabilities** | | | |
| Current Liabilities: | | | |
| Accounts Payable | ($14,342,626) | $ - | ($14,342,626) |
| Accrued Salaries, Wages, and Benefits | (14,775,989) | - | (14,775,989) |
| Other Accrued Expenses | (431,331) | - | (431,331) |
| Pension Liability | (10,507,383) | (10,507,383) | - |
| Due to Affiliates | (1,458,759) | (1,458,759) | - |
| Due to Third-Party Payors | 125,762 | 125,762 | - |
| Total Current Liabilities | ($41,390,326) | ($11,840,380) | ($29,549,946) |
| Long-Term Debt | (29,591,029) | (29,591,029) | - |
| Other Long-Term Liabilities: | | | |
| Workers Comp - LT Liability | (4,504,043) | (4,504,043) | - |
| Tail Coverage - Professional Liability | (2,032,809) | (2,032,809) | - |
| Asbestos Abatement | (2,639,365) | (2,639,365) | - |
| Other Long-Term Liabilities | (2,781,801) | (2,781,801) | - |
| Minority Interest in Subsidiaries | (3,024,205) | (3,024,205) | - |
| Total Other Liabilities | (14,982,223) | (14,982,223) | - |
| **Total Liabilities** | **(85,963,578)** | **(56,413,632)** | **(29,549,946)** |
| **Net Balance Sheet Items** | **64,115,770** | **1,258,625** | **62,857,145** |

## Net Proceeds

| | |
|---|---|
| ***Purchase Price*** | ***$0*** |
| ***Net Proceeds (Obligations) before Adjustments*** | ***1,258,625*** |
| ***Adjustments to Balance Sheet Liquidation:*** | |
| Write-off of Other Assets | (2,373,880) |
| Normailized Working Capital Adjustment [1] | 6,572,762 |
| ***Other Costs (Estimated)*** | |
| Bond Defeasance Costs [2] | (295,910) |
| CHEFA Funds expended in June and July for capital projects | (2,115,634) |
| Estimated Transaction Costs | (3,500,000) |
| Pension Funding [3] | - |
| Contingencies | (1,500,000) |
| **Total Adjustments** | **(3,212,663)** |
| ***Net Proceeds to Foundation after Adjustments*** | ***($1,954,038)*** |

*Note: Reflects May 31, 2011 GWHN financial statements unless otherwise stated*
*(1) Assumes 125% of current liabilities to current assets*
*(2) Assumes 101% of par*
*(3) Adjustments, if any, for terminating or freezing pension plan has not been estimated at this time.*

WATERBURY HOSPITAL

# Net Proceeds Calculation

## LHP / Saint Mary's Asset Purchase Structure

| | Balance Sheet as of 5/31/11 | Pro Forma Retained by GWHN | Pro Forma Purchased/ Assumed by Buyer |
|---|---|---|---|
| **Assets** | | | |
| Current Assets: | | | |
| Cash and Cash Equivalents | $19,322,522 | $19,322,522 | $ - |
| Assets Whose Use is Limited | 229,202 | 229,202 | - |
| Net Accounts Receivable | 40,408,586 | - | 40,408,586 |
| Accts Receivable - Other | 1,745,529 | 1,745,529 | - |
| Inventories | 940,685 | - | 940,685 |
| Prepaid Insurance | 666,940 | - | 666,940 |
| Prepaid Expenses - Other | 1,493,983 | - | 1,493,983 |
| Other Assets | 2,373,880 | 2,373,880 | - |
| Due From Affiliates | 1,140,605 | 1,140,605 | - |
| Total Current Assets | $68,321,932 | $24,811,738 | $43,510,194 |
| Noncurrent Assets Who Use Is Limited: | | | |
| CHEFA Obligations | 7,091,809 | 7,091,809 | - |
| Investments | 20,891,308 | 20,891,308 | - |
| Board Designated Funds | 3,105,310 | 3,105,310 | - |
| Investments in Subs | 718,418 | 718,418 | - |
| Loans and Other Receivables | 243,046 | 243,046 | - |
| Other Investments | 810,628 | 810,628 | - |
| Net PP&E | 48,896,897 | - | 48,896,897 |
| **Total Assets** | **$150,079,348** | **$57,672,257** | **$92,407,091** |
| **Liabilities** | | | |
| Current Liabilities: | | | |
| Accounts Payable | ($14,342,626) | $ - | ($14,342,626) |
| Accrued Salaries, Wages, and Benefits | (14,775,989) | - | (14,775,989) |
| Other Accrued Expenses | (431,331) | - | (431,331) |
| Pension Liability | (10,507,383) | (10,507,383) | - |
| Due to Affiliates | (1,458,759) | (1,458,759) | - |
| Due to Third-Party Payors | 125,762 | 125,762 | - |
| Total Current Liabilities | ($41,390,326) | ($11,840,380) | ($29,549,946) |
| Long-Term Debt | (29,591,029) | (29,591,029) | - |
| Other Long-Term Liabilities: | | | |
| Workers Comp - LT Liability | (4,504,043) | (4,504,043) | - |
| Tail Coverage - Professional Liability | (2,032,809) | (2,032,809) | - |
| Asbestos Abatement | (2,639,365) | (2,639,365) | - |
| Other Long-Term Liabilities | (2,781,801) | (2,781,801) | - |
| Minority Interest in Subsidiaries | (3,024,205) | (3,024,205) | - |
| Total Other Liabilities | (14,982,223) | (14,982,223) | - |
| **Total Liabilities** | **(85,963,578)** | **(56,413,632)** | **(29,549,946)** |
| **Net Balance Sheet Items** | **64,115,770** | **1,258,625** | **62,857,145** |

## Net Proceeds

| | |
|---|---|
| ***Purchase Price*** | ***$115,000,000*** |
| ***Net Proceeds (Obligations) before Adjustments*** | ***116,258,625*** |
| ***Adjustments to Balance Sheet Liquidation:*** | |
| Write-off of Other Assets | (2,373,880) |
| Normailized Working Capital Adjustment [1] | 6,572,762 |
| ***Other Costs (Estimated)*** | |
| Bond Defeasance Costs [2] | (295,910) |
| CHEFA Funds expended in June and July for capital projects | (2,115,634) |
| Estimated Transaction Costs | (3,500,000) |
| Pension Funding [3] | - |
| Contingencies | (1,500,000) |
| **Total Adjustments** | **(3,212,663)** |
| ***Net Proceeds to Foundation after Adjustments*** | ***$113,045,962*** |

*Note: Reflects May 31, 2011 GWHN financial statements unless otherwise stated*
*(1) Assumes 125% of current liabilities to current assets*
*(2) Assumes 101% of par*
*(3) Adjustments, if any, for terminating or freezing pension plan has not been estimated at this time.*

WATERBURY HOSPITAL

# Net Proceeds Calculation

[redacted] Asset Purchase Structure

| | Balance Sheet as of 5/31/11 | Pro Forma Retained by GWHN | Pro Forma Purchased/ Assumed by Buyer |
|---|---|---|---|
| **Assets** | | | |
| Current Assets: | | | |
| Cash and Cash Equivalents | $19,322,522 | $19,322,522 | $ - |
| Assets Whose Use is Limited | 229,202 | 229,202 | - |
| Net Accounts Receivable | 40,408,586 | - | 40,408,586 |
| Accts Receivable - Other | 1,745,529 | 1,745,529 | - |
| Inventories | 940,685 | - | 940,685 |
| Prepaid Insurance | 666,940 | - | 666,940 |
| Prepaid Expenses - Other | 1,493,983 | - | 1,493,983 |
| Other Assets | 2,373,880 | 2,373,880 | - |
| Due From Affiliates | 1,140,605 | 1,140,605 | - |
| Total Current Assets | $68,321,932 | $24,811,738 | $43,510,194 |
| Noncurrent Assets Who Use Is Limited: | | | |
| CHEFA Obligations | 7,091,809 | 7,091,809 | - |
| Investments | 20,891,308 | 20,891,308 | - |
| Board Designated Funds | 3,105,310 | 3,105,310 | - |
| Investments in Subs | 718,418 | 718,418 | - |
| Loans and Other Receivables | 243,046 | 243,046 | - |
| Other Investments | 810,628 | 810,628 | - |
| Net PP&E | 48,896,897 | - | 48,896,897 |
| **Total Assets** | **$150,079,348** | **$57,672,257** | **$92,407,091** |
| **Liabilities** | | | |
| Current Liabilities: | | | |
| Accounts Payable | ($14,342,626) | $ - | ($14,342,626) |
| Accrued Salaries, Wages, and Benefits | (14,775,989) | - | (14,775,989) |
| Other Accrued Expenses | (431,331) | - | (431,331) |
| Pension Liability | (10,507,383) | (507,383) | (10,000,000) |
| Due to Affiliates | (1,458,759) | (1,458,759) | - |
| Due to Third-Party Payors | 125,762 | 125,762 | - |
| Total Current Liabilities | ($41,390,326) | ($1,840,380) | ($39,549,946) |
| Long-Term Debt | (29,591,029) | (29,591,029) | - |
| Other Long-Term Liabilities: | | | |
| Workers Comp - LT Liability | (4,504,043) | (4,504,043) | - |
| Tail Coverage - Professional Liability | (2,032,809) | (2,032,809) | - |
| Asbestos Abatement | (2,639,365) | (2,639,365) | - |
| Other Long-Term Liabilities | (2,781,801) | (2,781,801) | - |
| Minority Interest in Subsidiaries | (3,024,205) | (3,024,205) | - |
| Total Other Liabilities | (14,982,223) | (14,982,223) | - |
| **Total Liabilities** | **(85,963,578)** | **(46,413,632)** | **(39,549,946)** |
| **Net Balance Sheet Items** | **64,115,770** | **11,258,625** | **52,857,145** |

## Net Proceeds

| | |
|---|---|
| ***Purchase Price*** | ***$10,000,000*** |
| ***Net Proceeds (Obligations) before Adjustments*** | ***21,258,625*** |
| ***Adjustments to Balance Sheet Liquidation:*** | |
| Write-off of Other Assets | (2,373,880) |
| Normailized Working Capital Adjustment [1] | 6,572,762 |
| ***Other Costs (Estimated)*** | |
| Bond Defeasance Costs [2] | (295,910) |
| CHEFA Funds expended in June and July for capital projects | (2,115,634) |
| Estimated Transaction Costs | (3,500,000) |
| Pension Funding [3] | - |
| Contingencies | (1,500,000) |
| **Total Adjustments** | **(3,212,663)** |
| ***Net Proceeds to Foundation after Adjustments*** | ***$18,045,962*** |

*Note: Reflects May 31, 2011 GWHN financial statements unless otherwise stated*
*(1) Assumes 125% of current liabilities to current assets*
*(2) Assumes 101% of par*
*(3) Adjustments, if any, for terminating or freezing pension plan has not been estimated and is not material.*

# HIGHLY Confidential Discussion Materials

August 15, 2011

# EXHIBIT 16:  CURRICULUM VITAE

# Anil K. Jain, CPA, MBA

9471 Calais Court
Brentwood, TN 37027

Direct (615) 517-6898
E-mail: aniljain2015@gmail.com

**Qualification Summary:** Results-Driven Healthcare Financial and Operational Executive with over 20 years experience in acute and psychiatric hospitals. Expertise in revenue cycle management, effective in turn-around situations, with focus on revenue enhancement opportunities and establishment of strategic direction.

## EXPERIENCE

**Independent Consultant, Nashville, TN 2007 to Present**

**CFO, Restoration Healthcare LLC- 2009 to Present**

- Significant improvements in cost controls, revenue cycle, supply management and established procedures for reduced month-end close cycle. Improved net income from one million loss to net income of $250k in six months at Woods Memorial Hospital.
- Assigned to newly acquired hospital in Commerce, GA in March 23, 2010. Improved net income from one million loss to net profit of $500k in nine months.
- Implemented new computer system effective July 1, 2011 for entire operation. New system has met criteria for meaningful use and hospital received $1.4 million in November 2011; in the process of working with state to get the state funding.
- Started a 12 bed Gero-psych unit on December 12, 2011. Anticipated EBIDTA improvement to be $600k in year one. This project started with CON Application, $1.4 million construction project and start-up of staff and contract firm.

**Interim CFO** MetroWest Medical Center- Framingham, MA - $260 million net revenue with focus on net revenue enhancement. Provided financial leadership to Directors and C-Suite. Improved margin with cost controls and net revenue enhancements. (Three Month Assignment with Vanguard Health Systems)

**Interim Corporate Controller** Genesys Health System (Not for profit), Flint, MI - $450 million net revenue with focus on establishing accounting procedures and financial controls over month-end close process and improved financial performance. (Eight Month Assignment with Ascension Health Systems)

**Interim CFO** HCA in Ft. Lauderdale, FL - $135 million-$300 million net revenue at four hospitals. Provided assistance with annual budget, revenue enhancement, cost controls and resource management and overall support during the CFO search. (Four assignments covering twelve months with HCA)

**Interim CFO** Muskogee Regional Medical Center, Muskogee, OK - $110 million net revenue; hospital acquired by Capella Health April 1, 2007. Significant improvements in operation and smooth transition and conversion from not for profit to for profit. (Six month assignment with Capella Health)

**IASIS Healthcare, Franklin, TN - 2005 to 2007**

**Division CFO, Florida and Texas** Provided oversight to six hospitals with estimated annual net revenue of $500 million and EBITDA of $88 million. Significant improvements in operations as follows:

- Reduced length of stay and resource optimization via case management focus.
- Provided leadership to hospital CFOs with improved and effective communication.

- Recruited CFOs for three hospitals.
- Improved margin by focus on net revenue, expense control and revenue cycle.

**HCA, Nashville, TN – 1980 to 2005**

**Significant improvements in operations as well as achievements listed below:**

- Improved Emergency Department coding, resulting in $6M of additional annual revenue.
- Motivated and developed direct reports during difficult transition.
- Created and managed concurrent coding and self-pay committee resulting in improved coding and better resource utilization. Efforts resulted in net revenue improvement of $2.4 million.
- Led Supply Management Action Team initiatives and reduced supply expenses by $645k. Reduction was accomplished by analyzing system issues, implementing process improvements with supply expense monitoring/management.
- Improved productivity by 12%, and reduced overtime as % of payroll from 3.2% to 2.1%. resulting in lower average hourly rate.
- Developed leadership training tools (HCA statistics, budgeting and other accounting systems).
- Managed Operations for Business Office, Accounting, Admissions, Health Information. Management, Information Systems, Case Management, Pharmacy, Imaging and Materials Management.
- Improved accounts receivable operations, earning recognition as the number one business office four times in 1999.
- Mentored four candidates in the CFO Development program resulting in successful CFO placement in HCA hospitals.
- Implemented up-front collection process of co-pays and deductibles resulting in collections of $75k per month.
- Performed Due Diligence for Health Midwest Acquisition for non-hospital entities resulting in divestiture of non-profitable entities.
- Received award for significant improvements in admissions and EBITDA in 1994 at Psychiatric Hospital.

**Permanent HCA Rover- Nashville, TN- 2000- 2005**

**Interim CFO at Grandview Medical Center** 70 Bed hospital with annual net revenue of $35 million (5 months).

**Interim CFO** with responsibility for turn-around situation and conversion of Health Midwest Kansas City hospitals to HCA systems at following hospitals (15 months).

- Research Medical Center - 508 bed hospital with responsibility over Research Belton and Research Psychiatric Hospital with annual net revenue of $300 million.
- Overland Park Regional Medical Center - 343 bed hospital with annual net revenue of $120 million.
- Allen County Hospital - 49 bed hospital with annual net revenue of $25 million.

**CFO - HCA Patient Account Service** (10 months)

**HCA Government Programs,** Nashville, TN Assisted with cost report audits and special vendor performance review (2 years).

**Project Longitude** Assisted with divestiture of ten hospitals (11 months).

**Permanent Chief Financial Officer** for three hospitals from 1987-2000

**HCA Internal Audit Department -** Senior Audit Supervisor, 1980 - 1987

## EDUCATION

| | |
|---|---|
| **Emory University, Atlanta, Georgia** | Master of Business Administration |
| **University of TN - Martin, Tennessee** | Bachelors of Science in Accounting, *Cum Laude* |

## ADDITIONAL PROFESSIONAL ACTIVITIES

- Toastmasters International
- President and Founder of Right Impression Club
- Dale Carnegie's Course *Effective Speaking and Human Relations* - Certified Instructor

# CURRICULUM VITAE

# CARL BERYL SHERTER

Sex: Male
Birthplace: Boston, Massachusetts
Citizenship: USA

## EDUCATION

1963 University of Vermont. Burlington, Vermont, BA Special Honors in Zoology
1963-1967 Tufts University School of Medicine, Boston, MA M.D. (Cum Laude)

## PROFESSIONAL EXPERIENCE

1972-1974 US Navy, Chief Pulmonary section, Boston Naval Hospital
1974-1975 Director Pulmonary Function Laboratory, Boston University Hospitals
1975-Present Chief Pulmonary Section, Waterbury Hospital
1991-Present Waterbury Pulmonary Associates, Waterbury, Connecticut Private Practice, Pulmonary Medicine
2008-2011 Chief of Staff, Elect Waterbury Hospital
2011- Chief of Staff, Waterbury Hospital

## HOSPITAL PRIVILEGES

Waterbury Hospital Attending Staff
66 Robbins Street
Waterbury CT 06708

St. Mary's Hospital Attending Staff
56 Franklin Street
Waterbury CT 06706

## MAJOR RESEARCH INTEREST

Chest Medicine – Pulmonary Physiology, Pharmacology

## RESEARCH AND/OR PROFESSIONAL EXPERIENCE

2011-Present Chief of Staff, Waterbury Hospital Health center
2008-2010 Chief of Staff, elect Waterbury Hospital Health Center
1987-Present Clinical Professor of Medicine, Yale University School of Medicine
1975-Present Chief, Pulmonary Disease Service, Waterbury Health Center
1978-1987 Associate Clinical Professor of Medicine, Yale University School of Medicine
1975-1978 Assistant Clinical Professor of Medicine, Yale University School of Medicine
1974-1975 Director of Pulmonary Function Laboratory, Staff Physician, Veterans Administration Hospital, Boston, MA
1972-1974 Chief, Pulmonary Section, Naval Hospital, Boston, MA Instructor in Medicine, Boston University School of Medicine

| | |
|---|---|
| 1971-1972 | Instructor in Medicine, Yale University School of Medicine |
| 1970-1972 | Research Associate Award in Pulmonary Disease, West Haven Veterans Administration Hospital, West Haven, CT |
| 1969-1970 | Senior Assistant Resident in Medicine, Yale Medical Center, New Haven, CT |
| 1968-1969 | Junior Assistant Resident in Medicine, Yale Medical Center, New Haven, CT |
| 1967-1968 | Intern in Medicine, Yale Medical Center, New Haven, CT |

## EDITOR

Asthma Management. Mary Ann Liebert, Inc. Publishers, New York

## HONORS AND AWARDS

| | |
|---|---|
| 1963 | Elected to Sigma XI |
| 1963 | Special Honors Award in Zoology |
| 1964 | Alumni Award in Physiology |
| 1966 | Alpha Omega Alpha |
| 1966 | Pre-Doctoral Trainee in Pulmonary Disease, Harvard School of Public Health Lemuel Shattuck Hospital |
| 1967 | Roche Award – Excellence as a Medical Student |
| 1967 | Physiology Prize |
| 1972 | Diploma: Board of Internal Medicine |
| 1974 | Diploma: Pulmonary Disease Subspecialty Board |
| 1976 | Fellow: American College of Chest Physicians (F.C.C.P.) |
| 1980-81 | President: Connecticut Thoracic Society |
| 1989 | Diploma: Critical Care Subspecialty Board, Recertified 1999 |
| | Best Doctors In America 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009-2010, 2011-2012 |
| | Top Doctors in America 2004, 2005, 2006, 2007, 2008, 2009, 2010-2011 |
| 2002 -2010 | Chairman State of Connecticut Pharmacy & Therapeutics Committee |
| 2006 | Connecticut Thoracic Society Award |
| 2008 | CASTLECONNOLLY. America's Top Doctors |
| 2011 | Ct magazine: Best Doctors in Ct |

## PUBLICATIONS

William R.B. and Sherter C.B. Cardiac Complications of Tricyclic Antidepressant Therapy. Ann of Int Med 74:395-398, 1971

Sherter C.B. and Denefrio J. Comparative Serum Theophylline Levels Following the Oral Administration of Elixophyllin and Somophyllin-O. A New Preparation of Aminophylline. Cu Ther Res 16:239-242, 1974

*Sherter, C.B., Koo K.W., Hayes J.A., Leith D.E., Franzblau C., and Snider G.L. Serial Lung Volumes and Mechanics in Elastase-Induced Emphysema. Abstract. Clin Res 22:718A, 1974

*Presented at the Eastern Section of the American Federation of Clinical Research, January 1975

*Sherter C.B., Connolly J.J., and Schilder D.P. Comparison of Oral Terbutaline, a Beta-Two Bronchodilator with Ephedrine and Placebo. Abstract Clin Res 22:718A, 1974

Sherter C.B., Jabbour S.M., Kovnat D.M. and Snider G.L. Prolonged Rate of Decay of Arterial PO2 Following O2 Breathing in Chronic Airways Obstruction. Chest 68:259-261, 1975

Karlinsky J.B., Catanese H., Honeychurch C., Sherter C.B., Hoppen F., and Snider G.L. In Vitro Effects of Elastase and Collagenase on Mechanical Properties of Hamster Lungs. Chester 69:275-276, 1976

Bachus, B.F., Sherter C.B., and Snider G.L. Bronchodilator Effect of Terbutaline Aerosol in Reversible Airways Disease. Abstract. Amer Rev Resp Dis 113:161, 1976

Koo K.W., Leith D.E., Sherter C.B., and Snider G.L. Respiratory Mechanics in Normal Hamsters. J Appl Physiol 40:936-942, 1976

Snider G.L., Sherter C.B., Koo K.W., Karlinsky J.B., Hayes J.A., and Franzblau C. Respiratory Mechanics in Hamsters Following Treatment with Endotracheal Elastase or Collagenase. J Appl Physiol 42:206-215, 1977

Snider G.L. and Sherter C.B. A One Year Study of the Evolution of Elastase-Induced Emphysema in Hamsters. J Appl Physiology 43:721-729, 1977

Sherter C.B., Walter M. Brousseau D. and Ponder J.O. Pharmacokinetics and Pulmonary Function Studies After Oral and Intravenous Aminophylline Administration in Asthmatics. Abstract. Amer Rev Respir Dis 117:177, 1978

Sherter C.B., Connolly J.J., and Schilder D.P. The Significance of Volume-Adjusting the Maximal Midexpiratory Flow in Assessing the Response to a Bronchodilator Drug. Chest 73:568-571, 1978

Sherter C.B. Volume-Adjusting the FEF 25-75% When is Change Significant? Chest 78:551, 1980

Volicer L., Snider G., Sherter C., St. Jarne L., Matthe A.A. Epinephrine Disposition In Control and Asthmatic Subjects. Intern Arch Allergy and Appl Immun 63:14-20, 1980

Sherter C.B. and Polnitsky C.A. The Relationship of Viral Infections to Subsequent Asthma. In: Reynolks HY. ed. Clinics in Chest Medicine. Philadelphia, PA: WB Saunders Company, January 1981
CV Sherter

Sherter C.B. COPD: Update for the 80's. MEDED Publications. April 1981

Sherter C.B. and Polnitsky C.A. Asthma and Other Pulmonary Diseases. In: Freazie CA ed. Allergy and Clinical Immunology. Garden City, New York: Medical Exam Publishing Co. September 1981

Polnitsky C.A., Toffler R.B., and Sherter C.B. Nipple Shadows in X-ray Films. New England Journal of Medicine 305: 956-957, 1981 (Published in Fresh – Le Journal International de Medecine 5:230-231, 1982)

Polnitsky, C.A., Sherter C.B., and Sugar J.O. Irradiation-Induced Fibrosis of the Neck and Sleep Apnea. Arch Otolaryngol 107:629-630, 1981

Sherter, C.B., Polnitsky C.A., and Matthay R.A. Chronic Obstructive Pulmonary Diseases (Asthma, Bronchitis, Emphysema, Bronchiectasis and Cystic Fibrosis) In George R.B., Light R.W., Matthay R.A. eds. Chest Medicines. New York: Churchill Livingstone. 1982:229-267

Fogel J.M., Berg I.M., Gerber, M.A., and Sherter C.B. Racemic Epinephrine in the Treatment of Croup: Nebulization Alone Versus Nebulization With Intermittent Positive Pressure Breathing. J. Pediatr 101:1028-1031, 1982

Sherter C.B. The Use of Corticosteriods in Asthma, Bronchitis, and Chronic Obstructive Pulmonary Disease. Connecticut Medicine 47:389-392, 1983

Sherter C.B., Depew C.C., and Matthay R.A. Pulmonary Diseases and Disorders of Respiration. In: Convington TR. Walker JI. Eds. Current Geriatric Therapy. Philadelphia, PA: WB Saunders Company, 1984

Sherter C.B. Discussant. Pulmonary Infiltrates in a Patient on Tapering Steroids. CPC in Cancer Investigations 4(4):363-371, 1986

Mahta V., Unban M.K., and Sherter C.B. Fever and Cough in a Former Addict. J Resp Dis 8:44-50, 1987

Polnitsky C.A. and Sherter C.B. Outpatient Diagnosis and Treatment of AIDS-Related Pulmonary Infections. Comprehensive Therapy 1989. 15:43-52

Arroliga A. and Sherter C.B. Nebulizers vs. Metered Dose Inhalers. RT 1990; 3:27-32

Valor R., Polnitsky C., Tanis D., and Sherter C.B. Bacterial Tracheitis with Upper Airway Obstriction in a Patient with the Acquired Immunodeficiency Syndrome. Amer Rev Respir Dis 146:1598-1599, 1992

Alikhani A. and Sherter C.B. Methotrexate: Should My Patient Be On It? Asthma Management 1:101-102, 1993

Lee-Choing T.L. and Sherter C.B. Peak Expiratory Flow Monitoring in Asthma. Asthma Management 2:2-4, 1993

Lee-Choing, T.L. and Sherter C.B. Role of Magnesium in the Management of Asthma: A Review of the Literature. Asthma Management, 1993, 2:52-56

Silverman R. and Sherter C.B. Cough. Conn's Current Therapy Volume 2001

Sherter C.B. Discussant, Case Records Massachusetts General Hospital, 2000 (Case 2-2001) New England Journal of Medicine 2001, 344:212-220

Sherter C.B. and Hill D.G. Update on The Treatment of Asthma. Resident & Staff Physician 46:5-12, 2000

Silverman R., Hill D., and Sherter C.B. Pulmonary Function Testing, in press, Resident & Staff Physician 2001

---

WATERBURY HOSPITAL
David J. Pizzuto, MD
*Vice President, Medical Affairs*

POST – GRADUATE TRAINING

Internal Medicine – Waterbury Hospital, Waterbury, CT 6/1984 – 6/1987

EDUCATION

| DATES | DEGREE AWARDED | SCHOOL | LOCATION |
|---|---|---|---|
| 9/1980 – 6/1984 | Doctor of Medicine | New York Medical College | Valhalla, NY |
| 9/1978 – 6/1980 | Master of Science (Medical Microbiology) | University of Minnesota | Minneapolis, MN |
| 9/1973 – 5/1977 | Bachelor of Science (Biological Sciences) | University of Connecticut | Storrs, CT |
| 9/1969 – 6/1973 | Diploma | Wolcott High School | Wolcott, CT |

AWARDS – ACHIEVEMENTS

Graduate – University of Connecticut Magna Cum Laude with Distinction in Biological Sciences. Dean's List Student.

Member – Phi Beta Kappa (University of Connecticut).

Member – Phi Kappa Phi (University of Minnesota).

Recipient – Graduate School Fellowship, 1978 – 1979.

Graduate program representative to the Council of Graduate Students (University of Minnesota).

Recipient – Machinery Dealers National Association (New England Chapter) Scholarship – 1981, 1982.

Eileen H. Pike, Ph.D. – Microbiology Award – New York Medical College.

Chairman – Department of Medicine, Waterbury Hospital, Waterbury, CT 1998 – 2007.

Chief of Staff, Waterbury Hospital, Waterbury, CT 2008 – 2010

Board of Directors – Greater Waterbury Health Network, Inc. and Affiliates, Waterbury, CT
2008 – present.

Board of Trustees – Waterbury Hospital, Waterbury, CT 2011 – present.

Vice President of Medical Affairs/Chief Medical Officer – Waterbury Hospital, Waterbury, CT 6/2011 – present.

David J. Pizzuto, M.D.

## RESEARCH

University of Connecticut – The physico – chemical characterization of the Baculoviruses (a group of natural predators of invertebrates) – identification of group and subgroup specific viral antigens.

University of Minnesota – Evaluation and modification of rapid carbohydrate degradation tests used in the identification of pathogenic Neisseria.

## CERTIFICATION

Registered Microbiologist (American Academy of Microbiology), 1980 – present.

Diplomate of the National Board of Medical Examiners – 1985.

Medical License – Connecticut, 1986 – present.

DEA Registration and Connecticut Controlled Substance Registration.

Board Certified – American Board of Internal Medicine. Recertified 2006.

## ORGANIZATIONS

New Haven County Medical Association – member.

Connecticut State Medical Society – member.

American Society of Microbiology – member.

## PUBLICATIONS

Pizzuto, D.J., and J.A. Washington II, 1980. Evaluation of rapid carbohydrate degradation tests for identification of pathogenic Neisseria. Journal of Clinical Microbiology. 11:394 – 397.

Pizzuto, D.J., and T. Papachristos, 1982. Listeriosis in a Compromised Host. Clinical Microbiology Newsletter. 4:44 – 45.

Pizzuto, D.J., deLuise, V., and N. Zimmerman, 1986. Choroidal malignant melanoma appearing as acute panophthalmitis, American Journal of Ophthalmology, 101:249 – 251.

Chang, R., Pizzuto, D., and M. Rosenberg, 1986. Clinical impact of sputum gram stain and culture on patient management. Clinical Research. 34:360A.

## EXPERIENCE

Private Practice – Internal Medicine (Primary Care) 1/1988 – present.

Vice President of Medical Affairs/Chief Medical Officer – Waterbury Hospital, Waterbury, CT 6/2011 – present.

Waterbury Hospital, Waterbury, CT – Emergency Department Physician 7/1987 – 12/1987.

***CONFIDENTIAL RESUME OF***
***DARLENE STROMSTAD, FACHE***
***Middlebury, CT***

**PROFESSIONAL EXPERIENCE:**

**THE GREATER WATERBURY HEALTH NETWORK, Waterbury, CT**
*A 367 bed private not-for-profit, secular acute care teaching hospital with centers of excellence in primary care, cardiac services, behavioral health and orthopaedics; network includes numerous joint ventures and large multi-specialty group practice.*

**PRESIDENT/CEO (2011 – present)**
Leads Waterbury Hospital's transformation which includes developing a Joint Venture with Saint Mary's Hospital and LHP Hospital Group of Texas in developing a three-way partnership which includes the proposed construction of a $400 million medical center in Greater Waterbury. Responsible for stabilizing and guiding the hospital and network into a new direction to ensure the Greater Waterbury community receives optimal health care service long into the future.

**GOODALL HOSPITAL**, Sanford, ME
*$I50M healthcare organization, including community hospital, three out-patient centers, two models of physician employed groups, and I 72-bed long term care division.*

**President/CEO (2005-2011)**
Protected mission of a struggling community healthcare system through operational, quality and growth strategies, to make it attractive to a large healthcare system for merger (now in process). Goodall Hospital had suffered from years of neglect, resulting in substantial lost market share, a poor reputation, regulatory and licensing deficiencies and was operating at a loss since the mid-1990s; it was at risk of closure. Restored reputation, accreditation, removed regulatory impediments, rebuilt reputation, recruited physicians and identified new management staff, resulting in the hospital becoming a respected community leader and healthcare provider. Quickly implemented 6-point "turnaround" operational priorities to support
strategic plan of bringing the organization (hospital, outpatient centers, physician practices and long term care division) to stability, in order to negotiate from a position of strength in future affiliations or mergers.

**CATHOLIC MEDICAL CENTER**, Manchester, NH
*$325M, 322-bed healthcare organization (formerly part of the Optima Healthcare merger).*

**Senior Vice President, Chief Strategy Officer (1999-2004)**
Reporting to the CEO of Catholic Medical Center, actively led efforts to build CMC's revenues and reputation in a highly charged and challenging healthcare market. Leadership role in turnaround effort to grow market share, increase volume in key strategic areas, rebuild relationships with medical staff and re-open all formerly closed business units. Reversed reputation as hospital slated for closure, and subordinate to market leader.

**OLYMPUS HEALTHCARE GROUP, INC.,** Waltham, MA
*$200M start-up healthcare organization, which included Skilled Nursing Facilities, Long-Term Acute Hospitals, Transitional Care Units, Home CareiDME and Outpatient Rehabilitation Centers, operating in 3 states.*

**Senior Vice President, Managed CarelNetwork Development (1997-1999**)
Implemented company-wide managed care strategy to link for-profit post-acute business to referral sources, as a lower cost care alternative in the continuum of care.

**ST. JOSEPH HEALTHCARE, Nashua, NH**
*$185M community acute care hospital with ancillary services including a DME company, physician practices, ambulance service, home healthcare and a jointly owned freestanding cancer center.*

Vice President, Marketing and Planning (1988-1996)

Responsible for business development strategy and implementation for community healthcare system which is a member of a regional Catholic organization; responsible for regulatory processes, physician practice development, managed care and patient satisfaction

**MEDCENTER ONE**, Bismarck, ND
*A tertiary healthcare system serving Central North Dakota and Northern South Dakota.*

**Director, Community Relations/Business Development (1981-1987)**

Key role in the transition from Bismarck Hospital to Medcenter One which involved several major building projects, establishing new programs, technological advances, and joint ventures with major physician groups, resulting in increased market share and consumer preference in a two medical center region.

**EDUCATION:**
MBA, Rivier College, Nashua, NH
BA, Journalism, University of North Dakota, Grand Forks, ND
Fellow (FACHE), American College of Healthcare Executives

**MEMBERSHIPS:**
Governor, Board of Governors (International), American College of Healthcare Executives
Regent, State of Maine, American College of Healthcare Executives
Member, Board of Directors, Maine Hospital Association
Member, Board of Directors, Northern New England Association of Health care Executives
Member, Government Relations Committee, New Hampshire Hospital Association
Member, New England Society for Healthcare Strategy

**COMMUNITY ACTIVITIES:**
Member, Board of Directors, Waterbury Chamber of Commerce
Member, Board of Directors, Sanford/Springvale Chamber of Commerce, Sanford, Maine
Member, Board of Directors, United Way of York County, York County, Maine
Member, Board of Directors, Sanford Downtown Legacy, Sanford, Maine
Executive Member, Board of Directors, Adult Learning Center, Nashua, NH
Chairman, Board of Directors, Greater Nashua YMCA, Nashua, NH
Chairman, Board of Directors, Greater Nashua Chamber of Commerce, Nashua, NH

**HONORS/AWARDS:**
**Grassroots Champion, State of Maine, American Hospital Association**
Recipient, Distinguished Woman Leader, Nashua YWCA
Recipient, New Hampshire's Most Powerful Women, Business New Hampshire
Recipient, One of30 Statewide Leaders, Leadership New Hampshire
Recipient, Numerous Regional and National Marketing Awards

**JOHN K. EVANS, FACHE**

338 James Farm Road
Charlotte, VT 05445

Work: (802) 425-3900
Cell: (802) 324-1558

jevans@s2aconsulting.com
jevans@wtbyhosp.org

Senior healthcare executive with twenty six years experience repositioning and improving healthcare operations to include leveraging the use of information and clinical technology. Successes achieved by utilizing skills gained at for-profit healthcare and technology organizations and applying them to improve the clinical and financial performance of non-profit acute care hospitals.

Demonstrated abilities include:

- Developed and implemented a financial improvement plan at one of the largest fully integrated healthcare systems in New England, surpassing goals to improve profitability by $15 million and achieving break-even on operations within six months.
- Served as project lead for fourteen (14) regional and statewide health information exchange planning and/or implementation projects in seven states.
- Developed six (6) statewide HIE/HIT plans, to include the State of Michigan's recent ONC approved Strategic and Operational plans.
- Established an exclusive strategic technology partnership between Philips Medical Systems and an academic medical center, resulting in: the healthcare system's designation as Philip's primary reference site in the northeast; one of a select group of hospitals in the US to offer the most advanced technology in CT and MRI; participation in test site research; and significant cost savings.
- Employed clinical and financial benchmarking to achieve $ 26m in savings, a 7% increase in market share and Top 100 status at a 410 bed community teaching hospital.
- Attained $50m in revenue for a global healthcare company by offering technology solutions to improve hospital revenue cycle, IT performance and operational work flow.
- Led the turnaround of Connecticut's highest cost hospital by improving operating profit by $6.2m and increasing admissions 22% through direct sales to corporate executives.
- Led operational improvements of a Connecticut community teaching hospital contributing to a $6.6m expense reduction within seven months and a decision to be acquired by a for-profit healthcare company intending to merge with the second community hospital.
- Achieved $10m in start-up revenue at a for-profit healthcare company by providing accounts receivable and biomedical outsourcing services to hospitals.

## SCOPE OF PROFESSIONAL RESPONSIBILITIES

**April, 2006 - Present** **PRESIDENT**
**STRATEGIC ALLIANCE ADVISORS, Inc. d/b/a s2a**
Established consulting firm with expertise in: developing strategic partnerships between hospitals and healthcare technology companies; the development and implementation of Regional Health Information Organizations (RHIOs)/Health Information Exchanges (HIE); and the repositioning of acute care hospital operations.

**April, 2010 - Present** **INTERIM CHIEF OPERATION OFFICER**
**WATERBURY HOSPITAL**
Responsible for operations of a 300 bed acute care community teaching hospital as well as system responsibilities for a hospital owned cardiology practice and a chain of 10 rehabilitation facilities. Position oversees operational turnaround and positioning for acquisition by a for-profit hospital company.

**June 2004 - April, 2006** **SENIOR VICE PRESIDENT/CHIEF TECHNOLOGY OFFICER**
**FLETCHER ALLEN HEALTH CARE (FAHC)**
A member of Senior Management, this position was responsible for setting the strategic direction for all information technology and clinical technology at Fletcher Allen Health Care. The Information Services division reports directly to the CTO. FAHC is the

tertiary referral center for some 20 hospitals serving one million people, and includes a 515 bed academic medical center, a children's hospital, a 400 physician faculty practice and 30 off-site locations throughout Vermont and New York. Fletcher Allen is a Level I Trauma Center, offers a Level III neonatal ICU, is an NCI designated cancer center, and is one of 78 General Clinical Research Centers in the US. FAHC employs a staff of 6,100 on an annual net operating budget of $540m and supports 15 residency and 17 ACGME accredited fellowship programs.

**Jan 2003 – June 2004** **INTERIM CHIEF OPERATING OFFICER**
**FLETCHER ALLEN HEALTH CARE (FAHC)**
Responsible for the turnaround of an integrated delivery system affiliated with the University of Vermont College of Medicine. Six vice presidents and five directors reported to this position which included nursing, ancillary services, information services, human resources, support services, and planning/business development.

**2001 - 2002** **SIEMENS MEDICAL SOLUTIONS, HEALTH SERVICES**
**VICE PRESIDENT/EXECUTIVE DIRECTOR, STRATEGIC SOLUTIONS**
Responsible for the development, marketing and sales of a start-up initiative consisting of IT, consulting, clinical technology and AR management/revenue cycle services designed to reposition hospitals by partnering with a $ 90 billion global leader in healthcare, technology, communications, financing, transportation and consulting.

**1996 - 2001** **ST VINCENT'S MEDICAL CENTER, Bridgeport, CT**
**SENIOR VICE PRESIDENT, MEDICAL CENTER OPERATIONS**
Reported to the President/CEO in overseeing operations of a 410-bed tertiary level acute care teaching hospital of the Ascension Health system. Three Vice Presidents and ten Directors reported to this position which had responsibility for nursing, ancillary services, clinical service lines and satellite ambulatory facilities. The Medical Center offers Centers of Excellence in Cardiovascular Services, Orthopedics, Women's Health, Oncology and Wellness on annual revenues of $260m and employs 1850 staff.

**1993 - 1996** **ST JOSEPH MEDICAL CENTER, Stamford, CT**
**EXECUTIVE VICE PRESIDENT/CHIEF OPERATING OFFICER**
On-site executive with full responsibility for all Medical Center activities of a 260 bed acute care community teaching hospital with annual revenues of $125m and Centers of Excellence in Cardiology, Acute Rehabilitation and Family Medicine.

**1989 - 1993** **NOVAMED CORPORATION, Bridgeport, CT**
**PRESIDENT AND CHIEF EXECUTIVE OFFICER**
Led start-up of a for-profit diversified healthcare services company resulting in 10 businesses totaling $10.2m in annual revenue.

**1987 - 1989** **ST. JOSEPH MEDICAL CENTER, Stamford, CT**
**VICE PRESIDENT, AMBULATORY SERVICES**
Responsible to the President/CEO for all ambulatory services.

**1977–1987** **SERVED IN HEALTHCARE EXECUTIVE POSITIONS IN THE US ARMY**

**SCOPE OF FUNCTIONAL EXPERIENCE AND ACCOMPLISHMENTS**

**Operations Improvement**

- At s2a served as Executive Director, Continuum of Care Through Information New York (CCITI NY) with responsibility for implementing a three year $5m NY State HEAL 5 health information exchange project involving nursing homes and acute care hospitals located in metro NYC.

- At Waterbury Hospital led financial improvement plan resulting in $6.6m expense reduction

within seven months and first break-even on operations within five years.

- At Waterbury Hospital as Interim Chief Operating Officer implemented an organization-wide workplace injury reduction program resulting in a 30% reduction in monthly injuries within a five month period.

- At Fletcher Allen developed and implemented a financial turnaround plan resulting in a $ 15.3m improvement in operations within six months, achieving break-even on operations following a year to date operating loss of $ 8.5m and improving net operating margin from –11.7% in December, 2002 to 4.6% in September, 2003.

- At Fletcher Allen participated in negotiating and implementing the contract with the Vermont AFT, representing 1,200 RN's. Contract was negotiated in six months and within budget.

- At Fletcher Allen selected as a 2004 Top 100 Integrated Healthcare Network by Verispan.

- At Fletcher Allen, responsible for leading the transition and integration of key hospital and physician group functions into a $ 362.5m ambulatory care center.

- Also at Fletcher Allen, led the implementation of an $11m picture archive communications system (PACS) at three campuses, affiliated hospitals and select community physician offices.

- At s2a developed a new governance model, finance and sales strategies, and education materials/tools for Philips Medical Systems to use in developing strategic hospital partnerships.

- At St Vincent's reduced costs and improved efficiencies resulting in: $26m in savings over two years; meeting FY98 and 99 profitability targets; and selection as a Top 100 Regional Hospital.

- At St Joseph, repositioned the State's highest cost hospital through: a 15% reduction in cost per discharge; a $ 6.2m improvement in profitability to $1.2m; reduction in med/surg length of stay from 7.5 to 5.7; and improved cash position from 5 to 27 days.

- At Siemens signed 111 new engagements with hospitals to improve operations through technology consulting, AR management services, and business office and IT outsourcing.

**Clinical Quality Improvement**

- At s2a served as Executive Director of Continuum of Care Through Information New York (CCITI NY) with responsibility for implementing a standardized electronic transfer form and decision support tool designed to improve care transitions between acute and post-acute settings resulting in improved care and reduced hospital readmissions.

- At Fletcher Allen participated in the redesign of care and case management systems resulting in a reduction in length of stay from 6.2 days in January, 2003 to 5.2 days in January, 2004.

- At St Vincent's led a clinical improvement initiative achieving: 25 new pathways based on a physician-led process; reductions in ALOS from 5.9 to 4.7 and Medi-care LOS from 7.0 to 5.9; 90% of FY99 quality targets; and the area's first healthcare Report Card.

- At St Vincent's led the selection and implementation of four clinical databases, the development of a Medical Informatics function, and the internal design of a Service Excellence program.

- At St Joseph developed a clinical benchmarking initiative and led a direct sales effort to local corporations regarding capabilities and outcomes, resulting in a 22% increase in admissions.

**Innovations**

- Developed start-up consulting firm over a six year period resulting in: fourteen (14) regional and statewide health information exchange planning and/or implementation projects in seven states; six (6) statewide HIE/HIT plans, to include the State of Michigan's recent ONC approved Strategic and Operational plans; managing one of thirty four sites across the US for the Health and Human Services (HHS) Health Information Security and Privacy Collaborative (HISPC); and providing the contract management team for a multi-year health information exchange implementation project in metropolitan New York City.

- At Fletcher Allen, led the development and later served as chair of VITL (Vermont Information Technology Leaders), the statewide health information exchange of Vermont. Oversee the implementation of VITL's initial services to include providing medication history information to hospital Emergency Departments and implementing a chronic care information system for the State Department of Health.

- At Siemens led the business development of technology services designed to reposition hospitals resulting in $50.2m in YTD revenue to include $32m in New York city.

- Founding member of the Healthcare Change Institute (HCI), a think tank formed at Harvard University and The Brigham Hospital, dedicated to advancing the knowledge and skills of healthcare leaders charged with implementing change. Organized HCI's first CEO conference.

- At St Joseph led a direct sales effort to corporations regarding hospital outcomes resulting in the reversal of a ten year exclusion from the area's largest managed care contract.

- At St Joseph, led a three year turnaround resulting in the joint purchase of the hospital by St Vincent's and Stamford Health System as one component of a new strategic alliance.

- At NovaMed increased revenue from $250k to $10.2m, improved operating profit by $242k per year and provided $450k annually in income and cost savings to parent company.

- At NovaMed grew AR management business to include Connecticut's two largest hospitals and attained preferred provider designation by the CT Hospital Association for biomedical services.

- At NovaMed negotiated agreement between the competing institutions, Bridgeport Hospital and St Vincent's Medical Center, resulting in: the merger of Park City Hospital into Bridgeport Hospital and a jointly funded and governed FQHC for the inner-city population.

**Medical Staff Relations**

- At Fletcher Allen established and led a combined physician and management leadership group resulting in the following fiscal year-end outcomes: increased net revenue by $7m; reduced expenses by $8m and achieve length of stay of 5.3 days.

- At St Vincent's implemented Clinical Service Lines resulting in: 1) in cardiovascular services an Electrophysiology lab; a Chronic Heart Failure service; a Cardiovascular Unit, an off-site cardiac rehabilitation center and selection as a Top 100 Hospital for Invasive Cardiology; 2) in orthopedics a 14% increase in volume, 11% reduction in total cost, a 10 bed inpatient rehab unit and a reduction in ALOS of .5 days; and 3) in oncology the following new services: stereotactic breast biopsy, miriluma scanning and prostatic seed implantation.

- At St Joseph met one on one with 120 key physicians to identify medical staff issues and perceptions regarding care. Worked with physicians to establish four Centers of Excellence resulting in a 22% increase in admissions and a quantifiable increase in physician satisfaction.

**Governance**

- At Waterbury Hospital serve as Chair of CAGW, a hospital owned cardiology practice and as Chair, AccessRehab, a chain of 10 rehabilitation facilities located around greater Waterbury.

- At s2a, served as subject matter expert and facilitator for the governance and financial sustainability aspects of state-wide HIE initiatives in AR, KS, MI, NH and VT.

- At Fletcher Allen, served as Chair, Vermont Information Technology Leaders as well as chair of the Fletcher Allen Technology Steering Committee, with responsibility for setting the strategic direction and approving all information and clinical technology investments.

- At St Vincent's served on four Board committees and served as spokesperson for operations.

- At St Joseph served on all Board committees and worked closely with the CEO on governance matters to include Board composition, by-law revisions, board 'politics' and presentations.

- At NovaMed, reported to a corporate board to include: EVP of People's Bank, EVP of Hubbell Industries, President of Southern CT Gas, Chair of Remington Industries and two physicians.

**Community**

- At Fletcher Allen worked with the Vermont Business Roundtable to develop a statewide proposal for improving access to care and reducing the cost of care to all Vermont residents.

- At St Vincent's assisted with implementing a Healthier Communities plan resulting in: a park revitalization project and a program to enhance local home ownership by staff.

- Also at St Vincent's expanded wellness initiatives to include: disease management programs; a women's wellness center; a fitness center; expansion of mobile mammography by 40% to 1800 screenings per year; and the introduction of six complementary medicine programs.

**Regulatory**

- At St Vincent's achieved Accreditation with Commendation, the hospital's the third consecutive JCAHO survey score above 90.

- At St Joseph, during hospital turnaround achieved a score of 91 on the 1996 JCAHO survey.

- At Gelnhausen Army Health Clinic, Germany, was one of 6 clinics world-wide to receive top rating by Department of the Army Inspector General.

**EDUCATION**

| | |
|---|---|
| 1973-1977 | BA – Political Science, University of Vermont |
| 1983-1985 | MHA – Baylor University |
| 1985 | Administrative Residency – Brooke Army Medical Center |

**PROFESSIONAL AFFILIATIONS** Fellow, American College of Healthcare Executives; former Board member, National Kidney Foundation– CT Chapter; Advisory Board, Healthcare Change Institute; Subject Matter Expert, eHealthInitiative; Board Member, University of Vermont Regional Board.

**AWARDS**

* US Army Leader Scholarship Award – 1975
* First runner-up, Baylor University Boone Powell Award – 1984
* First Place, Texas Hospital Association Young Administrator Forum – 1985.

**PERSONAL** Married to Ellen G. Evans, MS, RD. Two children: Dana and Lauren.

# Sandra A. Iadarola

**166 Ice House Rd., Unit #5**
**Oakville, CT 06779**
**860-274-6610**


---

## PROFILE

Energetic, experienced healthcare administrator with over 25 years in managing both clinical and service operations. Extensive background includes implementation of a shared governance structure, reengineering work processes for efficiency and result oriented gain, organization wide implementation of an electronic medical record including physician order entry, proven quality improvement strategy with excellent outcomes, and reorganization/streamlining management structure to improve customer focus and integrate clinical and financial accountability.

---

## PROFESSIONAL EXPERIENCE

**THE WATERBURY HOSPITAL** 2002- Present
Waterbury, CT

**Chief Nursing Officer/Vice President Patient Care Services 2011-Present**
Responsibilities include operational planning and direction for over 30 clinical cost center and 650 FTE's. Provides leadership and direction for all Nursing functions within the organization

- Successfully implemented 5% salary cost reduction
- Acted as Clinical Transformation Champion for Meaningful Use pathway, including CPOE and Surgical Service information system implementation
- Established foundation for shared governance in a unionized environment

**Administrative Director, Med/Surg and Critical Care Units 2002-2011**
Responsibilities include planning, implementing and evaluating operational activities for these services in alignment with strategic direction. Also responsible for clinical oversight of patient care related contract services, such as physical therapy.

- Served as co-chairman of implementation team responsible for the successful creation of the Open Heart and Interventional Cardiology program
- Played a key leadership role in the development of staff retention and recruitment initiatives with the outcome of decreasing utilization of agency staff and need for monetary hiring incentives
- Provided leadership and coordination in the implementation of a hospital wide information system in the patient care areas

**THE CHARLOTTE HUNGERFORD HOSPITAL** 1988- 2002
Torrington, CT

**Vice President, Patient Care Services** 1998 -2002
Responsibilities included operational oversight of all inpatient services, surgical services, emergency services, ambulatory care units, pharmacy, cardiopulmonary, case management, social work services, quality improvement and risk management. Accountable for 30 cost centers and greater than 300 FTE's.

- Reduced operating expenses by 5% within one year, resulting in hospital wide savings of $5 million
- Implemented business unit structure, decreasing management positions by 50%
- Maintained or improved key quality indicators including customer satisfaction throughout the transition

**Director, Case Management/Quality Improvement** 1992- 1998
Responsibilities included coordination of organization wide quality improvement activities including Medical Staff functions and implementation of case management processes

- Implemented case management model, integrating utilization review, discharge planning and social work services, to accomplish decreased length of stay with no increase in readmission or denial rates
- Collaborated with Medical Staff leadership to develop credentialing process based on data tracking and trending function
- Coordinated quality data reporting and analysis for multiple hospital departments, Medical Staff and Board of Governors

**Associate Administrator, Patient Care Services** 1988- 1992
Responsibilities included clinical operations accountability for multiple patient care departments

**THE WATERBURY HOSPITAL** 1973 – 1988
Waterbury, CT

**Progressive Management Positions** 1978 - 1988
Positions included Materials Management Coordinator for Nursing Services, Clinical Supervisor for Medical Services, Quality Assurance Coordinator, and Nurse Manager for a 52 bed Medical Teaching Unit with and oncology specialty

**Registered Nurse, Medical and Critical Care Units** 1973 - 1978

## EDUCATION/CERTIFICATIONS

Rensselaer Polytechnic Institute, Troy, NY
M.B.A., Health Care Concentration

University of Connecticut, Storrs, CT
B.S., Nursing

Healthcare Quality Certification Board, San Gabriel, CA
Certified Professional in Healthcare Quality

**PROFESSIONAL AFFILIATIONS**

National Association for Healthcare Quality
Connecticut Organization of Nurse Executives

**COMMUNITY ACTIVITIES**

Vice Chairperson, Board of Directors for VNA Health at Home

**CURRICULUM VITAE**

# Scott H. Kurtzman, MD FACS

## ADDRESS

461 Rockwood Drive
Southington, CT 06489
(860) 628-0181

## MARITAL STATUS

Married, 3 children

## PRESENT POSITION

Chairman, Department of Surgery (April 15, 2005 to present)
Program Director, Surgical Residency Program
Waterbury Hospital
Department of Surgery
64 Robbins Street
Waterbury, Connecticut 06721
Phone: (203) 573-7257; Fax: (203) 573-6073
E-Mail: skurtzman@wtbyhosp.org

Professor of Surgery Present
Department of Surgery
University of Connecticut Health Center
Farmington, Connecticut 06030-3955

Associate Professor of Surgery (September 1, 1999 – April, 2005)
Assistant Professor of Surgery (July 1, 1990 – August 31, 1999)

## FELLOWSHIPS

Surgical Oncology Fellow; Memorial Sloan Kettering Cancer Center, New York City, NY: July 1988 - June 1990

Medical Staff Fellow, Surgery Branch, National Cancer Institute, National Institutes of Health, Bethesda, Maryland: July 1983 - June 1985

## POSTGRADUATE TRAINING

Resident in General Surgery (PGY 3-5); University of Medicine and Dentistry of New Jersey, Newark, New Jersey: July 1985 - June 1988

Resident in General Surgery (PGY 1 & 2); University of Maryland Hospital, Baltimore, Maryland: July 1981 - June 1983

## EDUCATION

| | |
|---|---|
| Albany Medical College of Union University | MD June 1981 |
| Roswell Park Memorial Institute, State University of NY | MS July 1977 |
| Northwestern University (Neuroscience Major) | BA June 1976 |

## AWARDS AND HONORS

- Chabad of Litchfield- Maimonides Award December 2011
- American College of Surgeons/American Society of Breast Surgeons Health Policy Scholar; Brandeis University Heller School June 2009
- Administrative Chief Resident in Surgery UMDNJ
- American Cancer Society Breast Cancer Education Award, Greater Hartford Unit June 1995
- American Cancer Society Breast Cancer Award, Greater Hartford Unit, June 1995
- American Cancer Society Breast Cancer Award, Greater Hartford Unit, June 1996
- Best Faculty Teacher Award, voted by Univ. of Connecticut Health Ctr Medical Students, June 2000

## CERTIFICATION AND LICENSURE

Diplomate, American Board of Surgery, November 1990; Recertified 2009
Fellow, American College of Surgeons, October, 1993
Licensure: Maryland, New Jersey, New York, and Connecticut (all but CT not renewed)

## PROFESSIONAL SOCIETIES

- American Association for Cancer Research
- American College of Surgeons
- American Radium Society
- American Society of Breast Surgeons
- American Society of Breast Diseases
- American Society of Clinical Oncology
- Connecticut Society of American Board Surgeons
- Connecticut State Medical Society
- Hartford County Medical Society
- New England Cancer Society
- Society of Surgical Oncology, Inc.
- New England Surgical Society

## COMMITTEES

### University/Hospital Committees

| | |
|---|---|
| 1990-99 | Surgical Case Review Committee, **Chairman** |
| 1991-2002 | Institutional Review Board **Vice Chairman (1995-97); Chairman 1997- 2002** |
| 1991-2005 | Interviewer for Medical School Admission |

1991-2005 Clinical Cancer Committee **(Chair 2002-2005)**
1992-2005 Pharmacy and Therapeutics Committee, (**Acting Chairman 1994-95)**
1992-98 Cancer Genetics Committee
1992-2005 Breast Health Center, **Medical Director**
1992-93 Women's Health Center Steering Committee
1994-2005 Medical Records Review Committee
1994-95 Process Improvement Team for OR Preparation, **Chairman**
1995-2005 Oncology Course Committee, (Lectures, Problem-Based Learning)
1995-2005 CHIPS (Compassionate Help for Impaired Professional Students Committee)
1995-97 Electronic Medical Records Committee
1995-2005 Medical Records Steering Committee
1996 7th Floor Redesign Committee
1996-98 Lead Physician/General Surgery
1996 Subcommittee on Specimen Handling - **Chairman**
1997 Order Entry & Re-design Committee
1997 GI Credentialing Committee
1997 Enhanced Electronics Education System Committee
1997-2000 At-Large Representative to the School of Medicine Council
1998-2000 School of Medicine Council Steering Committee
1998 Academic Affairs Subcommittee of the Practices Clinical Governance Committee
1999-2008 Faculty Review Board
1999 Connecticut State Medical Society – Cancer Coordinating Committee
2005-2009 Waterbury Hospital Surgical Services Committee (**Chair)**
2005-present Waterbury Hospital Cancer Committee **(chair)**
2005-present Waterbury Hospital IRB (**Chair 2007-present)**
2011-present Waterbury Hospital Graduate Medical Education Committee
2012-present Waterbury Hospital Continuing Medical Education Committee

**Regional/National Committees**

1990-94 American Cancer Society (ACS) Public Education Committee
1992-2000 American College of Surgeons - Cancer Liaison
1994-2000 ACS State Task Force on Breast Cancer
1994-97 Corporate Relations Committee, Society of Surgical Oncology
1994-98 Breast Cancer Team, Greater Hartford Unit ACS, **Chairman**
1995-99 Greater Hartford Unit ACS - **Executive Board**
1996-present Connecticut Breast & Cervical Cancer Early Detection Program **Executive Board**
1996-99 Program Committee, Society of Surgical Oncology
1997 Web Page Committee - Society of Surgical Oncology
1997-2005 Training Committee - Society of Surgical Oncology **(Chair 2002-2005)**
1997-present Breast Disease Committee, NSABP
1997-2000 Cancer Coordinating Committee - CT Medical Society
1998-present Connecticut State Legislative Committee of the American Association for Cancer Research, Inc
1998-2005 Yale Cancer Center Education Committee
1999 CSMS Cancer Committee, Vice Chairman
1999 Clinical Trials Workgroup – with Senator Edith Prague
2001-present Ct Chapter of the American College of Surgeons **(Executive Council 2002-05, President 2005-2007)**

2002-2005 Education Committee ASBS
2005-2008 Society of Surgical Oncology (**Executive Council 2005-2008)**
2007-present National Accreditation Program for Breast Centers – **Executive Committee and Chair Standards and Approvals Committee (2008-present)**
2008-2011 Member American Joint Commission for Cancer **(Chair Finance Committee Spring 2011-present, Executive Committee 2011-present**)
2009-2012 Governor at large, American College of Surgeons
2010-present Legislative Committee American Society of Breast Surgeons
2010-present Connecticut Department of Public Health Breast and Cervical Cancer Early Detection program Medical Advisory Board
2011-present Physician Health Subcommittee, American College of Surgeons Board of Governors

## COMMUNITY SERVICE

1983-1985 Central Elementary School PTO, Treasurer
1994 -2004 Religious Committee Farmington Valley Jewish Center - Emek Shalom
1998-2004 Chairman Religious Committee and Executive Board member Farmington Valley JewishCenter - Emek Shalom

## PRESENTATIONS

### Post Graduate Medical Education

#### Local Presentations

1. "Soft Tissue Sarcomas" Mount Sinai Hospital Grand Rounds, Hartford, CT, October 1990

2. "Surgery in the Elderly Patient, Immuno-compromised Patient, and Malnourished Patient", (Panelist), University of Connecticut School of Medicine, Annual Controversies in Surgery Program, February 1991

3. "Central Venous Access in the Cancer Patient", University of Connecticut School of Medicine, Combined Surgical Grand Rounds, 1991

4. "Radioimmune Guided Surgery" Charlotte Hungerford Hospital Grand Rounds, Torrington, CT, May 1991

5. "Surgical Approach to Soft Tissue Sarcomas" Charlotte Hungerford Hospital Grand Rounds, Torrington, CT

6. "Controversies in Melanoma Management", (Panelist), Annual Controversies in Surgery Program, University of Connecticut School of Medicine, February 1992

7. "Central Venous Access in the Cancer Patient", Charlotte Hungerford Hospital; Hospital Grand Rounds, Torrington, CT

8. "Breast Cancer", Department of Medicine Weekly Conference, University of Connecticut School of Medicine, January, 1993

9. “Basic Science for the Clinician” (**Moderator**);

10. ”Issues in Colorectal Cancer” (Panelist), Annual Controversies in Surgery Program, University of Connecticut School of Medicine, February and March, 1993

11. “Monoclonal Antibodies in Cancer Detection and Treatment”, Rockville General Hospital Grand Rounds, Rockville, CT, February, 1993

12. “Surgical Approach to Melanoma”, Surgical Combined Grand Rounds, University of Connecticut School of Medicine, March, 1993

13. “Radioimmune Guided Surgery”, Charlotte Hungerford Hospital Grand Rounds, Torrington, CT

14. “Rehabilitation of the Cancer Patient”, New Britain Memorial Hospital Grand Rounds, New Britain, CT, September, 1993

15. “Prevention and Early Detection of Breast Cancer”, Charlotte Hungerford Hospital Grand Rounds, Torrington, CT, September 1993

16. “Principles of Surgery for GI Tumor”, Medical Oncology Fellowship Lecture Series,
17. University of Connecticut School of Medicine, November, 1993

18. “Issues in Surgical Oncology”, (**Moderator**), Annual Controversies in Surgery Program,
19. University of Connecticut School of Medicine, February 1994

20. “Surgical Approach to Melanoma”, Charlotte Hungerford Hospital Grand Rounds, Torrington, CT, March, 1994

21. “Melanoma”, Cancer Registry Training Program, University of Connecticut School of Medicine, June, 1994

22. “Breast Cancer Requiem for the Surgeon” (**Moderator**);

23. “Lymph Node Dissection for Clinically “Node Negative” Cancer: Rational and Worthwhile, or Simply Traditional?” (Panelist), Annual Controversies in Surgery Program, University of Connecticut School of Medicine, February and March, 1995

24. “New Imaging Modalities in Breast Cancer” CT Society of Radiology Technologists, June 1995

25. “Genetic Screening for Cancer: Scientific, Legal and Ethical Perspectives” (**Moderator**); “Challenging Therapeutic Problems in Surgical Oncology” (Panelist), Annual Controversies in Surgery Program, University of Connecticut School of Medicine, February and March 1996

26. “Breast Cancer” Practical Nurse Class, Morse School, Hartford, CT, March 1995

27. “Management of Breast Masses”, St. Mary’s Hospital, Waterbury, CT, March, 1996

28. “Management of Breast Masses”, William Backus Hospital, Norwich, CT, March 1996

29. “Management of Breast Masses”, St. Raphael’s Hospital, New Haven, CT, March, 1996

30. “Breast Cancer: Screening and Early Detection”, St. Mary’s Hospital, Waterbury, CT, January 7, 1997.

31. “Updates in Breast Cancer”, William Backus Hospital, Norwich, CT, December 1997

32. “Role of the Primary Care M.D. vs Ob/Gyn vs. Oncologist, Sharon Hospital, Sharon, CT February 1998

33. “Minimally Invasive Breast Surgery”, Women’s Cancers, UConn Health System Discovery Series, Farmington, CT April 1998.

34. New Modalities in Cancer Diagnosis & Treatment” Oncology Lecture Series, UConn Health Center, Farmington, CT May 1998

35. “New Modalities in the Treatment of Breast Cancer”, Danbury Hospital, Danbury, CT May 1998

36. “Role of the Primary Care Doctor/Gynecologist in Breast Cancer”; Charlotte Hungerford Hospital, May 1998

37. “Breast Cancer: Role of the Primary Care Physician”, Charlotte Hungerford Hospital, Torrington, CT June 1998

38. “Breast Cancer Prevention”, Grand Rounds, Rockville General Hospital, Rockville, CT May 1999

39. “Management of Non-Palpable Breast Cancer”, Danbury Hospital, Danbury, CT June 1999

40. “Sentinel Node Biopsy”, Combined Grand Rounds, University of Connecticut Health Center, Farmington, CT August 1999.

41. “Breast Cancer Screening and Estrogen Replacement” General Internal Medicine Grand Rounds, University of Connecticut Health Center, Farmington, CT February 2000

42. “Sentinel Node Biopsy”, Community Education Program, Manchester Memorial Hospital, Manchester, CT May 2000.

43. Breast Cancer Prevention, Community Education Program, Danbury Hospital, Danbury, CT June, 2000.

44. “Sentinel Node Biopsy”, Community Education Program, St. Mary’s Hospital, Waterbury, CT June, 2000.

45. “Sentinel Node Biopsy in Breast Cancer” Community Education Program, Norwalk Hospital, Nov 2000

46. “Breast Nodules” Recent Advances in Internal Medicine, Continuing Medical Education Course, Department of Medicine, University of Connecticut Health Center, Dec 2000

47. “Ductal Lavage in Breast Cancer” Multidisciplinary Breast Education Conference, Hartford Hospital, Hartford, CT September, 2001

48. Lecture, Cancer & Surgical Technology, Avon High School, Avon, CT, March 26, 2002

49. Lecture, University of Connecticut Health Center, New England Dermatological Society Didactic Symposium – Cutaneous Melanoma, “Sentinel node biopsy update”, April 6, 2002

50. Lecture, Day Kimball Hospital, Connecticut Breast and Cervical Cancer Early Detection/Wise Woman Program, “Intraductal Approach to Breast Cancer”, April 23, 2002

51. Lecture, Danbury Hospital, Intraductal Approach to Breast Cancer, Ductal Lavage and Ductoscopy, May 23, 2002

52. Lecture, St. Raphael’s Hospital, Intraductal Approach to Breast Cancer, Ductal Lavage and Ductoscopy, June 14, 2002

53. “An Update: Menopause & HRT” Discovery Series Program, UConn Health Center, Farmington, CT**…(Moderator)**

54. Lecture, Charlotte Hungerford Hospital, Torrington, Conn, “Sentinel Node Biopsy”, April 11, 2003.

55. Lecture, Holyoke Hospital, Holyoke, Massachusetts, “Treatment of Advanced and Early Stage Breast Cancer”, April 25, 2003.

56. “New Diagnostic Tools in Breast Cancer” Recent Advances in Internal Medicine 2003/04, UConn Health Center, Farmington, CT…January 21, 2004.

57. Medical Grand Rounds, Waterbury Hospital, “Breast Cancer Update”. September 23, 2005.

58. “Screening/Diagnosis of Breast Cancer”. September 27, 2008. Educational Session/Primary Care Update, Middlebury Edge, Middlebury, CT.

59. UMass Surgical Grand Rounds, University of Massachusetts Medical School, “Surgical Dogma”. June 3, 2009.

60. Medical Grand Rounds, Waterbury Hospital, “Surgical Dogma”. July 10, 2009.

61. “What’s New with Breast Cancer Screening”, February 17, 2010. Primary Care Update, Middlebury Edge, Middlebury, CT.

62. “Melanoma”. Willow Senior Center, Waterbury, CT. March 30, 2010.

63. Oncology Conference, Waterbury Hospital, “Breast Cancer Screening”. June 3, 2010.

64. Medical Grand Rounds, Waterbury Hospital, “Screening, Diagnostics, and Prevention of Breast Cancer”. August 13, 2010.

65. "Breast Health and Surgery". Willow Senior Center, Waterbury, CT. October 12, 2010.

66. Oncology Conference, Waterbury Hospital, “The Work-Up of a Breast Mass”. May 26, 2011

67. Oncology Conference, Waterbury Hospital, “Sarcomas and Melanomas of the Extremities”. August 11, 2011

68. Tumor Board Conference Series, Waterbury Hospital, Waterbury, CT. Monthly, 2009- present.

**Regional/National/International Presentations**

1. “Soft Tissue Sarcomas”, Annual Sugarbush Medical Symposium, Warren, VT, March 1992
2. “Management of Breast Lumps”, Review of Internal Medicine CME Program, Scottsdale, AZ, November 1994
3. “New Approaches to Cancer Detection“, Annual Sugarbush Medical Symposium, Warren, VT, March, 1994
4. Breast Cancer Session (Moderator), 46th Annual Meeting of the Society of Surgical Oncology, Boston, MA, March, 1995
5. “Cost Effectiveness of Groshong Catheters”, Sims-Deltec Annual Meeting, Ponte Vedra, FL, September, 1995
6. “Increased Angiogenesis Factor Expression is Associated with Negative Hormone Receptor Status in Human Breast Cancer”, Surgical Forum, American College of Surgeons, San Francisco, CA, October 1996
7. “Current Imaging in Cancer” (Moderator) Society of Surgical Oncology 50th Annual Cancer Symposium, Chicago, IL March 1997
8. “Current Imaging Techniques in Breast Cancer” (Speaker), Society of Surgical Oncology 50th Annual Cancer Symposium, Chicago, IL March 1997
9. “Cancer Prevention and Early Detection”, National Cancer Institute of Bulgaria, Sofia, Bulgaria for Albert Schweitzer Foundation, November 1997
10. “Micrometastasis in Cancer” (Moderator) Society for Surgical Oncology 51st Annual Cancer Symposium, San Diego, CA, March 1998
11. Melanoma/Sarcoma Session (Moderator) Society of Surgical Oncology 51st Annual Cancer Symposium, San Diego, CA, March 1998
12. Melanoma/Sarcoma Parallel Session, (Moderator) Society of Surgical Oncology 52nd Annual Cancer Symposium, March 1999
13. Sentinel Lymph Node Biopsy Techniques Update, Instructor, Combined Annual Meeting of the Connecticut Chapter of the American College of Surgeons and the Connecticut Society of American Board Surgeons. Waterbury, CT November 1999
14. (Reviewer) at the California Breast Cancer Research Program in San Francisco, California, April 11 & 12, 2002.

15. “Implementing Risk Assessment: Changing the Breast Cancer Risk Paradigm”, Cytyc dinner, June 10, 2003“Implementing Risk Assessment: Changing the Breast Cancer Risk Paradigm”, Symposium for OB-GYN, primary care and surgeons
16. “Breast Cancer Risk: Emerging Issues and Strategies for Patient Management”, Lecturer, small group and overall session organizer and moderator, Avon Old Farms School, Avon, Connecticut, September 10, 2003
17. “Identifying High Risk women for Breast Cancer“, New England Obstetrical & Gynecological Society, 75th Annual Spring Meeting, April 14, 2004
18. “What is the Status of Breast Surgery Fellowships? The American Society of Breast Surgeons 5th Annual Meeting, Las Vegas, Nevada, March 31-April 4, 2004.
19. Breast Surgery Fellowships, Breast Cancer Symposium, Paris, France July 2004
20. Status of Breast Fellowships, Amelia Island Breast Conference, Amelia Island, FL February 2006
21. Panel on Breast Fellowships, Annual Meeting of the American College of Surgeons, New Orleans, LA October 2007
22. National Accreditation Program for Breast Centers Workshop, Chicago Il November 2010
23. National Accreditation Program for Breast Centers Workshop at American Society of Breast Diseases New York City April 2010
24. National Accreditation Program for Breast Centers Workshop at National Consortium of Breast Centers Las Vegas, NV March 2011
25. Personal experiences purchasing and using an HER at Annual Meeting of the American Society of Breast Surgeons, Washington, DC April 2011
26. National Accreditation Program for Breast Centers Workshop at Cancer Registrars Conference Orlando, FL May 2011
27. National Accreditation Program for Breast Centers Webinar, June 2011
28. National Accreditation Program for Breast Centers Workshop, Chicago, IL November 2011
29. NAPBC Components and Standards-Incorporating Multidisciplinary Care as a Culture of Care, Annual meeting of the National Consortium of Breast Centers, March 2012

**Resident Education Presentations**

1. “Radioimmune Guided Surgery”, Affiliated Residency in General Surgery
2. “How to Prepare and Deliver a Lecture”, Affiliated Residency in General Surgery
3. “Surgical Approach to Breast Cancer”, Affiliated Residency in General Surgery
4. “Breast Lumps”, Community Lecture Series, Bristol Hospital, September 1996
5. “Breast Cancer Diagnosis and Treatment” Resident Lecture Series, April 1997

**Undergraduate Medical Education Lectures**

1. 4th Year Elective in Surgical Oncology, Course Director

2. "Upper Gastrointestinal Bleed"; "Breast Cancer"; "Endocrine Disorders"; "Suturing and Knot-Tying", Breast Day (Preceptor), 3rd Year Medical Student Education

3. "Surgical Oncology Lecture" Oncology Course 2nd Year Medical Students, February 1997

4. "Cancer's Effect on the Host" Small group Session; Oncology Course 2nd Year Medical Students, February 1997

5. "Patterns of invasion and metastases and their clinical significance" Small group Session; Oncology Course 2nd Year Medical Students, February 1997

6. "Breast Cancer Tumor Board" Lecture, Oncology Course 2nd Year Medical Students, February 1997

7. "Management of Metastatic Cancer", Oncology Course 2nd Year Medical Students, February 1997

8. Biomedical Scholars Track Tutorial Session – MDPHD Student lecture on biomedical track program – Tutorial Leader in tutorial session, Center for Molecular Medicine, UConn Health Center, May 2000.

9. Principles of Clinical Research Course –"Human Subjects Issues in Clinical Research", General Clinical Research Center, September 00.

10. **Clerkship Supervisor**: 3 Times per academic year

11. **Course Director**: Breast Symposium for 3rd Year Students, six times per academic year

12. UConn MAX Student Breast Lecture, October 9, 2010. UConn School of Medicine, Farmington, CT.

**Medical Student Faculty Advisor - Laboratory**

Kevin Burton
Ziv Peled*
Nitya Chakarborty**
Maria Renna
Marra Stankus ***
James Pierkowski

*Smith - Kline Beecham Excellence in Basic Science Research Award, June 1994
**Awarded First Place, Oncology Section, Connecticut Society of Board Surgeons Annual Meeting, December, 1995
***Awarded Third Place, Oncology Section, Connecticut Society of Board Surgeons Annual Meeting, December, 1996

**Medical Student Presentations**

New England Cancer Society Annual Meeting Nov, 1996, The Role of Interleukin - 8 in Pancreatic Adenocarcinomas: Brendan T. Campbell Angiogenesis in colon cancer and normal adjacent tissue: Steven Fox

**Medical Student Research Presentations**

Connecticut Chapter, American College of Surgeons, October 1996, Tumor cell expression of IL-1 rI in human pancreatic cancer Marra L. Stankus

**Public Education Lectures**

1. "Management of Breast Cancer", American Cancer Society, Vernon, CT September 1992
2. "Breast Cancer", Fellowship Village, West Hartford, CT October 1993
3. "The Importance of a Mammogram", Center for Menopausal Studies, Farmington, CT, March 1993
4. "Breast Cancer", ITT Hartford, Simsbury, CT May 1993
5. "Breast Cancer", The Gables Retirement Center, Farmington, CT May 1993
6. "Breast Cancer", American Cancer Society, West Hartford Planned Giving Program, West Hartford, CT December 1994
7. "Breast Cancer", West Hartford Senior Center, West Hartford, CT February 1994
8. "Breast Cancer & Melanoma", Ensign Bickford Corporation, Simsbury, CT June 1994
9. "Breast Cancer", Hartford Civic Center, Hartford, CT August 1994
10. "Progress in the Fight against Breast Cancer", American Cancer Society, Hartford, CT, October 1995
11. "Progress in the Fight against Breast Cancer", American Cancer Society, Donor Seminar, Wallingford, CT, November 1995
12. "Breast Cancer", Morse School of Business, School of Practical Nursing, Hartford, CT March 1996
13. "Breast Cancer", Ames Department Stores, Inc., Associate Medical Seminar, Rocky Hill, CT May 1996
14. "Breast Cancer and Cigarette Tax" testimony for State Legislature, Hartford, CT May, 1996
15. "Breast Cancer" State Taskforce on Breast Cancer, American Cancer Society, Wallingford, CT September 1996
16. "Drive through Mastectomies" testimony for State Legislature, Hartford, CT September, 1996
17. "Breast Lumps" The Maryland Insurance Group, American Cancer Society, Rocky Hill, CT., October 1996
18. "Breast Cancer" General Electric Company, American Cancer Society, Plainville, CT., August 1997
19. "Breast Cancer" Guest Expert for Chat Room Web Site for SALU Health Network, based in San Francisco, CA, February 1997

20. “Axillary Dissection” Guest Expert for Chat Room Web Site for SALU Health Network, based in San Francisco, CA May 1997
21. “Clinical Trials” BioDimensions Newsletter, incorporated interview with article written, February, 1999.
22. “Diagnosis and Prevention of Breast Cancer”, Fifteenth Annual Ella T. Grasso Memorial Conference, Hartford Marriott Hotel/ Farmington, CT November 1999.
23. “General Overview of Breast Cancer Including Symptoms, Self-examination, Diagnosis and Treatment”, The Gables Retirement Center, Farmington, CT, October 2002.
24. ”Ductal Lavage”, Menopausal Group, Southbury Library, Southbury, Connecticut, November 2002.
25. “Treatment of Advanced and Early Stage Breast Cancer”, Windham Hospital, Willimantic, CT, June 2003.
26. “Breast Cancer Awareness”, St. Anthony’s Church, Prospect, CT. January 20, 2009.
27. Advances in Breast Cancer, Harold Leever Cancer Center Waterbury CT November 2009
28. “Melanoma”. Spring Presentation Series for Evergreen Club 50, Waterbury Hospital, Waterbury, CT. May 26, 2010
29. Mock Tumor Board for Breast Cancer, Harold Leever Cancer Center Waterbury, CT October 2010
30. “NAPBC Guidelines and E-Staging”, Tumor Registry Association of Connecticut (TRAC) Meeting, Waterbury Hospital, Waterbury, CT. June 8, 2011.
31. Mock Tumor Board for Breast Cancer, Harold Leever Cancer Center, Waterbury, CT October 27, 2011

**Media Presentations**

1991

WTIC Radio - Health Update - Medical Topic Series “Breast Cancer”

Ivanhoe Communications - “Mammograms”

TV61 - “Breast Cancer Awareness”

*RTM Magazine* - “Use of Radioactive „String’ to Treat Cancer”

TV61 - “Breast Cancer”

1992

WTIC Radio - “Breast Cancer”

TV3 Program - *Black Perspective*, “Breast Cancer”

*Redbook Magazine* - “Breast Cancer Biopsies”

*Lear’s Magazine* - “PCB’s in Biopsies”

*Hospital News* - “Laparoscopy” and “DDT’s in Breast Biopsy”

1993

TV30 - “Breast Cancer”

WKND Radio - “Breast cancer in African American Patients”

1994

WKSS Radio - “Breast Cancer”

WTIC Radio - “Tamoxifen”

Nutmeg Cable TV - “Breast Cancer”

1995

Cox Cable, Greater Hartford, Inc. - “Learning, Loving and Living with Breast Cancer”

1996

Channel 3 “Report on skin cancer and sun exposure”

*Hartford Courant:* Review of the role of Axillary Dissection in Breast Cancer

Channel 32, WVIT: “Do bras cause breast cancer?””

1997

WHUS Radio - “Breast Cancer” SHN World Wide Web, Expert leader of Chat discussion on Breast Cancer, January 1997

Natural Way Magazine, May/June 1997 Vol 3(2), Rye Brook, NY; Lethal Lingerie? Interview

Nutmeg Cable TV - “Breast Cancer” panel discussant Rocky Hill Wethersfield Health District, Wethersfield, High School

1998

WHUS Radio - “Breast Cancer”

WDRC-AM Radio - Respond to questions on air regarding breast cancer.

WDRC-AM & FM Radio – “Myths of Breast Cancer” – Hot Seat Program

2000

CPTV –24 – “House Calls on Skin Cancer” Community Education Network - Live television panel that fielded questions on skin cancer

2008

WTIC- Fox 61- “Avon Mountain Crash Rescuer Dr. Scott Kurtzman” Morning Show Live Television Interview

2009

Waterbury Radio Station- What’s new in Breast Cancer

2010

Waterbury Radio Station- Patient Care in a Teaching Hospital

## RESEARCH EXPERIENCE

**Undergraduate**: Effects of electrical stimulation of the intracranial reward system on learning in rats

**Graduate**: Effects of the polyamine inhibitor, Methyl-glyoxyl(*bis*) guanyl hydrazone on mitochondrial DNA

**Medical School**: Prognostic indicators in Hodgkin's disease

**NIH Fellowship**: Radiolabeled monoclonal antibodies in pancreatic cancer; Intraoperative radiation therapy for esophageal cancer; tumor markers; novel opiates in cancer pain control

**MSKCC**: Delivery of radiolabeled monoclonal antibodies by hepatic artery infusion; p 53 oncogene in melanoma

### Current

1. MAGE antigen in melanoma using macrophages as antigen presenting cells
   Role: Co-investigator (P.I.: B. Mukherji)
   Funded-NIH

2. Breast and Colo-rectal cancer treatment trials: NSABP
   Role: P.I. at University of CT
   Funding: NSABP/NIH

### Research Activities

1. Radioimmune guided surgery in primary and recurrent colorectal cancer
   Role: P.I.
   Funded by the Neoprobe Corporation, Columbus, Ohio

2. Interleukin 8 in Interstitial Cystitis
   Role: Co-investigator (P.I.: D. Kreutzer)
   Funded-NIH

3. Thallium 201 nuclear imaging in breast cancer
   Role: Co-investigator (P.I.: M Kharmeddini)
   Funded: HCRAC 4/94

4. Interleukin 8, Angiogenesis and Breast Cancer
   Role: P.I.
   Funded by Department of Defense 9/1/94

5. Angiogenesis Inhibitors in Breast Cancer
   Role: Co- P.I. (P.I. Don Kreutzer)
   Funding: CaP CURE Award

6. Ductal Lavage in Patients at Risk for Breast Cancer
   Role- Investigator- Cytyc Corporation

7. Infrared light Imaging in Breast Cancer
   Role- Co-PI (P.I. Quing Zhu)

8. Wave Motion in Breast Cancer Survivors
   Role- PI- (Precious Passage, Inc)

9. A Multi-Reader Multi-Center clinical study to compare the diagnostic accuracy of the Xpress Digital Mammography System to standard screen-film mammography"
   Role- PI- Konica Minolta

10. Novel US imaging in Breast Cancer
    Role-PI (Yukov US, Inc)

11. Wave Motion in Post Operative Patients
    Role-PI (Waterbury Hospital)

**PUBLICATIONS**

**PEER REVIEWD ARTICLES**

References


1. Collier, T.J., S. Kurtzman, and A. Routtenberg, *Intracranial self-stimulation derived from entorhinal cortex.* Brain Research, 1977. **137**(1): p. 188-96.
2. Steinberg, W.M., R. Gelfand, K.K. Anderson, J. Glenn, S.H. Kurtzman, W.F. Sindelar, and P.P. Toskes, *Comparison of the sensitivity and specificity of the CA19-9 and carcinoembryonic antigen assays in detecting cancer of the pancreas.* Gastroenterology, 1986. **90**(2): p. 343-9.
3. Pass, H.I., W.F. Sindelar, T.J. Kinsella, A.M. DeLuca, M. Barnes, S. Kurtzman, H. Hoekstra, Z. Tochner, J. Roth, and E. Glatstein, *Delivery of intraoperative radiation therapy after pneumonectomy: experimental observations and early clinical results.* Annals of Thoracic Surgery, 1987. **44**(1): p. 14-20.
4. Glenn, J., W.M. Steinberg, S.H. Kurtzman, S.M. Steinberg, and W.F. Sindelar, *Evaluation of the utility of a radioimmunoassay for serum CA 19-9 levels in patients before and after treatment of carcinoma of the pancreas.* Journal of Clinical Oncology, 1988. **6**(3): p. 462-8.
5. Kurtzman, S.H., A. Russo, J.B. Mitchell, W. DeGraff, W.F. Sindelar, M.W. Brechbiel, O.A. Gansow, A.M. Friedman, J.J. Hines, and J. Gamson, *212Bismuth linked to an antipancreatic carcinoma antibody: model for alpha-particle-emitter radioimmunotherapy.* Journal of the National Cancer Institute, 1988. **80**(6): p. 449-52.
6. Kurtzman, S.H., A.D. Turnbull, M. Burt, and M.S. Bains, *Recurrence of resected esophagogastric adenocarcinoma: results of re-resection.* Journal of Surgical Oncology, 1990. **45**(4): p. 224-6.

7. Rothfield, N., S. Kurtzman, D. Vazques-Abad, C. Charron, L. Daniels, and B. Greenberg, *Association of anti-topoisomerase I with cancer.[comment].* Arthritis & Rheumatism, 1992. **35**(6): p. 724.
8. Mukherji, B., N.G. Chakraborty, S. Yamasaki, T. Okino, H. Yamase, J.R. Sporn, S.K. Kurtzman, M.T. Ergin, J. Ozols, and J. Meehan, *Induction of antigen-specific cytolytic T cells in situ in human melanoma by immunization with synthetic peptide-pulsed autologous antigen presenting cells.* Proceedings of the National Academy of Sciences of the United States of America, 1995. **92**(17): p. 8078-82.
9. Hu, X., N.G. Chakraborty, J.R. Sporn, S.H. Kurtzman, M.T. Ergin, and B. Mukherji, *Enhancement of cytolytic T lymphocyte precursor frequency in melanoma patients following immunization with the MAGE-1 peptide loaded antigen presenting cell-based vaccine.* Cancer Research, 1996. **56**(11): p. 2479-83.
10. MacGillivray, D.C., M.A. Mumtaz, S.H. Kurtzman, R.P. Spencer, R.E. Weiner, and C.D. Malchoff, *Preferential localization of regional metastases from gastroenteropancreatic endocrine tumors with somatostatin-receptor scintigraphy.* Archives of Surgery, 1996. **131**(12): p. 1338-42.
11. Ferrer, F.A., L.J. Miller, R.I. Andrawis, S.H. Kurtzman, P.C. Albertsen, V.P. Laudone, and D.L. Kreutzer, *Vascular endothelial growth factor (VEGF) expression in human prostate cancer: in situ and in vitro expression of VEGF by human prostate cancer cells.[see comment].* Journal of Urology, 1997. **157**(6): p. 2329-33.
12. Chakraborty, N.G., J.R. Sporn, A.F. Tortora, S.H. Kurtzman, H. Yamase, M.T. Ergin, and B. Mukherji, *Immunization with a tumor-cell-lysate-loaded autologous-antigen-presenting-cell-based vaccine in melanoma.* Cancer Immunology & Immunotherapy, 1998. **47**(1): p. 58-64.
13. Ferrer, F.A., L.J. Miller, R.I. Andrawis, S.H. Kurtzman, P.C. Albertsen, V.P. Laudone, and D.L. Kreutzer, *Angiogenesis and prostate cancer: in vivo and in vitro expression of angiogenesis factors by prostate cancer cells.* Urology, 1998. **51**(1): p. 161-7.
14. Fox, S.H., G.F. Whalen, M.M. Sanders, J.A. Burleson, K. Jennings, S. Kurtzman, and D. Kreutzer, *Angiogenesis in normal tissue adjacent to colon cancer.* Journal of Surgical Oncology, 1998. **69**(4): p. 230-4.
15. Miller, L.J., S.H. Kurtzman, Y. Wang, K.H. Anderson, R.R. Lindquist, and D.L. Kreutzer, *Expression of interleukin-8 receptors on tumor cells and vascular endothelial cells in human breast cancer tissue.* Anticancer Research, 1998. **18**(1A): p. 77-81.
16. Chakraborty, N.G., L. Li, J.R. Sporn, S.H. Kurtzman, M.T. Ergin, and B. Mukherji, *Emergence of regulatory CD4+ T cell response to repetitive stimulation with antigen-presenting cells in vitro: implications in designing antigen-presenting cell-based tumor vaccines.* Journal of Immunology, 1999. **162**(9): p. 5576-83.
17. Kurtzman, S.H., K.H. Anderson, Y. Wang, L.J. Miller, M. Renna, M. Stankus, R.R. Lindquist, G. Barrows, and D.L. Kreutzer, *Cytokines in human breast cancer: IL-1alpha and IL-1beta expression.* Oncology Reports, 1999. **6**(1): p. 65-70.
18. Islam, Q.T., M.K. Karimeddini, R.P. Spencer, S.H. Kurtzman, and J.A. Vento, *Positive Tc-99m MIBI breast study related to a psoriatic lesion.* Clinical Nuclear Medicine, 2000. **25**(5): p. 374.
19. Miller, L.J., S.H. Kurtzman, K. Anderson, Y. Wang, M. Stankus, M. Renna, R. Lindquist, G. Barrows, and D.L. Kreutzer, *Interleukin-1 family expression in human breast cancer: interleukin-1 receptor antagonist.* Cancer Investigation, 2000. **18**(4): p. 293-302.

20. Pantschenko, A.G., I. Pushkar, K.H. Anderson, Y. Wang, L.J. Miller, S.H. Kurtzman, G. Barrows, and D.L. Kreutzer, *The interleukin-1 family of cytokines and receptors in human breast cancer: implications for tumor progression.* International Journal of Oncology, 2003. **23**(2): p. 269-84.
21. Pantschenko, A.G., I. Pushkar, L.J. Miller, Y.P. Wang, K. Anderson, Z. Peled, S.H. Kurtzman, and D.L. Kreutzer, *In vitro demonstration of breast cancer tumor cell sub-populations based on interleukin-1/tumor necrosis factor induction of interleukin-8 expression.* Oncology Reports, 2003. **10**(4): p. 1011-7.
22. Zhu, Q., N. Chen, and S.H. Kurtzman, *Imaging tumor angiogenesis by use of combined near-infrared diffusive light and ultrasound.* Optics Letters, 2003. **28**(5): p. 337-9.
23. Zhu, Q., M. Huang, N. Chen, K. Zarfos, B. Jagjivan, M. Kane, P. Hedge, and S.H. Kurtzman, *Ultrasound-guided optical tomographic imaging of malignant and benign breast lesions: initial clinical results of 19 cases.* Neoplasia (New York), 2003. **5**(5): p. 379-88.
24. Zhu, Q., S.H. Kurtzman, P. Hegde, S. Tannenbaum, M. Kane, M. Huang, N.G. Chen, B. Jagjivan, and K. Zarfos, *Utilizing optical tomography with ultrasound localization to image heterogeneous hemoglobin distribution in large breast cancers.* Neoplasia (New York), 2005. **7**(3): p. 263-70.
25. Quing Zhu, P.D., M.S. Chen Xu, M.S. Puyun Guo, M.S. Andres Aquirre, P.D. Baohong Yuan, M.S. Fei Huang, B.S. Diego Castilo, P.D. John Gamelin, M.D. Susan Tannenbaum, M.D. Mark Kane, M.D. Poornima Hedge, and M.D. Scott Kurtzman, *Optimal Probing of Optical Contrast of Breast Lesions of Different Size Located at Different Depths by US Localization.* Technology in Cancer Research and Treatment, 2006. **5**(4): p. 365-380.
26. Fuhrman, G.M., R. Orr, E. Dunn, J. Ferrara, S. Kurtzman, H.D. Reines, J. Rosenfeld, A. Shepard, J. Van Camp, and S. Wolk, *An assessment of university versus independent general surgery program graduate performance on the American Board of Surgery examinations.* Journal of Surgical Education, 2007. **64**(6): p. 346-50.
27. Zhu, Q., S. Tannenbaum, P. Hedge, M. Kane, C. Xu, and S.H. Kurtzman, *Noninvasive Monitoring of Breast Cancer During Neoadjuvant Chemotherapy Using Optical Tomography with Ultrasound Localization.* Neoplasia (New York), 2008. **10**(10): p. 1028-1040.
28. Quing Zhu, PhD, Poornima Hegde, MD, Andrew Ricci Jr., MD, Mark Kane, MD, Edward Cronin, MD, Yasaman Ardeshirpour, MS, Chen Xu, Ph.D, Andres Aguirre, MS, Scott Kurtzman, MD, Peter Deckers, MD, and Susan Tannenbaum, MD. *The Potential Role of Optical Tomography with Ultrasound Localization in Assisting Ultrasound Diagnosis of Early-Stage Invasive Breast Cancers*, 2010
29. Souheil Adra, MD; Amber Trickey, MS, CPH; Moira Crosby, MPH; Scott Kurtzman, MD; Mark Friedell, MD; H. David Reines, MD, *General Surgery versus Fellowship: The role of the Independent Academic Medical Center.* Annual APDS Meeting, March 16, 2012. Submitted to the *Journal of Surgical Education* for publication.

**ABSTRACTS**

1. Collier T, Kurtzman SH, Routtenberg A. Intracranial Self-Stimulation Derived from Entorhinal Cortex. Fed Proc 35:468, 1976
2. Steinberg WM, Glenn J, Kurtzman SH, Sindelar WF. A New Assay to Diagnose and Monitor Therapy of Pancreatic Cancer. Clin Res 32(2), 1984

3. *Kurtzman SH, Atcher RW, Sindelar WF, Gansom J, DeGraff W, Gansow OA, Kinsella T, Glatstein E, Mitchell JB, Friedman AM, Hines J. Selective Killing of Human Pancreatic Adenocarcinoma cells *in vitro* using a $^{212}$Bismuth Chelated Monoclonal Antibody; Cancer Drug Delivery 2(3), 1985(abstract); **Podium presentation,** American College of Radiology Meeting on Labeled and Unlabeled Monoclonal Antibodies, Sept 13, 1985
4. *Kurtzman SH; O'Boyle KP; Sigurdson ER. Colorectal Liver Metastases: Localization of Monoclonal Antibodies (MoAB) via Gastroduodenal Artery Injection. Memorial Sloan-Kettering Cancer Center, New York, NY 10021. **Poster presentation,** Proc Annu Meet Am Assoc Cancer Res; 31:A1685 1990
5. *Kurtzman SH; Contrino J; Ai, Y; Sanders M; Kreutzer D. Angiogenesis, Cytokines and Breast Cancer: Interleukin-8 Localization in Infiltrating Breast Cancer. **Poster presentation** at the Society of Surgical Oncology Meeting, Houston TX, March 17, 1994
6. *Kurtzman SH, Contrino J, Wang Y, Sanders MM, Kreutzer DL. Role of Interleukin 8 in neovascularization in human breast cancer. **Podium presentation**, New England Cancer Society meeting, Springfield, MA, Nov. 11-13, 1994
7. Mukherji G, Chakraborty N, Yamasaki H, Yamase H, Sporn J, Kurtzman S, and Ergin MT. Immunization of Melanoma Patients with Synthetic MAGE-1 Peptide Pulsed Cultured Autologous Macrophages. Fifth International Congress on Anti-Cancer Chemotherapy (Neo-Adjuvant, Adjuvant and Experimental) Paris-France, January 31st through February 3, 1995.
8. Meehan JL, *Kurtzman S and Rubino, M. Cost Effectiveness of Groshong$^{TM}$ Versus Hickman Catheters For Long-Term Venous Access. Poster presentation, Annual Meeting Oncology Nursing Society, Anaheim, California, April 26-29, 1995
9. Mukherji B, Chakraborty NG, Yamasaki S, Okino T, Sporn J, Kurtzman S, Yamase H, and Ergin MT. Immunogenicity of Mage-1 Nona-Peptide, Pulsed Autologous Macrophages in Melanoma Patients. Presented to the AACR Meeting in Toronto, Canada, April 1995
10. Chakraborty NG, Sporn JR, Kurtzman SH, Yamase H, Ergin MT, Mukherji B. Induction of specific CTL response in melanoma patients *in vivo* with peptide vaccine. Presented to Connecticut Society of American Board Surgeons, December 1995
11. *Kurtzman SH, Miller L, Anderson K, Wang Y, Kreutzer DL. Cytokine regulation of angiogenesis factor expression in human breast cancer. **Podium presentation**, 49$^{th}$ Annual Cancer Symposium, The Society of Surgical Oncology, Atlanta, GA, March 20-24, 1996
12. *Kurtzman SH, Miller L, Anderson K, Wang Y, Kreutzer DL. Fibrin regulation of angiogenic factor expression by human breast cancer cells *in vitro.* **Poster presentation**, 1996 annual meeting of the American Association for Cancer Research, Inc., Washington, D.C. April 20-14, 1996
13. Ferrer FA, Miller LJ, Andrawis RI, Albertsen PC. Kurtzman SH, Kreutzer DL. Cytokine regulation of angiogenesis factors in human prostate cancer. American Urological Association, Annual Meeting, Orlando, Florida, May 1996.
14. Ferrer FA, Miller LJ, Andrawis RI, Kurtzman S, Albertsen PC, Laudone VP, Kreutzer DL. VEGF expression in human prostate cancer. Poster presented at the Biology of Prostate Growth, 1996 International Symposium, NIH/NIDDK., March 28-31, 1996

15. *Kurtzman SH, Wang Y, Miller L, Anderson K, Barrows GH, Kreutzer DL. Increased angiogensis factor expression is associated with negative hormone receptor status in human breast cancer. **Podium presentation**, Surgical Forum; 82nd Clinical Congress of the American College of Surgeons in San Francisco, California, October 6-11, 1996.
16. Campbell BT, *Kurtzman SH, Whalen GF, et al: Expression of Interleukin 8 and Interleukin 8 Receptor A in Pancreatic Adenocarcinomas. **Podium presentation**, New England Cancer Society Meeting, Hanover NH, November 1996.
17. Stankus, M, Campbell, B, *Kurtzman SH, Kreutzer DL: Tumor cell expression of Interleukin 1 Receptor Type I in Pancreatic Adenocarcinoma. **Poster presentation,** Society of Surgical Oncology Meeting, Chicago, IL, March 1997.
18. Miller L, *Kurtzman SH, Lindquist R, Kreutzer DL: Expression of Interleukin -8 receptors on tumor cells and vascular endothelial cells in human breast cancer tissue. **Poster presentation,** Society of Surgical Oncology Meeting, Chicago, IL, March 1997.
19. Fox SH, Whalen GF, Sanders M, Burleson JA, Jennings K, Kurtzman SH, et al: Angiogenesis in colon cancer and normal adjacent tissue. **Podium presentation**, New England Cancer Society Meeting, Hanover NH, November 1996.
20. Campbell BT, *Kurtzman SH, Whalen GF, Kreutzer DL: **Podium Presentation**, NECS, Dartmouth, NH. November 1996.
21. Ferrer FA, Miller LJ, Andrawis RI, Kurtzman SH et al: Angiogenesis Factors in Human Prostate Cancer: *Ex vivo* and *In vitro* Expression of VEGF and IL-8 in Human Prostate Cancer. **Podium Presentation**, American Urologic Association, New Orleans, April, 1997
22. Moslehi J, *Kurtzman SH, Wang Y, Anderson KH, Miller LJ, Kreutzer DL: Expression of Tumor Necrosis Factor (TNF-$\alpha$ and TNF-$\beta$) and TNF Receptors in Human Breast Carcinoma. **Poster Presentation**, Society of Surgical Oncology. SSO 51$^{st}$ Annual Meeting, San Diego, CA, March 1998.
23. Katz A, *Kurtzman SH, Anderson K, et al: GRO-$\alpha$ Expression in Human Breast Cancer Tissue, **Poster Presentation,** Society of Surgical Oncology, March 1999. **Podium Presentation**, Connecticut Chapter of the American College of Surgeons and the Connecticut Society of American Board Surgeons, Combined Annual Meeting, Cromwell, CT, Dec 1998.
24. Quing Zhu, PhD[1], Mark Kane, MD[2], Susan Tannenbaum, MD[2], Edward Cronin, MD[3], Poornima Hegde, MD[2], Malini Iyers, MD[2], Patricia DeFusco, MD[3], Yasaman Ardeshirpour, MS[1], Chen Xu, Ph.D[1], Nancy Baccaro[2], Scott Kurtzman, MD[2] and Peter Deckers, MD[2]. [1]University of Connecticut, Storrs, Connecticut, United States; [2]University of Connecticut Health Center, Connecticut, United States and [3]Hartford Hospital, Connecticut. **Podium Presentation**, San Antonio Breast Conference, December 2008

**VIDEOS**

1. Kurtzman SH; MacGillivray DC; Dowsett R, Deckers PJ. Brachytherapy in Extremity Sarcoma. Presented at the Society of Surgical Oncology Meeting, Houston TX, March 17, 1994
2. Whalen GF and Kurtzman SH: "Ennucleation of a Giant Cavernous Hemangioma of the Liver", presented at the Motion Picture Exhibition at the 1995 Clinical Congress, New Orleans, October 22-27, 1995.
3. Kurtzman SH: Breast Patient Education Film. 1997

**Book and Chapter Editing**

1. Guest Editor, Surgical Oncology Clinics of North America: Imaging in Cancer, Publication Date Jan 99
2. Guest Editor, Connecticut Medicine, Breast Cancer
3. Guest Editor, Breast Cancer in Connecticut Handbook for Health Care Providers; Connecticut Breast & Cervical Cancer Early Detection Program, July 98
4. Guest Editor: Surgical Oncology Clinics of North America: Pre and Postoperative Cancer Imaging: Practical and Innovative Approaches. April 2007; Vol 16 (2)
5. Co-Editor: AJCC Cancer Staging Atlas 2nd Edition (anticipated Summer 2012)

**EDITORIALS, BOOK CHAPTERS AND OTHER INVITED PUBLICATIONS**

References


1. Kurtzman, S. and A. Cohen, *Tumor Markers in Colorectal Cancer.* Resident and Staff Physician, 1992. **38**(2): p. 57-60.
2. Kurtzman, S.H., D.C. MacGillivray, and P.J. Deckers, *Evolving strategies for the management of non-palpable breast abnormalities.* Surgical Oncology, 1995. **4**(1): p. 1-14.
3. Jamali, F.R., S.H. Kurtzman, and P.J. Deckers, *Role of axillary dissection in mammographically detected breast cancer.* Surgical Oncology Clinics of North America, 1997. **6**(2): p. 343-58.
4. Ross, H.M., S.H. Kurtzman, W.P. Macauly, L.W. Allen, J.H. Foster, and P.J. Deckers, *Resection for cure of adenocarcinoma of the head of the pancreas: the greater Hartford experience.* Connecticut Medicine, 1997. **61**(1): p. 3-7.
5. Kurtzman, S.H., *The role of sentinel node biopsy in breast cancer.* Connecticut Medicine, 1999. **63**(1): p. 5-6.
6. Dowsett, R. and S. Kurtzman, *Sole brachytherapy of the tumor bed after conservative surgery for T1 breast cancer: Five year results of a Phase I-II study and initial findings of a randomized Pahe III trial: Commentary.* Journal of Surgical Oncology, 2002. **80**: p. 129.
7. Kurtzman, S.H., *The sacred trust of research on human subjects.* Journal of Surgical Oncology, 2003. **83**(3): p. 129-32.
8. Bartus, C., J. Schreiber, and S. Kurtzman, *Palliative approaches to the patient with breast cancer.* Surgical Oncology Clinics of North America, 2004. **13**(3): p. 517-530.
9. Fralinger, J. and S.H. Kurtzman, *Combined Ductal Lavage and Ductoscopy: What is the future for the intraductal approach?* Journal of Surgical Oncology, 2006.
10. Carbone, L., S.H. Kurtzman, and S.P. Leong, *Cancer research and clinical trial in action: an important exercise before you embark on your study.* Cancer Treatment & Research, 2007. **132**: p. 291-309.
11. Fuhrman, G.M., R. Orr, E. Dunn, J. Ferrara, S. Kurtzman, H.D. Reines, J. Rosenfeld, A. Shepard, J. Van Camp, and S. Wolk, *An assessment of university versus independent general surgery program graduate performance on the American Board of Surgery examinations.* Journal of Surgical Education, 2007. **64**(6): p. 346-50.
12. Kurtzman, S. and Z. Lazzarini, *Cancer trials and the Institutional Review Board (IRB).* Cancer Treatment & Research, 2007. **132**: p. 11-30.

13. Zhu, Q., S. Tannenbaum, and S.H. Kurtzman, *Optical tomography with ultrasound localization for breast cancer diagnosis and treatment monitoring.* Surgical Oncology Clinics of North America, 2007. **16**(2): p. 307-21.
14. Fossland, V.S., J.B. Stroop, R.C. Schwartz, and S.H. Kurtzman, *Genetic issues in patients with breast cancer.* Surgical Oncology Clinics of North America, 2009. **18**(1): p. 53-71.
15. Winchester, D.P., C. Kaufman, B. Anderson, M. El-Tamer, S.H. Kurtzman, S. Masood, and P. Kim, *The National Accreditation Program for Breast Centers: quality improvement through interdisciplinary evaluation and management.* Bulletin of the American College of Surgeons, 2008. **93**(10): p. 13-7.
16. Berman, R.S., S.H. Kurtzman, M.C. Posner, and J.E. Gershenwald, *Society of surgical oncology fellowship training: where we have been, where we are now, and where we are going.* Journal of Surgical Oncology, 2009. **100**(3): p. 179-81.
17. Kuerer, H., H.S. Pass, R, S. Kurtzman, and et al, *Multidisciplinary Training for Breast Surgical Oncology*, in *Breast Surgical Oncology*, H.M. Kuerer, Editor. 2010, McGraw-Hill Companies, Inc.
18. H. David Reines, MD, FACS; Souheil Adra, MD1; Amber Trickey, MS, CPH1; Moira Crosby, MPH1; Scott Kurtzman, MD, FACS2; Mark Friedell, MD3: General Surgery versus Fellowship: The role of the Independent Academic Medical Center. Submitted to the Virginia Surgical Society, November 2011

# LHP

# Curriculum Vitae

## DANIEL JOSEPH MOEN

| | | | |
|---|---|---|---|
| LHP HOSPITAL GROUP, INC., Plano, Texas<br>**Chief Executive Officer** | 2/08 | - | Present |
| TRIAD HOSPITALS, INC., Dallas, Texas<br>**Executive Vice President, Development & Management Services** | 10/01 | - | 8/07 |
| HIP HEALTH PLAN of FLORIDA, Hollywood, Florida<br>**Co-CEO**<br>200,000 member HMO and PPO in South Florida | 1/01 | - | 9/01 |
| HEALTHLINE MANAGEMENT, INC., St. Louis, Missouri<br>**Chairman, CEO**<br>Hospital based physician outsourcing company | 1/00 | - | 12/00 |
| **Healthcare Consultant**<br>Ft. Lauderdale, Florida | 8/98 | - | 12/99 |
| COLUMBIA/HCA HEALTHCARE CORP., Nashville, Tennessee<br>**President, Columbia Sponsored Network Group**<br>Responsible for the company's managed care subsidiaries including Value Rx, Value Behavioral Health and CCN....$2 billion annual revenue | 3/96 | - | 7/98 |
| COLUMBIA/HCA HEALTHCARE CORP., Nashville, Tennessee<br>**President, Florida Group**<br>Responsible for 55 Columbia/HCA hospitals, 13,400 beds 33 ambulatory centers $4 billion annual revenue and 45,000 employees in Florida | 3/94 | - | 2/96 |
| COLUMBIA HOSPITAL CORPORATION, Miami Lakes, Florida<br>**President, South Florida Division**<br>Responsible for 14 Columbia Hospitals (4,193 beds) in South Florida | 10/91 | - | 2/94 |
| HUMANA, INC., Miami, Florida<br>**Vice President, South Florida Market**<br>Responsible for six Humana Hospitals (1,742 beds) and Humana Health Care Plans in South Florida Region (HMO 240,000 members/ PPO 53,000 members) | 9/89 | - | 9/91 |
| HUMANA, INC., Miami, Florida<br>**Vice President, Florida Region**<br>Responsible for Humana Health Care Plans in six markets in the State of Florida (HMO 410,000 members/ PPO 140,000 members) | 9/88 | - | 8/89 |
| HUMANA MEDICAL PLAN HMO, Miami, Florida<br>**Executive Director**<br>Formerly International Medical Centers, HMO. Responsible for 210,000 members in South Florida and Tampa Markets | 1/87 | - | 8/88 |
| HUMANA Hospital, 200 beds, del Pedregal, Mexico City, Mexico<br>**Executive Director** | 6/85 | - | 12/86 |
| HUMANA Hospital, St. Lukes, (200 beds), Richmond, Virginia<br>**Executive Director** | 11/82 | - | 5/85 |
| HUMANA Hospital, St. Lukes, (79 beds), Bluefield, West Virginia<br>**Executive Director** | 6/80 | - | 10/82 |

**Education:**

| | | | |
|---|---|---|---|
| Southern Methodist University, Dallas, Texas, Master of Business Administration | 9/75 | - | 12/76 |
| Oklahoma University, Oklahoma City, Oklahoma, Master of Public Health | 9/74 | - | 8/75 |
| Oklahoma University, Norman, Oklahoma, Bachelor of Science | 9/71 | - | 8/74 |

# THOMAS H. FRAZIER, JR.

## PROFILE

**Healthcare Management**

Healthcare management executive with over 25 years of diverse experience in short- and long-term strategic planning, operations management, physician relations and alignment, new service development, service consolidation, budgeting and cost control, and financing. Effective communicator and manager, with the ability to promote change in an open and positive work environment.

## SIGNIFICANT ACCOMPLISHMENTS

- Led successful implementation of outsourced property management agreement resulting in increased rental revenue and enhanced internal controls over all MOB leasing activities.
- Led successful implementation of Ethics and Compliance program and adherence to Corporate Integrity Agreement with the OIG.
- Team leader for IT&S strategic planning, RFP process, and eventual negotiation and contract for complete systems conversions and outsourcing agreements for all 53 Triad hospitals.
- Redesigned and negotiated corporate benefit plans and vendor contracts resulting in savings in excess of $15 million.
- Successfully marketed and executed multiple successful confidential offerings to physicians in limited partnerships related to new medical centers and ambulatory surgery centers.
- Assisted corporate team in design of prototypical acute care hospital for secondary, suburban markets requiring approximately 100-200 beds.
- Negotiated multiple economic incentive and tax abatement agreements with cities and other municipalities resulting in savings in excess of $10 million
- Planned and executed the consolidation of two large, urban, acute care hospitals in an over-bedded market and increased earnings 72%.
- Assisted in development of new Independent Practice Association (IPA) and integration into market Physician Hospital Organization (PHO).
- Redesigned organization and cost structure including implementation of patient-centered care program resulting in 10% profit improvement and increased customer satisfaction.
- Increased profitability 840% in 3.5 years through effective cost reduction and revenue enhancement programs.
- Assisted in successful implementation of corporate pilot program in operational restructuring of patient care service delivery.
- Implemented pilot program for new outcomes management system and developed data base pilot program to decrease unnecessary medical testing.

## PROFESSIONAL EXPERIENCE

**LHP HOSPITAL GROUP, INC.**, Plano, TX 1/2008 – Present

*Private equity and management owned healthcare company. LHP currently owns and operates 3 hospitals and 1 surgery center in joint ventures with not-for-profit healthcare organizations, generating $450 million in revenues and employing 2500 people.*

**Executive Vice President of Administration,** (1/2008 – Present)

- As a member of the executive management team, participatory responsibility for all aspects of the business including:
  - Strategic Planning
  - Growth and Development
  - Hospital Field Operations
  - Financial Operations and Earnings Results
  - Company Policy Development and Management

- Regulatory Compliance

- Reporting directly to the CEO, direct responsibilities include executive management of company-wide support services including:
  - Human Resources including all benefit programs, compensation, and employee/labor relations
  - Ethics and Regulatory Compliance
  - Capital Budgeting and Management
  - Design and Construction
  - Real Estate, Medical Office Building Development, and Property Management
  - Information Systems and Technology.
  - Decision Support
  - Materials Management & Supply Chain
  - Corporate Office Management

**TRIAD HOSPITALS, INC.,** Plano, TX 5/1999 – 7/2007

*A Fortune 500 Company and the nation's third largest integrated healthcare organization. Triad owned and operated internationally 53 hospitals and 17 surgery centers, generated $6 billion in revenues and employed 45,000 people.*

**Senior Vice President of Administration,** (7/2002 – 7/2007)

- Reporting directly to the CEO, responsibilities included executive management of company-wide support services including:
  - Human Resources including all benefit programs, compensation, and employee/labor relations.
  - Marketing, Public Relations and Government Affairs.
  - Ethics and Regulatory Compliance.
  - Capital Budgeting and Management.
  - Design and Construction.
  - Real Estate, Medical Office Building Development, and Property Management.
  - Information Systems and Technology.
- Executive management of QHR (formerly Quorum Health Resources), a wholly owned hospital management and consulting business.
- Executive management of international operations of Beacon Medical Center in Dublin, Ireland.

**Special Assignment**

**Merger Integration Executive,** (7/2001 – 6/2002)

- Reporting directly to CEO responsible for planning and implementation of all merger and consolidation efforts related to the acquisition of Quorum Health Group including:
  - Identification and coordination of synergistic opportunities.
  - Corporate office consolidation.
  - Human resources planning and implementation including reductions in force, retention plans, benefit changes, and corporate realignments
  - Coordination with all corporate officers of departmental consolidations.
  - Policy and procedure standardization, communications and training.
  - Compliance program standardization, communications and training. Included participation as key team member in negotiations with the OIG of Corporate Integrity Agreement.

**East Division**

**Division Chief Financial Officer** (5/99 – 6/2001)

*Division operations included 13 hospitals in 3 states with annual revenues of $1.1 billion and over 8,000 employees.*

- Responsible for senior management oversight of all financial, accounting, and revenue cycle functions:

- Internal and external financial reporting, development of detail annual operating, cash flow, and capital budgets along with supporting financial schedules for business plans.
- Internal control and policy compliance, ongoing financial performance evaluation of revenues, costs, and cash flow.
- Accounting, information systems, revenue cycle, and materials management.
- Managed care contracting and data analysis.

**COLUMBIA/HCA HEALTHCARE CORPORATION** 4/95 – 4/99

*A Fortune 100 Company and the nation's largest integrated healthcare organization. Columbia/HCA owned and operated internationally 342 hospitals, 150 surgery centers, and 570 home healthcare centers, generated $20 billion in revenues and employed 285,000 people.*

**Pacific Group,** Dallas, TX
**Division Chief Financial Officer,** (7/98 – 4/99)
*Division operations included 13 hospitals in 3 states with annual revenues of $1.1 billion and over 8,000 employees.*

- Responsible for senior management oversight of all financial, accounting, and revenue cycle functions:
  - Internal and external financial reporting, development of detail annual operating, cash flow, and capital budgets along with supporting financial schedules for business plans.
  - Internal control and policy compliance, ongoing financial performance evaluation of revenues, costs, and cash flow.
  - Accounting, information systems, revenue cycle, and materials management.
  - Managed care contracting and data analysis.

**Columbia East Regional Medical Center**, Mesquite, TX
**Chief Executive Officer**, (5/96 – 6/98)
*A planned 119-bed acute care hospital and medical office building development in a suburb of Dallas, Texas with projected revenues of $220 million and approximately 550 full time equivalent employees.*

- Responsible for start-up development of a new hospital in strategic market to enhance the company's overall integrated delivery network in the north Texas region. Highlights include:
  - Complete demographic analysis and site selection.
  - Business plan development and presentation to corporate senior management for approval of $70 million project.
  - Financial projections and development of pro forma for confidential offering memorandum in limited partnership.
  - Assistance in design of prototypical "hospital of the future" including size and scope of services based on market demographics and business plan assumptions.
  - Development of support for the project from city staff, community leaders, and medical community, including negotiation of tax abatement and incentive agreement with the city.
  - Assisted in evaluation and selection of general contractor.
  - Started major movable equipment evaluation and selection process.

**Plaza Medical Center**, Fort Worth, TX
**Acting Chief Executive Officer**, (2/96 – 5/96)
**Chief Operating Officer**, (4/95 – 2/96)
*A 319-bed acute care hospital with annual revenues of $225 million and over 1000 employees.*

- Managed all daily operations of hospital in accordance with established plans, standard operating procedures, and legal and regulatory requirements. Responsibilities included:
  - Optimization of all financial and human resources to ensure quality and cost-effective operations.

- Establishment and monitoring of management and development programs, goals, and objectives for all department directors.
- Ensuring continuous quality improvement through establishment and monitoring of plans and procedures in cooperation with the medical staff.
- All medical staff functions and relations, including recruitment and retention of physicians.
- Medial office building development.
- Administrative management of free standing surgery center joint venture.

**NATIONAL MEDICAL ENTERPRISES, INC.** 9/84 – 9/86, 10/90 – 4/95

*A Fortune 500 Company and leading for-profit integrated healthcare organization. NME owned and operated 140 hospitals internationally generated over $3.8 billion in revenues and employed 50,000 people.*

**RHD Memorial Medical Center**, Dallas, TX
**Chief Operating Officer**, (4/94 – 4/95)
*A 150-bed acute care hospital with annual revenues of $95 million and 350 employees.*

- Managed all daily operations of hospital in accordance with established plans, standard operating procedures, and legal and regulatory requirements. Responsibilities included:
  - Optimization of al financial and human resources to ensure quality and cost effective operations.
  - Establishment and monitoring of management and development programs, goals, and objectives for all department directors.
  - Ensuring continuous quality improvement through establishment and monitoring of plans and procedures in cooperation with the medical staff.
  - All medical staff functions and relations, including recruitment and retention of physicians.
  - Management and leasing of medical office building.
  - Administrative management of all ancillary and support service departments.

**Delray Community Hospital**, Delray Beach, FL
**Chief Financial Officer**, (10/90 – 4/94)
*A 211-bed hospital with annual revenues of $175 million and over 1200 employees.*

- Managed all fiscal services including:
  - Internal and external financial reporting, development of detail annual operating, cash flow, and capital budgets along with supporting financial schedules for business plans.
  - Internal control and policy compliance, ongoing financial performance evaluation of revenues, costs, and cash flow.
  - Administrative management of accounting, information systems, business office, materials management, central supply/sterile processing, and admitting procedures.

**Jo Ellen Smith Memorial Hospital**, New Orleans, LA
**Family Health Network Administrator**, (2/86 – 9/86)
*165-bed hospital with annual revenues of $65 million and over 500 employees.*

- Supervised overall operation of entrepreneurial business development project involving the consolidation of several family and internal medicine physician practices. Project focus:
  - Provided management and marketing expertise to physician practices.
  - Increased the size and enhanced the loyalty of primary care hospital physician base.
  - Provided hospital competitive advantage for directing patient utilization in an increasing managed care environment.
  - Implemented a computerized accounting management system for physicians.
  - Developed patient ID card access to network providers, eliminating unnecessary paperwork.

**Chief Financial Officer** (9/84 – 9/86)

- Oversaw all fiscal services including:
  - Internal and external financial reporting.
  - Development of annual operating budgets.

- ◆ Internal control and policy compliance.
- ◆ Financial performance evaluation of revenues, costs and cash flow.

- Managed accounting, data processing, business office, materials management and admitting departments.

**TOM H. FRAZIER BUILDING CO.**, Winston-Salem, NC 9/86 – 10/90
**Co-owner**
*Family owned residential construction company specializing in custom homes ranging in price from $150-$400,000.*

- Jointly handled all responsibilities including sales, marketing, site selection, financing, and project management.

**CHARTER MEDICAL CORPORATION** 5/83 – 9/84
*Charter Medical Corporation, parent company of Charter Hills Hospital, was a leading for-profit integrated behavioral healthcare organization. The company owned and operated over 75 hospitals with revenues of $900 million.*

**Charter Hills Hospital**, Greensboro, NC
**Controller**
***68-bed psychiatric hospital with annual revenues in excess of $20 million with over 100 employees.***

- Directly managed all fiscal departments, financial reporting, budgeting, and internal controls and policy compliance.

## EDUCATION

**BABCOCK GRADUATE SCHOOL OF MANAGEMENT**
Wake Forest University, Winston-Salem, NC
Master of Business Administration, 1983
Concentration in Finance and Accounting
*Academic Honor – Financial Executives Institute Award*

**UNIVERSITY OF NORTH CAROLINA**, Chapel Hill, NC
Bachelor of Science in Business Administration, 1979
Concentration in Finance and Accounting
Extra Curricular Award: Varsity Baseball Letterman

**-References Available Upon Request-**

# William J. Hibbitt

2009 – Present – Executive Vice President, Chief Financial Officer LHP Hospital Group, Inc.

2006 – 2007 – Board of Directors Triad Hospitals, Inc. Served on Audit Committee and Special Committee Evaluating Strategic Alternatives

1975 – 2006 - KPMG LLP and predecessor firms. Admitted to the partnership on July 1, 1982. Retired from KPMG on February 28, 2006

**RELEVANT EXPERIENCE:**

**LHP Hospital Group, Inc.:**
Lead the six person corporate financial group for this $300 million net revenue company that owns and operates acute care hospitals in multiple states. In coordination with hospital based accounting groups, the corporate financial group is responsible for preparation of monthly financial statements, managing external audit process, tax compliance, corporate finance function and financial analysis and planning, Also serve as member of five person senior management team that is responsible for strategic direction of the company.

**Triad Hospitals, Inc.:**
Served as an audit committee financial expert for this $6 billion revenue Fortune 250 company that owned and operated 50+ acute care hospitals located in multiple states. Participated, as a member of the Special Committee, in the evaluation of strategic corporate opportunities the culminated in the sale of the company in 2007.

**KPMG LLP:**
Vice Chairman - Tax Operations (2002 - 2004)
Chief Operating Officer for $1.3 billion revenue tax practice; responsible for overall business operations, working with practice leadership team to develop and execute practice strategy, allocating resources, managing partnership admissions and departures, recruiting, training of professionals and driving financial results.

Member of Firm-wide Management Committee (2002 - 2004)
Member of twelve person committee responsible to the board of directors for firm-wide operations including business strategy development, organizational structure and leadership, marketing initiatives, quality control and financial results.

Southwest Area Managing Partner - Tax (2001)
Responsible for overall operations of $150 million revenue Southwest tax practice, including offices in Houston, Dallas, Denver and eleven smaller cities.

National Partner-in-Charge - Expatriate Services (1998 - 2000)
Responsible for overall operations of $130 million revenue U. S. specialty tax practice; worked closely with leaders of expatriate practices outside the US to develop and execute global strategy for $300 million global business.

Client Service Tax Partner (1982 - 1997; 2005 - 2006)
Served as lead tax partner, including tax provision review where applicable, for numerous clients including General Electric, EDS, Caltex Petroleum, Hunt Oil Company, Dr. Pepper/Seven Up Companies, Hicks and Haas and Haas, Wheat and Co.

**EDUCATION:**

B. S. in Accounting with honors from The University of Louisville - 1972
J. D. with honors from The University of Louisville School of Law - 1975
L. L. M. in Taxation from New York University School of Law - 1978

Licensed to practice as a Certified Public Accountant in New York and Texas

**REBECCA HURLEY**
**PROFESSIONAL BIOGRAPHY**
**APRIL 2011**

Rebecca Hurley is Executive Vice President, General Counsel, and Secretary of LHP Hospital Group, Inc., a privately owned hospital ownership and management company that partners with not-for-profit hospital systems to provide them with the capital and expertise necessary to achieve their missions. Prior to forming LHP in 2008, Becky was Senior Vice President, General Counsel, and Secretary of Triad Hospitals, Inc., a Fortune 400 company and one of the largest investor-owned hospital companies in the United States. Becky joined Triad in 2002 as its Vice President and Chief Compliance Officer, in which capacity she was responsible for the development and oversight of an industry-leading healthcare regulatory compliance program. Becky later served as Associate General Counsel of Triad before her promotion to General Counsel.

Prior to joining Triad, Becky was an attorney in private practice in Dallas, Texas for almost 20 years, practicing in the areas of federal income tax, mergers and acquisitions, business transactions, and healthcare. She is a 1982 *summa cum laude* graduate of Southern Methodist University Dedman School of Law and a 1976 *summa cum laude* graduate of The University of Texas at Austin. Following her graduation from law school, she was privileged to serve as law clerk to the late Honorable Warren E. Burger, Chief Justice of the United States (1983-1984), and the late Honorable Irving L. Goldberg, United States Court of Appeals for the Fifth Circuit (1982-1983).

Becky is a member of the Board of Directors of American Hospice, a leading provider of hospice services based in Jacksonville, Florida, and of the National Association of Corporate Directors. She is the former President of the International Women's Forum – Dallas and has served on the Board of Visitors of Southern Methodist University Dedman School of Law, the Advisory Board of the Dallas County Community College District Foundation, and the board of the Dallas Opera.

**JAMES BRYANT SHANNON**

**EDUCATION:** **Liberty University,** Lynchburg, Virginia, B.S.
Major: Finance Minor: Political Science
Graduate Magna Cum Laude, May 1986

**Oxford Study Centre**, Wycliffe Hall, Oxford University, Oxford, England
Fellowship through Liberty University in Philosophy and Theology, August 1986.

**WORK EXPERIENCE:**

**Executive Vice President – Acquisition and Development**
LHP Hospital Group, Inc.
2800 N. Dallas Parkway, Suite 200
Plano, Texas 75093

January 2008 – Present
Responsibilities include identifying and analyzing potential joint venture opportunities, negotiating terms, coordinating document preparation, attending closings, oversight of due diligence and transition activities, preparing analysis for recommendation to Board of Directors, conducting briefings on development activities to senior management, coordinating the preparation of certificate-of-need filings where applicable.

**Vice President – Acquisition and Development**
Triad Hospitals, Inc.
5800 Tennyson Parkway
Plano, Texas 75024

May 2002 – July 2007
Responsibilities include identifying and analyzing potential acquisition or joint venture opportunities, negotiating terms, coordinating document preparation, attending closings, oversight of due diligence and transition activities, preparing analysis for recommendation to Capital Committee and Board of Directors, conducting briefings on development activities to senior management, coordinating the preparation of certificate-of-need filings where applicable, and conducting divestiture process for any assets identified by operational management as non-core. Reporting to the Executive Vice President – Acquisition & Development.

**Division Chief Financial Officer**
Triad Hospitals, Inc. – Division 5
13455 Noel Road, 20th Floor
Dallas, Texas 75240

April 1999-April 2002

Direct operational responsibility for 12 acute care hospitals and 1 ambulatory surgery center located in California, Oregon, Texas, and West Virginia. Reporting to the Division President.

**Group Controller**
Columbia/HCA 0 Central Texas Division
10100 Reunion Place
Suite 125
San Antonio, Texas 78248

January 1994 – May 1997

Direct operational responsibility for 13 acute care hospitals and 5 ambulatory surgery centers throughout central Texas totaling 2,500 beds and $700 million in revenue and a central business office which served 14 hospitals in 5 states. Reporting to the Division President.

Major Accomplishments and Activities:
- 128% improvement in same store earnings during last two years
- Successfully complete $181.0 million joint venture between Columbia/HCA and Southwest Texas Methodist Hospital in San Antonio
- Successfully completed the opening of a new 170-bed acute care facility in Austin in partnership with a large multispecialty physician group
- Successfully completed the National Association of Securities Dealers (NASD) coursework for designation as a Registered Representative and represented Columbia/HCA in a syndication of the San Antonio market hospitals through the sale of approximately $7.0 million in stock
- Assisted in the development of marketwide MSO in San Antonio affiliated with several IPSs and medical groups representing approximately 100 primary care physicians
- Facilitated the development of central serve centers in order to consolidate materials management, linen, central sterile, IV preparation, and dietary in the San Antonio and Austin markets and business office, accounting and materials management functions between the Wharton and Victoria markets in order to improve efficiencies and reduce costs
- Facilitated the consolidation of clinical services to reduce excess capacity and cost while enhancing quality and customer satisfaction across the San Antonio and Austin markets

**Chief Financial Officer**
Doctors Regional Medical Center
3315 South Alameda
Corpus Christi, Texas 75413

May 1991 – January 1994

Administrative responsibility over Accounting, Medical Records, Admitting, Business Office, Materials Management, Information Systems, Financial Management, Utilization Management, Payroll, Budget, Managed Care and Quality Management. Developed and implemented a hospital-wide Continuous Quality Improvement program, express registration program for outpatients, direct contracting program for area employers, comprehensive utilization management program including concurrent coding, case

management, DRG optimization, discharge planning, and physician advisor. Reduced lost charges by more than half compared to more cost effective maintenance insurance policies. Significant interaction with the medical staff in the way of recruiting, contracting, UN/QA activities, and medical staff committee work.

**Associate Executive Director/Finance (CFO) – Acting**
Humana Hospital – Audubon
One Audubon Plaza Drive
Louisville, Kentucky 40217

February 1991 – May 1991

**Assistant Executive Director/Finance (Controller)**
Human Hospital – Audubon
One Audubon Plaza Drive
Louisville, Kentucky 40217

April 1989 – February 1991

Direct administrative responsibility over Business Office, Accounting, Payroll, Cash Management, Admitting, Information Systems, Medical Records, Materials Management, Transporters, and Communications department. Responsible for the review and approval of all purchase requisitions, operating and capital budget preparation, completion and submission of governmental reporting, weekly financial and statistical projections, and management reports as requested. Also responsible for negotiating and processing contractual agreements including leases, professional service, recruiting, provider, outside service, transfer, and affiliation agreements. Initiated Internal Audit and Discharge Planning Committees.

**Assistant Executive Director/Finance (Controller)**
Human Hospital – St. Lukes
7700 Parham Road
Richmond, Virginia 23229

June 1988 – April 1989

Direct administrative responsibility over Business Office Accounting, Admitting, Information Systems, Medical Records, Materials Management, Dispatch and Communications. Responsible for capital and operating budget preparation, completion and submission of governmental reporting, review of all capital spending, coordination of all audit activity (internal and external), and management reporting as requested.

**Financial Specialist**
Humana Hospital – St. Lukes
7700 Parham Road
Richmond, Virginia 23229

December 1986 – June 1988

Responsible for developing and implementing Audit Committee. Acted as interim Materials Manager and later as interim Business Office Manager. Assumed the Assistant Executive Director/Finance's responsibilities when that position became vacant. This position included administrative responsibilities over Admitting, Information, Systems, and Medical Records.

**Manager/Salesman**
Coal City Parts Company, Inc.

60 West 4th Avenue
Williamson, West Virginia 25661

May 1980 – September 1986

Worked with my father in family-owned business. Consisted of a chain of four auto/industrial parts stores located in southern West Virginia and Eastern Kentucky. Responsibilities included sales, purchasing, book keeping, scheduling and long-range planning.

**SCHOLARSHIPS AND HONORS:**

- 1994 President's Award for Outstanding Achievement – Columbia/HCA
- Chancellor's Scholarship for Academic Achievement, Liberty University 1982-1983
- Student Government Association President, Liberty University, 1985-1986
- Student Affairs Scholarship, Liberty University, 1985-1986
- National Dean's List, 1984-1986
- Liberty University Dean's List, 1982-1986
- Graduated Magna Cum Laude, Liberty University, 1986
- Valedictorian, Belfry High School, Belfry, Kentucky, 1982 GPA: 4.00

**OUSIDE TEACHING/ SPEAKING ENGAGEMENTS:**

- Texas A&M University – Corpus Christi, Guest Lecturer on Hospital Financial Management in the Business Administration Program, Corpus Christi, Texas, 1993
- Doctors Regional Medical Center, Trainer/Lecturer on Hospital Continuous Quality Improvement and Financial Statement Review and Interpretation, Corpus Christi, Texas, 1992-1993
- Association for Healthcare Philanthropy, Featured Speaker for the Regional Conference in San Antonio, Texas on Joint Venture Relationships Between For-Profit and Not-For-Profit Organizations, San Antonio, Texas 1996
- Global Missions Fellowship, Guest Speaker on Missions Related Fund Raising, Dallas, Texas, 2004-2005
- Healthcare Financial Management Association – Lone Star Chapter, Featured Speaker on Healthcare Joint Venture Relationships, Las Colinas, Texas, 2006
- Healthcare Transactions Conference, Presenter on The Divestiture of Portneuf Medical Center to a Foundation/For-Profit Joint Venture, Chicago, Illinois, November 2009

- Hospitals and Health Systems Conference, Featured Speaker on The Five Most Important Factors In Choosing a Partner, Chicago, Illinois, April 2010
- Association for Corporate Growth – Dallas Chapter, Presenter on the effect of Health Reform on the Hospital Sector, Dallas, Texas, May 2010

**Patricia Ball**

Patricia Ball is Senior Vice President of Strategic Development & Public Affairs of LHP Hospital Group, Inc. and has been a member of the company's senior leadership team since its founding in 2008. Formerly the vice president of marketing and public affairs of Triad Hospitals, Inc., Ms. Ball held the same position with the Pacific and Central Groups of HCA and has served as a division vice president of managed care and business development. She also served as vice president of strategic development and chief marketing officer at several hospitals in Tennessee. She is active with the American Hospital Association and the Federation of American Hospitals. Ms. Ball previously served on the board of directors of the Federation of American Hospitals, where she chaired the legislative committee. A former assistant professor at the University of Tennessee, Knoxville, she served in the Knoxville mayor's cabinet and also served on the Triad Foundation Board of Directors and chaired the Foundation Advisory Board. Ms. Ball has more than 25 years of healthcare experience in both not-for-profit and for-profit settings. Ms. Ball has a bachelor's degree from Radford University in Virginia and master's and doctorate degrees from the University of Tennessee.

# Lawrence "Larry" V. Schunder

**Information Technology** - Working with other business executives and peers to implement appropriate technology solutions, distill complex technology issues into basic components for review by investors, involving executive management as well as operations. Designing, developing, and implementing unique technology combinations to solve business issues, integrate acquisitions, hold the cost on technology investment and create an environment where information is easily and understandably accessible to the business, facilitating decision making.

**Business and Service Line Operations** – Working in large complex multi-national companies and helping to found and grow a successful service start up company. Duties have included all operations, P&L responsibility, sales, marketing, contract negotiations, vendor management, capital acquisition, business acquisition due diligence and integration management. Managed large multi-national organizations of up to 3,000 individuals with P&L responsibility of over $350m annually, contributed as an individual sales person and managed sales organizations with combined quotas of over $100m annually.

**Health Care Expertise**

Executive Administration, working with all levels of hospital administration, physicians, nursing and all clinical and financial departments. Working on the selection, definition, installation and deployment of ARRA certified health care solutions. Working on acceptance and adoption of all requirements for ARRA and associated functions. Negotiating and or reviewing all significant vendor and client contracts for companies over the last 15 years. Also participating in due diligence of potential acquisitions and joint ventures.

Information Technology experience includes but is not limited to software selection/installation, vendor contract negotiations, software integration, custom software creation, telecommunications, Electronic Medical Record (EMR) and Electronic Health Record (EHR) implementation and refinement, data center management (including disaster recovery and business continuation), desktop compatibility/security (HIPPA and PHI).

Health Information Management (HIM) including but not limited to department oversight (department turnaround), chart management, coding and auditing, transcription, security (HIPPA and PHI), Release of Information (ROI) and record storage/destruction (electronic and physical).

Call Center Management of helpdesk, patient registration, admitting, real time and pre-admission adjudication and follow-up collections.

Provider Charging, Billing and Collection for self-pay, Medicare, Medicaid, third party insurers, specialty insurers, management of contractual write downs and gross to net calculations.

**Experience:**

| | |
|---|---|
| **2009 – present** | **LHP Hospital Group**<br>SVP/CIO Business Process |
| **1999 – 2009** | **PHNS Inc.**<br>Chief Operating Officer, President Business Process Outsourcing and equity owner<br>Domestic and Overseas Operations |
| **1991 – 1999** | **Affiliated Computer Services, Inc. (ACS – NYSE)**<br>Group President – Integrated Solutions<br>Senior Vice President – North American Outsourcing<br>Senior Vice President – Electronic Markets<br>Senior Vice President and COO – Western Region Outsourcing<br>Vice President – Account Relations |
| **1990 – 1991** | **Shared Financial Systems**<br>Vice President - International Business Development |
| **1984 – 1990** | **Electronic Data Systems (EDS) (Formerly MTECH Corp.)**<br>Vice President – Business Development (Payment Systems Division)<br>Vice President – New Product Development (Payment Systems Division)<br>International Sales Manager<br>Project Manager |
| **1981 – 1984** | **Price Waterhouse**<br>Senior Staff<br>Staff |
| **1979 – 1980** | **Westinghouse Heavy Industry Motor Division**<br>Programmer |

BBA from University of Texas in Data Processing and Analysis, 1980

# PAUL A. KAPPELMAN, FACHE

**EXPERIENCE**

**LHP Hospital Group,** Plano, TX
Division President, December 2010 – Present

***Responsible for hospital operations and strategic development of 3 operating hospitals. Focusing on development of successful growth strategy and culture.***

**Northwest Medical Center,** Tucson, AZ
Chief Executive Officer, August 2007 – December 2010

***Led and improved a dynamic healthcare network which includes a 300 bed acute care hospital, two joint ventured surgery centers, three urgent cares, multi - specialty physician practice, and net operating revenue over 300 million***

**Oro Valley Hospital,** Oro Valley, AZ
Chief Executive Officer, January 2003 – August 2007

***Led 96 bed de novo hospital project from conception to grand opening, to successful financial, quality, and customer service outcomes***

**Tulane University Hospital & Clinic,** New Orleans, LA
Administrative Resident, Ambulatory Care, January 1997-April 1998

**Rapides Regional Medical Center,** Alexandria, LA
Administrative Analyst, November 1995-June 1996

**St. Charles General Hospital,** New Orleans, LA
Human Resources/Administrative Intern, June 1994-June 1995

**EDUCATION**
**Master of Health Administration,** May 1998
Tulane University, School of Public Health and Tropical Medicine
New Orleans, LA

**Bachelor of Arts,** May 1995
Tulane University, College of Arts and Sciences
New Orleans, LA

**COMMUNITY INVOLVEMENT**

***Played and active leadership role in civic and charitable organizations in Tucson through out my 12 years. Operated under the belief that we must be leaders inside and outside the hospital***

- Chairman, Hospital Council of Southern Arizona
- Past Chairman, Northern Pima County Chamber of Commerce
- Current Board member, Tucson Chamber of Commerce
- Current member, Southern Arizona Leadership Council
- Current Board member, Health Information Network of Arizona
- Advisory Board member for Interfaith Community Services
- Project Graduation, Oro Valley Think Tank, Rotary, Davis Monthan 50,

# DAVID G. NOSACKA, MHA

## EXPERIENCE

2009-Current LHP Hospital Group Plano, TX - Multi-Hospital Private Equity sponsored System, $300m Net Revenue

*Vice President & Division Chief Financial Officer*

- Management
  - Provide oversight of Hospital chief financial officers
  - Provide strategic direction to each facility in achieving individual market specific financial goals and objectives
  - Provide leaderhip and expertise on information technology, auditing and internal controls, managed care contracting, physician practice management, governmental program cost reporting, and other operational initiatives
  - Provide acquisition and due diligence leadership and expertise
- Accomplishments
  - Have achieved >100% of Division financial goals over the last two fiscal years. EBITDA margin as increased from <10% to 17% at end of fiscal year 2010
  - Have achieved cash collections >100% of goals for each fiscal year while converted to new corporate standard Information Techology platform at two facilities
  - Completed system wide conversion to standard Chart of Accounts and financial reporting
  - Completed system wide conversion to standard payroll and productivity management systems
  - Completed two fiscal year end external audits with no material weaknesses noted
  - Completed acquisitions of three imaging centers, and one surgery center as follow on transactions to original hospital acquisition
  - Completed many physician recruitment contracts and hospital based agreements in each location

2007-2009 Creighton University Medical Center Omaha, NE - 334 Beds (academic medical center joint venture), $250m Net Revenue

*Chief Operating and Financial Officer (transitioned Finance to new CFO in Nov 2008)*

- Management
  - Oversee Surgical Services, Pharmacy, Laboratory, Imaging, Facilities, Safety/Security and Information Technology Departmental operations
  - Leader for Cancer, Cardiology, Trauma and Digestive Service Line Planning and Operation
  - Leader for various Performance Improvement initiatives in Patient Safety, Quality Outcomes, and Service Excellence
  - Managed Financial functions for until Nov 2008
- Accomplishments
  - Launched multi-disciplinary initiatives in building volume and clinical service offerings in Cancer, Cardiology, Trauma and Digestive
  - Have successfully negotiated contracts with Veterans Administration for Radiation Therapy and Cardiac Surgery
  - Have been an integral driver of improvements in Reportable measures related to Surgical Infection Prevention metrics
  - Have worked within the Omaha joint Trauma program to petition the State of NE for Level 1 Trauma status
  - Management of an employee base in access of 450 personnel, with annual budget of > $100m
  - Have improved our composite quality metrics scores within the Tenet system from the below the 25$^{th}$ %tile to above the 60$^{th}$ %tile during fiscal year 2008
  - Have successfully rebuilt community based physician referral networks in selected service lines
  - Completed financial settlement with Medicare for $11m related to multiyear beds and gme issues dating back to 2002
  - Instituted daily productivity monitoring and position control systems resulting in departmental responcibility
  - Implemented supply chain initiatives in using reprocessed surgical instruments, vendor sole source agreements for Cardiology, Trauma and Orthopedics
  - Completed redesign of front and back portions of the revenue cycle in conjunction with Tenet's decision to

centralized particular revenue cycle functions

2004-2007 Barberton Citizens Hospital (affiliate of Triad Hospitals) Barberton, OH - 330 Beds (acute, rehab, nurs home, psych, LTAC, teaching hospital, and reference lab), $120m Net Revenue

*Vice President/Chief Financial Officer*

- Management
  - All Fiscal Responsibilities for Joint Venture ownership structure between Triad Hospitals, Summa Health System, and Cleveland Clinic
  - Oversee all Accounting, Business Office, Health Information, Information System, and Managed Care, Central Supply, and Utilization Review operations.
  - Function in partnership with CEO to build volumes through $10m expansion of Cardiology Program to include Open Hearts/Interventional coverage and new $8m free-standing Cancer Center
- Accomplishments
  - Repositioned hospital to qualify for Ohio Disproportionate Share payments in excess of $1m per year
  - Renegotiated Inpatient Rehabilitation contract netting a savings of $600k per year
  - Reconfigured Medicare SNF unit to a Nursing Home netting an additional $750k per year in EBITDA
  - Instituted bi-weekly productivity monitoring system whereby standards and daily monitoring tools were developed for each department
  - Brought Medicaid eligibility and insurance verification in-house
  - Improved case management/utilization review program to include quarterly reviews with physician medical department chairpersons
  - Successfully renegotiated top ten managed care agreements to include Cardiology carve-outs and stop-loss provisions

2003 Heart Hospital of Austin (affiliate of Medcath) Austin, TX - 58 Beds, $70m Net Revenue

*Vice President/Chief Financial Officer*

- Management
  - All Fiscal Responsibilities for Joint Venture ownership

structure between Medcath, Austin Heart, LLP (40 member physician group practice), and Cardiovascular and Thoracic Surgeons, LLP (20 member physician group practice)
  - Oversee all Accounting, Business Office, Health Information, Information System, Central Supply, and Utilization Review operations.
- Accomplishments
  - Renegotiated supply contract for all major Cath and EP Lab supplies netting facility an overall 5% savings or $500k
  - Instituted bi-weekly productivity monitoring system whereby standards and daily monitoring tools were developed for each department
  - Educated physicians on cardiology reimbursement changes, whereby new payment methodologies would produce over $2.5m in additional Net Revenues per year for the facility

Left this position with Medcath due to capitalization issues at Medcath, Inc. and being recruited by former colleagues at Triad Hospitals

2001-2002 Payson Regional Medical Center (affiliate of Community Health Systems) Payson, AZ - 70 Beds, $35m Net Revenue

*Chief Financial and Compliance Officer*

- Management
  - Oversee all Accounting, Business Office, Health Information, Information System, Central Supply, and Utilization Review operations.
  - Manage an eight provider multi-specialty clinic practice spread throughout three locations in Northern Arizona
  - Function as the Compliance Officer for all CHS corporate compliance policies and initiatives
  - Function in partnership with CEO to build volumes through emergency department, primary care, and surgical service initiatives
- Accomplishments
  - Effectively maximized rate and chargemaster opportunities to capture improved reimbursement
  - Instituted bi-weekly productivity monitoring system, which has effectively realized a 2% of Net Revenue improvement over prior years
  - Guidance of all Revenue Cycle operations, which have

reduced Net AR days to 58, a 50% reduction in bad debt expense, and reduce A/R > 91 days to below 10% of total AR

- Reduced consolidated clinic losses from $500k to less $150k.
- Improved corporate purchasing agreement compliance to greater than 96%, ranked 10th out of 65 hospitals

1998-2000 HCA-The Healthcare Company (Delta Division Office) New Orleans, LA - 18 Hospitals, $1.5b Net Revenue. Positions included: *1) CFO Development Program - formal training program designed by HCA to train future CFOs* and *2) Director of Strategic Planning and Business Development* for Tulane University Hospital & Clinic. Recruited back to Community Health Systems in 2001 for CFO position at Payson Regional Medical Center.

1996-1998 Community Health Systems, Inc. Brentwood, TN - largest non-urban publicly traded hospital company. Positions included: *1) Assistant Group Controller-Group II, 2) Acquisitions Analyst, and 3) Financial Analyst.* Left in 1998 to move back to New Orleans, pursue Masters degree from Tulane University Medical School and work for HCA-The Healthcare company.

1995 - 1996 Physician Management Group, Inc. New Orleans, LA - management and consulting for physician practices as an *Accounting Manager.*

## EDUCATION/PROFESSIONAL

1999 - 2001 Tulane University Medical School New Orleans, LA

- Masters in Healthcare Administration
- Emphasis on business administration

1996 University of New Orleans New Orleans, LA

- B.S. General Business
- Minor: Accounting/Business Administration, Public Health and Sociology

Professional Development

- Member ACHE and HFMA

## COMPUTER SKILLS

- All HCA Financial Programs (Clear Access, Vista)
- Meditech, HMS, QuadraMed and McKesson Hospital Operating Systems

# BRADY D. STURGEON

## Vice President
### Business Development

Dynamic leader with extensive experience in healthcare business development and hospital financial management.

### Core Competencies

Asset Valuations • Financial Pro forma Modeling • Demographic Analyses • Joint Venture Creation
Due Diligence Completion • Transaction Negotiations • Working Capital Settlements
Operating Budget Development • Labor Productivity Management • Capital Expenditure Management
Managed Care Contract Modeling • Personnel Management • Monthly Close Process

## Professional Experience

**LHP Hospital Group, Inc.**

(LHP [formerly known as Legacy Hospital Partners] is a privately held company established to provide essential capital and management expertise to not-for-profit hospitals and hospital systems by forming joint venture partnerships.)

***Vice President of Development (2008 – Present)***

One of seven founding members of the company with the primary responsibility of exploring and assessing growth opportunities for LHP with a focus on creating joint ventures with not-for-profit hospitals and health systems. Responsibilities include evaluating, recommending, and presenting potential transactions to LHP's Development Committee and Board of Directors.

Additional responsibilities and accomplishments include:

- Provide all analyses used to determine if transactions meet the financial and strategic goals and objectives of LHP, including asset valuations and determination of transaction offer prices.
- Respond to external requests for proposals.
- Development of detailed pro forma financial statements.
- Negotiation of terms and conditions of transactions.
- Manage due diligence process from initial document request through finalizing and summarizing findings.
- Key contributor in closing on LHP's first two joint ventures.

**Triad Hospitals, Inc.**

(Acquired by Community Health Systems, Inc. [NYSE: CYH] in 2007, Triad [former NYSE: TRI] owned and operated 53 hospitals and 13 ambulatory surgery centers. Revenues in 2006 were approximately $5.5 billion.)

***Director of Acquisition & Development (2004 – 2007)***

Responsible for exploring and assessing growth opportunities for Triad, including the acquisition of existing facilities, creation of joint ventures, and development of de novo hospital projects. Responsibilities included identifying new market opportunities, responding to external requests for proposals, proposal writing, proposal presentation, review and negotiation of terms and conditions of transactions, and the development of detailed pro forma financial statements.

Additional responsibilities and accomplishments included:

- Key contributor to Triad's success in joint venturing and transitioning several facilities into the Triad system that included Gateway Medical Center in Clarksville, TN; Baptist Montclair Medical Center in Birmingham, AL; and Deaconess Hospital in Oklahoma City, OK.
- Provided strategic, financial, and detail pro forma analyses used to determine if potential transactions met the financial and strategic goals and objectives of Triad, including asset valuations and determination of transaction offer prices.
- Managed the successful divestiture of 4 facilities.
- Leader of Due Diligence Team, consisting of approximately 15 VP's or Department Directors that represent major operational departments at the corporate office.
- Established a comprehensive and organized Due Diligence Process that included initial document request through finalizing and summarizing findings that are reported to Senior Management.
- Transitioned new facilities into Triad by co-chairing Triad's Transition Team Committee, consisting of approximately 25 VP's or Department Directors that represent major operational departments at the corporate office.
- Created and presented each transaction's Capital Expenditure Request Package to Senior Management for approval.

**PROFESSIONAL EXPERIENCE (CONT.)**

- Successfully modified Triad's A&D Capital Expenditure Package resulting in improved presentations to Triad Senior Management and Board of Directors.
- Managed post-closing working capital settlements between Triad and other parties.

## HCA, Inc.

(Privately held since 2006, HCA Inc. [formerly known as HCA–The Healthcare Company, which was in turn formerly known as Columbia/HCA] is the largest for-profit hospital operator in the U.S. The company owns and manages 163 hospitals and 112 outpatient centers in 20 states and England. Revenues in 2008 were in excess of $28 billion.)

**Medical Center of Plano**
(427 bed full service acute care hospital, annual revenue in excess of $275 million)
***Controller / Director of Finance and Information Technology & Systems (1998 – 2004)***
In addition to managing the Accounting and Information Technology & Systems Departments, responsibilities and accomplishments included:

- Interim Chief Financial Officer in 2002 and 2003.
- Instrumental in receiving approval for $110 million expansion project completed in 2001.
- Served as Chief Staffing Officer over labor productivity system including establishing and monitoring productivity levels.
- Responsible for approving all capital expenditures including pro forma analysis to determine best uses of hospital funds.
- Implemented charge master standardization project as part of HCA market initiative.
- Managed accounting transition of accounts payable and business office functions to centralized operations as part of HCA Corporate initiative.
- Completed turnaround of IT&S Department that included establishing customer call center and trouble ticket tracking system that improved customer service and response and resolution times.
- Developed efficient alternative to HCA's budgeting system to meet the needs of facility.
- Developed and presented Frisco, TX Market Analysis and Business Development Plan to HCA senior management.

**Medical Center of Las Colinas**
(100 bed full service acute care hospital, annual revenue in excess of $11 million)
***Controller / Director of Finance and Materials Management (1997)***
Responsible for managing the Accounting and Materials Management Departments, which included managing the monthly close process, preparing monthly financial reports, financial analysis of departmental operations, and completing the annual budget.

**Corporate Office**
***Senior Financial Analyst, Western and International Groups (1995 - 1997)***
Responsible for assisting Group Chief Financial Officers with the financial management of 65 hospitals in the Western United States, England, Switzerland, and Spain with approximate annual net revenues of $4 billion. Responsibilities included monthly financial and statistical reporting, financial analysis of operations, balance sheet reviews, and variance analysis.

***Regional Accountant, Ambulatory Surgery Division (1993 – 1995)***
(Transitioned with Medical Care America merger.) Responsible for preparing and reviewing monthly financial statements for eight surgery centers, three physical therapy centers, and eight general partnership entities. Responsibilities also included recording eliminating entries for corporate consolidation, preparation of quarterly cash flow statements, determination of cash distributions to physician partners, and performing internal audits at surgery centers.

# Education

**Texas A&M University**, College Station, Texas
B.B.A. in Accounting, May 1993

# References

Available upon request

# Saint Mary's – Senior Leaders

# Curriculum Vitae

## CAREER PROFILE

- **Visionary** and results-oriented leader with a diverse background in faith-based, academic and community-based hospital settings with a proven record of success working in competitive markets.
- **Successful** in leading complex financial turnarounds, identifying consumer and organizational needs, and implementing multi-faceted strategies across complex organizations to achieve positive financial and clinical results.
- **Effective** in leading organizational transformation and cultural change.
- **Creative** and innovative problem-solver with demonstrated expertise in strategic planning, revenue cycle improvement, program development, performance improvement, facility planning and physician relations.
- **Focused** relentlessly on advocating for patient-centered care using a results oriented approach to achieving high quality and high service performance.
- **Entrepreneurial** spirit willing to challenge the status quo.
- **Engaging** personality able to relate well with all levels of staff, physicians and community leaders.

## EXPERIENCE

**Saint Mary's Health System, Inc., Waterbury, CT**
Integrated network of healthcare services including Saint Mary's Hospital (347 beds), Saint Mary's Hospital Foundation, Saint Mary's Indemnity Company, Naugatuck Valley Surgical Center, Harold Leever Regional Cancer Center, Heart Center of Greater Waterbury, Diagnostic Radiology of Southbury, Naugatuck Valley MRI, Franklin Medical Group, Primary Care Partners and Scovill Medical Group. Annual net revenues exceeding $260 million, 350 active members of the medical staff and 1,800 staff.

**President and Chief Executive Officer (2008-present)**

**Major Accomplishments:**

- ✓ Opened three OR expansion at the freestanding surgical center making it the largest freestanding surgical center in CT.
- ✓ Improved patient satisfaction scores over 50 percentile points.
- ✓ Reduced patient falls over 30% annually.
- ✓ Reduced hospital acquired infection over 25% annually.
- ✓ Achieved top decile for 60% of all reportable CMS Core Measures
- ✓ Achieved permanent CON status for joint open heart and angioplasty program following three year demonstration project, the first program of its kind approved in Connecticut.
- ✓ Successfully implemented a consolidation of pediatric services in Waterbury with Connecticut Children's Medical Center establishing a hospital within a hospital at Saint Mary's Hospital.
- ✓ Achieved recognition by AHA *Get with the Guidelines* as a Gold Award Hospital for treatment of heart failure and acute myocardial infarction.
- ✓ Received successful reaccreditation of level 2 trauma service
- ✓ Achieved status as a primary stroke center.
- ✓ Established a partnership with VITAS for a 12 bed inpatient hospice.

**Executive Vice President, Strategy Development and System Operations (2008)**
Responsible for all system operations including affiliate operations, eight Hospital satellite operations and various divisions of the Hospital. Also responsible for strategic management, business development and community relations activities for the Health System. Acts as CEO in his/her absence. Responsible for managing a combined $60 million operating budget, $120 million in net revenue and 700 staff.

**Major Accomplishments:**

- ✓ Led board workgroup through a planning process to determine go/no go decision for pursuing a merger consolidating the two local health systems.
- ✓ Achieved successful JACHO survey review with reaccreditation.
- ✓ Implemented expanded radiation oncology program to include radiosurgery and dIMRT.
- ✓ Developed plan and received State approvals for a three OR expansion at freestanding surgical center.

**Vice President of Ambulatory Operations and Business Development (2003-2008)**

Responsible for strategic management, business development and community relations activities for the Health System. Responsible for all outpatient operations within the Health System with responsibility for growing market share, achieving Balanced Scorecard results and leading change within the organization.

**Major Accomplishments:**

- ✓ Served as a member of the senior management team responsible for successfully implementing a $24M financial turnaround plan.
- ✓ Led the planning, development and CON process for the establishment of a collaborative open heart and cardiac angioplasty program.
- ✓ Successfully recruited several physicians including several internists, a breast surgeon, neurosurgeon, neurologist and a cardiothoracic surgical team.
- ✓ Led the development of a new Stroke Program consistent with the American Stroke Association *Get with the Guidelines* program.
- ✓ Led the development of a Bariatric Surgical Program in pursuit of accommodation as a Center of Excellence by the ASMBS and SRC.
- ✓ Established comprehensive community benefits program.
- ✓ Led the development of a comprehensive women's & breast services strategy including a new breast surgical practice and the development of diagnostic services.
- ✓ Led redesign of ambulatory care delivery system including six new outpatient facilities and enhanced technology resulting in over $1.0 million in annual incremental income.
- ✓ Introduced new patient advocacy program including patient rounding, real-time recovery process and a functional reporting system.
- ✓ Led team responsible for coordinating and developing an affiliation strategy including assessing local consolidation and national partnership options.
- ✓ Led the redesign of a primary care network of hospital sponsored and private practices.
- ✓ Led the establishment of the first freestanding hospital-owned MRI Center in Waterbury.

**Corporate Director of Strategic Planning and Business Development (2002-2003)**

Responsible for leading the Board and Senior Management through a comprehensive strategic planning process resulting in the first system-wide long range strategic plan including master facility, medical staff development, quality improvement, image improvement, information systems and long range financial plans. Provided management support for marketing, community relations, medical staff development, imaging services, health information management, plant operations and support services. Reported directly to President & CEO.

**Major Accomplishments:**

- ✓ Lead annual strategic planning process including annual update of a five year strategic plan.
- ✓ Designed and administered a Balanced Scorecard for enhancing relationships, clinical effectiveness and improving operating performance.
- ✓ Led the completion of a comprehensive master facility plan including optimizing the current facility and long term options for rebuilding in place and new construction.

- ✓ Led the completion of the medical staff development plan including a community needs assessment, physician satisfaction survey and the establishment of physician recruiting policies, procedures and strategies.
- ✓ Designed and implemented an image improvement strategy including the redesign of the marketing and community relations functions resulting in dramatically improved brand identity and consumer perception.
- ✓ Led redesign of imaging services including establishment of a new professional services agreement with a local radiology group.
- ✓ Led team responsible for improved charge capture and front-end revenue cycle improvement.

**Monongalia Health System, Inc., Morgantown, WV**
Integrated network of healthcare services including Mon General Hospital (220 beds), The Foundation of Mon General Hospital, MonHealthcare Equipment & Supplies, Monongalia EMS, The Village at Heritage Point, Healthworks Rehab & Fitness, Care Partners, HealthSouth Rehab Hospital. Annual net revenues exceeding $120 million and 1,200 staff.

**Director of Strategic Planning and Business Development (2000-2002)**
Responsible for managing the corporate business development and strategic planning activities for the health system. Report directly to President & CEO.

**Major Accomplishments:**

- ✓ Led the planning, design and implementation of a three hospital loose affiliation network for joint service development, managed care contracting and group purchasing.
- ✓ Led the planning and design for a 24,000 square foot medical office and ambulatory care facility.
- ✓ Led the development of new service lines including outpatient wound care, sleep services, complementary medicine and retail healthcare services.
- ✓ Implemented a comprehensive wellness and complementary medicine initiative resulting in increased patient satisfaction and new revenue streams as well as staff maintenance programs to reduce staff health insurance costs.

**Strategic Analyst (1999-2000)**

**Post-graduate Internship, Healthcare Administration (1999)**

**West Virginia University, Morgantown, WV**

**Instructor, Community Health Education (1998-1999)**

## EDUCATION

**Master of Business Administration,** August 2002
West Virginia University, Morgantown, WV

**Master of Science in Community Health Education,** December 1999
West Virginia University, Morgantown, WV

**Master Certificate in Healthcare Administration,** December 1999
West Virginia University, Morgantown, WV

**Bachelor of Science in Biology,** May 1998
West Virginia University, Morgantown, WV

## PROFESSIONAL AFFILIATIONS

Connecticut Hospital Association – Board of Directors
American College of Healthcare Executives – Fellow
CT Chapter American College of Healthcare Executives – Board of Directors

## COMMUNITY SERVICE

United Way of Greater Waterbury, Board of Directors, Vice Chair
Greater Waterbury YMCA, Board of Directors
Waterbury Regional Chamber of Commerce, Board of Directors
Rezziliant, Inc., Board of Advisors
Visiting Nursing Association, Board of Directors (2004-2007)
Greater Waterbury Chamber of Commerce, Leadership Connecticut Program (2003)

## AWARDS AND HONORS

- ✓ Modern Healthcare "Up & Comers" Award recipient (2010)
- ✓ American College of Healthcare Executives, Early Careerist Award, Connecticut Chapter (2006)
- ✓ West Virginia University, Varsity Football
  - Big-East Conference Scholar-Athlete first team (1994-1997)
  - Ira E. Rogers Award for high leadership, academic qualities, and football performance (1997)

## SUMMARY

A senior level financial professional, with over 20 years of experience primarily in the healthcare industry, with broad experience and proven success in the areas of financial planning, budget and reimbursement, decision support, managed care, and general accounting.

## EXPERIENCE

**Saint Mary's Hospital** ***(A member of the Saint Mary's Health System)***

*The System, comprised of the parent and nine subsidiaries, posts annual net revenue of approximately $250 million. Subsidiary companies include a Surgical Center, Imaging Centers, Primary Care and Specialty Physician Practices, Insurance Captives, and a Foundation.*

**Corporate Director of Finance 2007 – 2011**

**Responsibilities**

- Manage twenty employees in the Accounting, Decision Support, Budget, Reimbursement, Managed Care, Payroll, and Accounts Payable departments
- Present financial information to Boards, Committees, and Leadership
- Review annual operating and capital budgets, financial packages and presentations, business plans, and regulatory filings prior to CFO approval
- Participate in initiatives that improve revenue cycle, supply chain management, and physician integration
- Serve on affiliate Boards and Finance Committees
- Manage the treasury function

**Accomplishments**

- Strengthened the organizations financial position by increasing days cash on hand from 26 to 60, paying off a line of credit, and increasing pension funding
- Contributed to CON applications that consolidated inpatient pediatric services in the market, gained permanent program status for the Waterbury cardiac care program, and received approval for major capital acquisitions
- Developed the five year financial model used to support the organization's annual strategic plan and state hardship grant filings
- Brought the internal audit function in house, reducing costs while increasing quantity and quality of internal audits

**Corporate Controller 2006 –2007**

**Responsibilities**

- Managed ten employees in the Accounting, Payroll, and Accounts Payable departments
- Presented financial information to Boards, Committees, and Leadership
- Prepared monthly financial packages and presentations
- Coordinated the external audit function
- Responsible for all tax filings
- Assisted with cost report and budget preparation

**Accomplishments**

- Restructured the cash management and treasury functions
- Improved the monthly financials by shortening the close process to ten business days and by developing new financial reports and presentations
- Restructured the payroll department, eliminating three per diem positions by installing Kronos Workforce Central and by converting subsidiary payrolls from ADP to in house system
- Renegotiated line and letters of credit, increasing line availability and reducing interest and service fees
- Assisted in the negotiation of a forbearance agreement with a majority of the organization's bondholders

**Hospital of Saint Raphael** ***(A member of the Saint Raphael Healthcare System)***
*The System, comprised of the parent and eight subsidiaries, posts annual net revenue of approximately $500 million. Subsidiary companies include a Long Term Care Facility, Surgical Center, Physician Practices, Insurance Captives, and a Foundation.*

**Accounting Manager** **2000 – 2006**

- Managed ten employees in the Accounting, Payroll, and Accounts Payable departments
- Facilitated monthly close, delivering complete financial packages within seven business days
- Coordinated year-end audit work meeting thirty day sign off requirement
- Reviewed, designed, and implemented changes to information systems
- Prepared cash forecasts, budgets, cost report schedules, grant reports, and tax returns
- Prepared and presented financial reports to Boards and Committees
- Established and maintained internal control procedures

**Senior Accountant** **1997 –2000**

- Recorded and reconciled financial information of the hospital and its affiliates
- Utilized analytical techniques to verify the reasonableness of financial information
- Prepared complete financial packages, budgets, cost reports, and tax returns

**T.M. Byxbee Company, P.C. 1994 –1997**
A local CPA firm, providing accounting and tax services to not-for-profits and family owned businesses located in Connecticut. The firm is comprised of six partners and ten professional staff. As a Senior Accountant, I supervised audit and review engagements of manufacturers and construction contractors, provided accounting services to retail and professional service organizations, prepared financial statements and tax returns, and researched accounting issues for proper financial presentation and tax consequences. While at the firm, I had the opportunity to manage the audit of the firm's largest manufacturing client ($100 million in annual sales), audit multi-year construction contracts, and manage the audit related to an insurance agency IPO.

**Landa & Altsher, P.C.** **1989 –1994**
A regional CPA firm located in Massachusetts, which provided auditing, accounting, and consulting services to over 300 healthcare clients in five New England states. The firm was comprised of six partners and sixty professional staff. On January 1, 2008 the firm merged into Larson Allen, a national CPA firm specializing in providing a variety of accounting and consulting services to senior living healthcare facilities. As a Senior Accountant, I supervised audit and review engagements for a variety of healthcare organizations, prepared Medicare and Medicaid cost reports, reviewed desk audits and analyzed rates issued by state agencies and insurance intermediaries, and represented clients during audits performed by regulatory agencies.

**TEACHING EXPERIENCE**
**Quinnipiac University** **2010 – Present**
Part Time Faculty - Adjunct Accounting Professor

**EDUCATION**
Bryant University, BSBA – 1989
Quinnipiac University, MBA – 2009

# JOHN K. SHARP

## Chief Financial Officer

Experienced and goal-oriented Chief Financial Officer with a demonstrated track record of leading operations to achieve financial growth. Proven expertise in driving efficiency and productivity through evaluation of financial management systems and implementation of process improvements. Talented leader directing highly skilled management teams to support achievement of overall goals and objectives. *Core competencies include:*

- A/R Reduction
- Budgeting
- Cost Reductions
- Efficiency Improvements
- Financial/Operational Analysis
- Forecasting
- Increased Employee Satisfaction
- Regulatory Compliance
- Technology Integration

## CAREER EXPERIENCE

BROWNWOOD REGIONAL MEDICAL CENTER, Brownwood, TX

**Chief Financial Officer** **2004 - Present**

Directed financial operations and management of the hospital. Created weekly and monthly operational snapshots to make effective decisions. Developed financial management team to achieve established goals, including financial, personnel and personal objectives. Interact with Board of Trustees and medical staff concerning financial forecasting and operational decisions.

- EBITDA margin percent growth from 11% in 2007 to 17% in 2010.
- 2009 Excellence in Leadership Award Recipient.
- Spearheaded implementation of supply cost reduction team, new supply evaluation team and vendor guide to reduce supply costs by 4.3%.
- Strategically restructured Business Office and Registration staff to reduce bad debt from 18% to 16% of net revenue.
- Served as key leader in evaluating and negotiating acquisitions of physician owned surgery center, physician owned diagnostic center and largest physician practice in the area increasing 23% annual growth.

**Controller** **2002 - 2004**

Prepared financial reports, developed budgets, and performed variance analysis in accordance with business plan. Compiled periodic financial reporting packages for senior management. Carried out internal audits to ensure regulatory compliance and operational efficiency/accuracy. Built and led teams in carrying out special projects.

- Reduced monthly closing cycle by three days with identification and recommendation of enhanced closing procedures.
- Awarded as employee of the year for 1999 in recognition of outstanding performance.

*Continued...*

## CAREER EXPERIENCE CONTINUED

**Sr. Staff Accountant** **1998 - 2002**

Closed and prepared monthly financial statements and audit reports. Performed monthly account reconciliations and monitored general ledger transactions. Worked in collaboration with controller to ensure accuracy and integrity of financial information in support of overall business objectives.

*Key Achievements:*

- Saved more than $40,000 in annual expenses through identification of inaccurate and unnecessary vendor payments.
- Increased productivity levels by providing key contributions toward automation of account reconciliation processes.

**Staff Accountant** **1996 - 1998**

Carried out general ledger functions, including account analysis and reconciliation, journal entries, and AR/AP. Prepared financial statements

*Key Achievement:*

- Consistently met deadlines while demonstrating strong analytical and problem-solving skills to achieve corporate objectives.

## EDUCATION

**Bachelor of Business Administration, Accounting & Finance** (1996)
HOWARD PAYNE UNIVERISTY – Brownwood, TX

## REFERENCES AVAILABLE UPON REQUEST

# STEPHEN T. HOLLAND, M.D., F.A.C.E.P., A.B.I.M., M.P.A.

**EDUCATION:**

University of Maryland
Fifth Pathway Program
Baltimore, Maryland
Fifth Pathway Certificate, 1984

Universidad del Noreste
Tampico, Tamps, Mexico
M.D., 1983

Clark University
Worcester, Massachusetts
M.P.A./P.H., 1978

College of the Holy Cross
Worcester, Massachusetts
B.A. Biology, 1976

**TRAINING:**

Internal Medicine Residency
St. Mary's Hospital
Waterbury, CT
July 1984- June 1987

**BOARD CERTIFICATION**:

American Board of Emergency Medicine, July 1996
ABEM Recertified, December 2005
American Board of Internal Medicine, Sept. 1988

**PROFESSIONAL CERTIFICATION:**

Pediatric Advanced Life Support, since April 1991
Advanced Trauma Life Support, since November 1986
Advanced Cardiac Life Support, since October 1985

**LICENSURE:**

Connecticut #027428
New York (inactive) #163440

**PROFESSIONAL SOCIETY MEMBERSHIP:**

Fellow, American College of Emergency Physicians
Fellow, American Professional Wound Care Association
Waterbury Medical Association
Member, American College of Health Executives
Member, American College of Physician Executives

**PROFESSIONAL EXPERIENCE**:

HOSPITAL: Chief Medical Officer
St. Mary's Hospital
Waterbury, Connecticut
Part-time March 2008 to April 2009
Full-time May 2009 to present

Associate Director, Department of Emergency Services
St. Mary's Hospital
Waterbury, Connecticut
June 1993 to April 2009

Emergency Dept. Physician (full-time)
St. Mary's Hospital
Waterbury, Connecticut
November 1987 to May 1993

Staff Physician, Emergency Dept.
Veteran's Administration Medical Center
Newington, Connecticut
June 1987 to November 1987

Emergency Dept. Physician (part-time)
St. Mary's Hospital
Waterbury, Connecticut
September 1986 to November 1987

PRIVATE: Stephen T. Holland, MD, Associates
EMS Consultant
July 22, 2002 to present

**APPOINTMENTS:**

HOSPITAL: Chief of Staff
Chairman, Medical Executive Committee
St. Mary's Hospital
January 2006 to December 2008

Administrative Council
St. Mary's Hospital
March 2008 to present

Board Member
St. Mary's Health Systems
January 2006 to December 2008

Board Member
Scovill Medical Group
St. Mary's Hospital
2006 to present

Medical Director, Wound Healing Center
National Healing Corporation
St. Mary's Hospital
Feb. 2005 to 2009

Associate Chief of Staff
St. Mary's Hospital
January 2003 to December 2005

Director of Injury Prevention
St. Mary's Hospital
Waterbury, Connecticut
April 1999 to May 2008

Associate Director, EMS
St. Mary's Hospital
Waterbury, Connecticut
June 1993 to February 2007

Member, Medical Executive Committee
St. Mary's Hospital
Waterbury, Connecticut
January 1995 to present

Chief Medical Resident
St. Mary's Hospital
Waterbury, Connecticut
December 1986 to June 1987

ACADEMIC: Clinical Adjunct Assistant Professor
School of Health Sciences
Quinnipiac University
August 2002 to present

Clinical Instructor
Dept. of Traumatology & Emergency Medicine
Univ. of Conn. School of Medicine
July 1997 to present

Clinical Instructor, Joint Appt.
Dept. of Medicine
Univ. of Conn. School of Medicine
Sept. 1993 to present

Clinical Instructor
Dept. of Surgery/Emergency Medicine
Univ. of Conn. School of Medicine
July 1991 to June 1997

MEDICAL: Executive Board Member
Board of Directors
Physician Hospital Organization
St. Mary's Hospital
January 2004 to May 2008

President,
Waterbury Medical Association
Waterbury, Connecticut
January 2001 to December 2003

Executive Board Member
Waterbury Medical Association
Waterbury, Connecticut
January 1998 to present

Chairman
Operation Stroke, New Haven County
American Stroke Association
January 2001 to December 2003

Member, Federal Govt. Affairs Committee
American College of Emergency Physicians
January 2001 to December 2003

Councillor
American College of Emergency Physicians
January 1998 to December 2004

President
CT College of Emergency Physicians
January 1999 to December 1999

Secretary/Treasurer
CT College of Emergency Physicians
January 1997 to December 1997

President
Scovill Medical Group, P.C.
Waterbury, CT
January 1996 to November 2004

Chairman, Access to Emergency Health Care
CT College of Emergency Physicians
February 1995 to December 1998

Member, State Legislative/ Regulatory Committee
American College of Emergency Physicians
January 1995 to December 1999

Chairman, Govt. Affairs Committee
CT College of Emergency Physicians
January 1993 to March 2005

Chairman, Public Safety Committee
CT College of Emergency Physicians
January 1991 to December 1993

Board of Directors
CT College of Emergency Physicians
January 1991 to December 1997

**CONSULTANT**: Dept. of Transportation (Federal)
Transportation Safeguards Division
SBI Security Clearance
May 2001 to November 2005

Medical Review Panel Member
Office of Polar Programs
National Science Foundation
April 2003 to present

National Park Service
National Mall and Memorial Park
EMS Needs Assessment
2006

**COMMUNITY AFFAIRS:**

Medical Director, Heartsaver CPR and AED Program
Holy Cross High School
Waterbury, CT
May 2004 to present

Member, Heart and Stroke Committee
Halliden Fund
Waterbury Foundation
March 2003 to June 2005

Medical Director,
Greater Waterbury SAFE KIDS
January 1999 to present

Board Member,
CT Advocates for Highway and Auto Safety
April 1995 to March 2002

State Police Surgeon
CT State Police
February 1989 to present

**AWARDS:**

Archbishop's Award for Integrity
St. Mary's Hospital
Waterbury, CT
May 2005

Safety Leader Award
Advocates for Auto and Highway Safety
July 1996

Phil Stent Award
Outstanding CT Emergency Physician of the Year
November 2001

**SPEAKING ENGAGEMENTS:**

"Origins of EMS and the Emergence of TEMS and TCCC"
Annual Spring Symposium
CT College of Emergency Physicians
Foxwoods, CT
March 12, 2004

"Prevention of VTE"
Bristol Hospital Grand Rounds
Bristol, CT
March 3, 2004

"EMS Response for Police Training"
International Assoc. Chiefs of Police
Philadelphia, PA
October 24, 2003

"EMS Response"
DOE Annual Medical Conference
Ft. Chaffee, AR
January 27, 2003

"Death and Bereavement in the E.D."
Grand Rounds, Emergency Medicine
Yale University
March 16, 2000
"Death and Bereavement in the E.D."
Grand Rounds, Emergency Medicine
University of Connecticut
January 4, 2000

"Legislative Issues for Emergency Medicine in CT"
Grand Rounds, Emergency Medicine
Yale University
May 14, 1997

Speaker, Legislative Issues Forum
American College of Emergency Physicians
Washington, DC
April 1996

"Podiatric Manifestations of Systemic Disease"
Connecticut Podiatric Symposium
Mystic, CT
July 1995

"Medical Considerations in Ambulatory Surgery"
Yankee Podiatric Medical and Surgical Conference
Boston, MA
November 1993

"Legislative Issues for Emergency Medicine in CT"
Grand Rounds, Integrated Residency in Emer. Medicine
University of Connecticut Medical Center
August 1993

"Common Office Emergencies"
Yankee Podiatric Medical and Surgical Conference
Boston, MA
October 1992

**ARTICLES:** Holland S., "Bicycle Helmets: A Case Study on Improving the Public Health" The Connection, January 1998.

**VIDEOS:** "Death and Bereavement- Extending Our Care to the Family"
ACEP Chapter Grant (22 minutes)
Distributed to all CT E.D.s and all U.S. E.M. Residency Programs

## Joseph Connolly

**Professional Experience**

**Chief Marketing and Government Relations Officer, Saint Mary's Hospital** **2008 - present**

**Director of Marketing & Community Relations** **2003-2008**

Participate as a member of the hospital's senior leadership team. Lead all government relations and advocacy activities at a federal, state and local level. Responsible for the creation and implementation of a comprehensive marketing plan that has resulted in a 10% gain in market share. Communicate effectively with a broad base of audiences and constituencies, including hospital staff, physicians, local business leaders, legislators and other government officials, and the community.
General areas of responsibility include:

*Strategic Planning:* Responsible for the development of the overall strategic marketing plan for Saint Mary's Health System, which consists of more than ten separate facilities, including Saint Mary's Hospital, three community Health and Wellness Centers, two Sleep Disorders Laboratories, and a Wound Healing Center.

*Publication Development:* Provide overall leadership, editorial support and creative direction for three major publications with a combined circulation of more than 200,000. Supervise a team of writers, designers, and photographers who together produce 21 separate issues annually.

*Government Relations*: Prepare and implement hospital's legislative agenda. Develop working relationships with local legislative delegation and elected officials at all levels. Coordinate activities with industry associations and other special interest groups. Represent hospital at General Assembly.

*Affiliate Marketing*: Work directly with Executive Directors to provide marketing leadership and oversight for the Naugatuck Valley Surgical Center, Heart Center of Greater Waterbury and Harold Leever Regional Cancer Center.

*Service line Support*: Work with individual service line leaders to brainstorm, create and implement multi-faceted marketing programs to achieve specific performance objectives. Campaigns typically include print advertising, direct mail, and internet components.

*Media Relations*: Responsible for creating media plans and strategies. Regularly act as media spokesperson for newspaper, radio and TV. Develop specific action plans and strategies for crisis communications. Identify appropriate hospital representatives on a case-by-case basis in response to media inquiries. Provide media coaching and support for hospital leadership and management.

*Special Events*: Provide extensive marketing support for all hospital and Foundation special events such as annual gala, golf tournament, employee award & recognition event, annual meeting and leadership retreats.

**Founder & President** **Aro Strategic Marketing** **2000-present**
Led entrepreneurial company focused on providing strategic marketing services to diversified clients including companies in the high-tech, banking, manufacturing, professional services, start-up and non-profit sectors. Managed successful, results-driven senior-level relationships with all clients.

- Produced comprehensive marketing campaigns (using print, broadcast, and digital media) from concept through completion
- Helped clients achieve specific marketing goals related to market awareness, revenue generation, and growth
- Created roster of strategic partners throughout North America providing related services such as printing, video production, photography, and web development
- Presented various marketing programs to professional and business organizations
- Wrote regular marketing column in the CT Tech Tribune

**Founder, President & Creative Director** **Connolly & Connolly, Inc.** **1990-2000**
Launched a full-service marketing communications company in 1990 and grew it to fee-based revenues of $1.5 million annually. Provided day-to-day leadership and management for an in-house team of communications professionals including graphic designers, computer specialists, account managers, and administrative staff.

- Developed effective, reproducible processes for combining strategic planning with creative development to achieve client goals and objectives
- Coordinated domestic client work with international offices throughout the world, including Asia, Europe and South America
- Presented strategies and concepts to clients to achieve buy-in and approval for implementation
- Served as two-term president of the Connecticut Art Directors Club

**Adjunct Professor** **The University of Connecticut** **2007-present**
Taught graduate level marketing courses at the university's Hartford and Waterbury campuses.

- Integrated Marketing Communications (MKTG 362)
- Services Marketing (MKTG 314)
- Received student rankings of 9.8

**Community involvement**

- Chairman, Board of Directors, Waterbury Health Council (Greater Waterbury Regional Chamber)
- Vice-Chairman, Board of Directors, Child Guidance Clinic of Greater Waterbury
- Board of Directors, Naugatuck Economic Development Corporation
- Vice President, St. John of the Cross Parish Council

**Education**

- MBA, University of Connecticut
- Strategic Brand Development, Dartmouth College, Tuck School of Business
- BS in Mass Communication, Boston University

# CAROLYN N. ORRELL

Executive team member with demonstrated experience in planning, developing and implementing information technology to support the organization's goals and strategy. Self directed with sound decision-making and communication skills. Proven experience managing successful vendor relationships, internal customer relationships and the acquisition of IT hardware and software for Clinical, Financial, and Support Services.

## PROFESSIONAL EXPERIENCE:

**SAINT MARY'S HEALTH SYSTEM**
*Waterbury, CT*

CHIEF INFORMATION OFFICER 2007 – present

Provide the technology vision and leadership in the development and implementation of the information technology strategic plan. Lead the health system in planning and implementing information systems that support clinical and business operations and achieve effective and cost beneficial IT operations. Facilitate communication between staff, management, vendors, and other technology resources within the organization.

- Responsible for all IT operations, including the Data Center, and the Clinical Engineering department; 35 FTEs with two managers and over a $7 million operating budget
- Developed the IT Strategic Plan for compliance with the ARRA/HITECH Act of 2009 for the implementation of an Electronic Health Record for the hospital and physician practices. Led the selection, negotiation and contract process with two EHR vendors for these engagements of over $10 million
- Established a second computer room, a wireless network, implemented email encryption and a virtualized server environment
- Maintained the same number of IT FTEs since 1997 while increasing the hardware, network and software solutions to support a growing number of end-users and locations
- Executive Sponsor for the Standards of Performance Team of the Health System's Service Excellence program

IT DIRECTOR 2005 - 2007

Responsible for the IT capital and operating budgets and the management of the Applications, Integration, Information Security and Data Center staff. Select, implement, and evaluate the systems that support end users in the productive use of computer hardware, software and network.

- Led the RFP and selection process for a time and attendance system; implemented the Kronos Timekeeping and Scheduling system for the health system
- Implemented a Help Desk Incident Tracking system and process to improve incident resolution turnaround time and increase end user satisfaction
- Implemented a more robust Physician Portal solution with integration to the PACS system and Transcription system to enable e-sign of transcribed reports
- Developed a server and workstation refresh program

APPLICATIONS MANAGER, IT 1999 – 2005
Manage and supervise the Applications and Integration Staff of the Information Technology department. Assist the CIO in planning and budgeting activities and provide input for strategic systems related decision making. Act as the liaison between the IT staff and key groups, departments, committees and special task forces within the organization, and with vendors and parties outside the organization.

- Responsible for implementing the system changes required to meet the HIPAA privacy and transaction and code sets per federal regulations
- Team member of the hospital's Revenue Cycle Improvement initiative and Financial Turnaround Plan
- Led implementation of integrated General Ledger, Accounts Payable, Materials Management, Enterprise Patient Scheduling and Surgical Management systems

PROJECT LEADER, IT 1987 – 1996
Managed, directed, evaluated, designed and implemented automated systems. Responsibilities included for system implementation, planning, monitoring project status and coordinating the assignments of all team members.

SENIOR SYSTEMS ANALYST and SYSTEMS ANALYST 1983 – 1987
Evaluated, designed and implemented automated systems. Performed and documented department reviews and workflow analysis. Designed and developed system specifications and identified interface needs. Conducted systems testing and documented system procedures. Provided ongoing user support and training as needed.

## EDUCATION

UNIVERSITY OF BRIDGEPORT, Bridgeport, CT
**MBA, General Business**

UNIVERSITY OF CONNECTICUT, Storrs, CT
**BS, Business Administration, concentration in Health Systems Management**
*Cum Laude*
*Beta, Gamma, Sigma National Honor Society*

## AFFILIATIONS and OTHER EXPERIENCE

VNA, Hartford Healthcare – Board Member (2009 – present)

Six Sigma Green Belt, Juran Institute (2007)

Adjunct Faculty, University of Connecticut, Storrs, CT (1988 and 1989)
*Health Systems Analysis and Design*

**Elizabeth B. Bozzuto**
**Office: St. Mary's Hospital**
**Vice President Surgical Services**
**Office: 56 Franklin Street**
**Waterbury, Ct. 06708**
**Office: Naugatuck Valley Surgical Center**
**Executive Director**
**160 Robbins Street**
**Waterbury, Ct. 06708**

# EDUCATION

**MBA,** School of Business, University of New Haven, 1993

**BGS,** School of General Studies, University of Connecticut, 1978

**RN,** Registered Nurse, St. Vincent's Hospital, Bpt, Ct. 1968

# PROFESSIONAL EXPERIENCE

**Vice President Surgical Services**
St. Mary's Hospital April 2009-present

**Executive Director, 1986**-present
Naugatuck Valley Surgical Center, Waterbury, Ct.

# PROFESSIONAL MEMBERSHIPS

**AAAHC** Accreditation Association of Ambulatory Health Care, 1990-present

- Member of the IQI Quality Committee current
- Surveyor 1990-present
- Member of Accreditation Review Committee 2003- present
- Mentor program

**FASA** Federated Ambulatory Surgery Association

- Member since 1986
- Served on the Executive Committee 2003 - 2008
- Member of the Bylaws Committee 2003 - 2008
- Program Committee Co-Chair, FASA National Meeting, 1999
- Member of the FASA Disaster Preparedness Task Force 2006

**CASC** Certification of Ambulatory Surgical Center Administrators

- Served as chair person for the Test Development committee of BASC 2003-2009
- CASC Certified 2003 - present

**CAASC** Connecticut Association of Ambulatory Surgical Centers

- Vice President 2004-2006
- President 2006-2008

**PSO** Patient Safety Organization for the Ct. Assoc Amb Surg Ctrs (CAASC)

- Serves as President 2005- present

**DPH** Department of Public Health in Connecticut

- Worked on a task force to help revise ASC Rules and Regulations in 1988 and presently.
- Serve on standards of practice, Ct. DPH current

# Michael A. Novak, MSM, MBA, FACHE

## Summary of Qualifications

Collaborative, dedicated, senior management executive with proven operations management experience, physician relationship management, new business strategy development, strong interpersonal and communication skills, with an extensive background in the following organizational responsibilities:

| | | |
|---|---|---|
| **Hospital Operations** | **Physician Integration Strategies** | **Strategic Planning** |
| **Business Development** | **Managed Care Contracting** | **Patient Satisfaction** |
| **Information Management** | **Utilization Management** | **Six Sigma Green Belt** |

- Over twenty years of progressive, senior-level, healthcare management experience with extensive hospital and physician practice operations management and solid decision-making skills
- Demonstrated ability to lead new business development, strategic planning, performance improvement and quality initiative implementation
- Proven ability to manage hospital and physician operations with senior level experience in all major hospital departments
- Experience in contemporary physician integration development including foundation, equity, employment and other models
- Extensive experience in deploying and maintaining new academic teaching programs, developing relationships with physicians, hospital executives, as well as State and managed care officials
- Excellent qualifications in contract administration with a comprehensive knowledge of contract language, real estate leasing, revenue modeling, organization development, cost control, team building and project implementation
- Demonstrated ability to design, develop, analyze and utilize data to aid in corporate and management decision-making
- Affiliate development, reporting and management experience

## Work Experience

**Saint Mary's Hospital** – ***Waterbury, Connecticut*** **2008-Present**

***Vice President of Operations and Ambulatory Services for Saint Mary's Hospital***

Accountable for the hospital's largest product lines and reporting directly to the Saint Mary's Hospital CEO, the VP for Operations and Ambulatory Care is responsible for all aspects of radiology, cardiology, facility operations, environmental services, food services, managed care and ambulatory services for the entire health system.

- Developed a Radiology Strategy to merge outpatient imaging services with the local radiological group as well as outlined the business strategy for the onsite MRI dissolution as the current partnership ends in December 2010
- Spearheaded a Master Facility Planning process to outline the future growth and infrastructure needs for the Health System
- Revised the Hospital's capital budgeting process to provide a more streamlined and comprehensive approach to strategizing capital allocations
- Implemented a contract oversight system that tracks all hospital contracts for compliance to terms as well as providing on line access to approved individuals

- Developed a comprehensive cardiac strategy to confront challenges with cardiology physician practices purchased by a competing health system.
- Successful upgrade of the Hospital's CT capacity installing two new Phillips CT systems, a 64 slice and 16 slice units. Restructured the departmental configuration of the new units to improve workflow and speed of patient testing
- Developed the framework for a Cogeneration Plant to be located on the Hospital campus. The plan moving forward is to gain access to federal earmarked dollars to help offset the startup costs in addition to the existing DPUC grant for alternative energy sources

**Saint Mary's Hospital** – ***Waterbury, Connecticut*** **2004-2008**
***Vice President of Professional Operations, Graduate Medical Education and Managed Care***

***Functioning in dual-roles as Vice President for Professional Operations for Saint Mary's Hospital and Executive Director of the Health System's Faculty Practice – Franklin Medical Group, PC***
Reporting directly to the Saint Mary's Hospital CEO, was responsible for all aspects of operations for the health system's professional medical practices, numerous hospital departments, and graduate medical education programs including affiliation with the Yale School of Medicine. Responsibilities include the strategic development of the health system's multi-million dollar faculty practice including affiliate management, medical staff development, payer contracting, new program development, revenue enhancement and community physician relations. Physician strategies include the development of physician programs and practices to ensure future hospital coverage in areas of demonstrated community need.

- Successful administration and accreditation of the Medical, Surgical, Dental and Institutional Graduate Medical Education Programs at Saint Mary's Hospital and a Medicine/Pediatrics program in affiliation with Yale School of Medicine
- Refinement of ambulatory care programs and clinics to minimize loss, dramatically improve productivity, yet preserve the commitment to the hospital's charitable mission
- Implementation of a contract management recovery program yielding in excess of $600,000 in contractual recoveries for each of the last three years
- Recruitment of three new surgeons to expand hospital teaching capabilities and improve surgical volumes.
- Restructure of the Health System's Utilization Management Department achieving a first year reduction in average Length of Stay of 25% (.8 days)
- Actively directed three for-profit affiliate organizations employing over 205 FTE's with highly detailed business-unit budgets demonstrating associated productivity targets, physician incentives, revenue projections and strategic initiative progress reporting

***(Executive Director - Franklin Medical Group, PC)***
Reporting directly to the faculty practice President, as well as the faculty practice Chairman of the Board. Focused on enhancing all provider operations and promoting business development for Saint Mary's largest wholly owned affiliate, Franklin Medical Group, PC.

- Developed internal and external business initiatives for physician business lines, productivity and performance enhancement tracking, long-term relationship initiatives, long-range planning, cost efficiency, compensation incentives, balanced scorecard reporting, and quality initiatives
- Implemented the complete transition of all providers from a hospital-employed model into a faculty practice model with incentive plans allowing for improved reimbursement and revenue enhancement, boosting company revenue by 235%
- Developed a detailed budget system separating physician operations by cost center including the capability for individual physician productivity monitoring

**Saint Mary's Hospital – *Waterbury, Connecticut*** **2001-2004**
***Division Director – Ambulatory and Professional Operations***
Reporting directly to the Saint Mary's Hospital Senior Vice President, was responsible for all aspects of the health system's Cardiology, Pulmonary, Physical Therapy and Neurology departments, as well as managed care, the Health System's PHO, offsite ambulatory/walk-in centers and strategic joint ventures.

- Implemented the complete digitization of the Echocardiography Laboratory reducing the delay for cardiac ultrasound results from four days to same day on average
- Implemented the conversion of the neurology EEG laboratory from a pen-based analog system to digitized images including the ability to store images on CD for offsite neurologist review

**Harold Leever Regional Cancer Center (HLRCC)- Waterbury, Connecticut**
***Interim Executive Director*** **2001-2002**
Assumed the interim management of a troubled two hospital cancer center development project. Led the revitalization of middle management and re-established the on-time and on-budget development of the $17 million regional cancer center initiative. Successfully reintegrated physician and community partners. Negotiated contracts for the provision of equipment in excess of $4.6 million.

**Saint Mary's Hospital – *Waterbury, Connecticut*** **1998-2001**
***Director – Physician Networks***
Reporting directly to the Saint Mary's Hospital Executive Vice President, was responsible for continued development of the health system's Managed Services Organization (MSO) including the development of a primary care network, managed care contracting, Physician-Hospital Organization (PHO), off site property management, and strategic joint ventures. Developed the MSO to provide service for 19 physician groups including 39 employed physician providers as well as managed risk plan data for over 300 PHO community participants. Led the deployment and development of a 17 MD, nine site, primary care network (Scovill Medical Group) that provides in excess of 15% of the hospital's PCP admissions through today.

**Saint Mary's Hospital – Waterbury Connecticut** **1996-1998**
**Director of Information Technology and Operations for the Central Connecticut Physician Practice Management Organization, LLC (CCPPMO).**
Reporting directly to the Health Systems Executive Vice President and employed since startup, was responsible for the management and direction of all operations aspects of the health system's Managed Services Organization (CCPPMO).

**Greater Waterbury Health Network (GWHN), - *Waterbury, CT*** **1989-1996**
***Director of the Information Center, Computer Operations and Technical Support***
Responsible for the complete administration, budgeting, personnel and development of the Information Center. Directly managed a 7 X 24 hour computer operation including areas of hospital-wide technical support, disaster recovery and computer operations.

**Saint Mary's Hospital - *Waterbury, CT*** **1986-1989**
***Programmer Analyst II***
Responsible for the implementation of new IT systems and physician office system technology. Reported to the Director of Information Services and was primarily responsible for the installation, support and development of physician office billing systems and physician network development eventually deployed to 47 sites and 101 physicians.

**Saint Mary's Hospital - *Waterbury, CT*** **1985-1986**

***Pulmonary Technologist/Computer Programmer***
Assigned to the pulmonary division, provided pulmonary testing to both inpatients and outpatients. This position was additionally responsible for new computerization development and research within the pulmonary/respiratory area.

## Education

Albertus Magnus College – New Haven, Connecticut
- *Master of Business Administration with Honors*
- *Master of Science in Management with Honors*

Boston University – Boston, Massachusetts
- *Bachelor of Science, Biology*

Juran Institute, Southbury, Connecticut
- Six Sigma Green Belt

## Memberships and Positions Held

Board of Directors – City of Waterbury Development Corporation
Board of Directors – Harold Leever Cancer Center
Board of Directors – DNS, Connecticut Hospital Association
Board of Directors – Scovill Medical Group
Board of Directors – Heart Center of Greater Waterbury

Fellow – American College of Healthcare Executives
Chairman - Town of Woodbury, Zoning Board of Appeals
Chairman – Health Connecticut Board of Directors, LLC
Member - Kappa Gamma Pi, National Catholic Graduate Honor Society
Member – Medical Group Management Association
Member – Hospital Financial Management Association

# Sandra K. Roosa M.S., R.N., N.E.A.-B.C.

An experienced nurse executive who has provided strong leadership for a variety of hospital services and departments with emphasis on performance improvement, and with a leadership development approach as a focus. Achieved significant quality of clinical care improvements along with productivity/efficiency accomplishments in an environment of a health system under considerable financial distress. Exhibits effective facilitation and communication skills; Six Sigma Green belt contributes to substantial competency in problem solving and working with teams. Continues scholarly works through educational pursuit of PhD in Nursing at University of Connecticut.

**Professional Experience:**

1997 to Present:

**Vice President of Patient Care Services,** Saint Mary's Hospital

Full administrative responsibility for a variety of patient care areas, including inpatient and outpatient departments; Peri-operative Services; Quality/Performance Improvement/Regulatory Compliance and Pharmacy reporting directly to the CEO. Hold budgetary responsibilities of approximately 60 million dollars and associated 500 FTE's. At various times also responsible for Emergency Department; Outpatient Clinics, Social Work, Utilization Management, Epidemiology, Clinical Engineering, Radiology, Support Services & Community Outreach Nursing & Home Based Family Services.

**Special projects and achievements:**

- Implemented a successful joint Interventional Cardiac Services program with Waterbury Hospital and the University of Connecticut Health Center to bring Open Heart Surgery and Angioplasty to the Greater Waterbury Community. Implemented a One Stop Post Op model of patient care in the Cardiovascular Critical Care, the first in the state of Connecticut.
- Planned and developed a consolidated Inpatient Pediatric service at Saint Mary's Hospital with Connecticut Children's Medical Center and Waterbury Hospital.
- Consulted with Waterbury Public Health Department for administrative leadership during a lapse of a Director of Public Health; served as interim Director of Public Health Nursing.
- Served on the Board of the Directors of the Harold Leever Regional Cancer Center which consolidated outpatient medical and radiation oncology with Waterbury Hospital and Saint Mary's Hospital in a free standing center
- Served on the Board of Directors of VNA Healthcare Inc. during significant financial turnaround
- Developed the "Pathways" program in conjunction with Naugatuck Valley Community College, WesConn at Waterbury and University of Connecticut for nursing education advancement from A.D. to B.S. to M.S. Collaborated with University of Connecticut to establish an MBein Program on the Waterbury UCONN Campus.
- Founded the Greater Waterbury Nursing Consortium, a partnership of nursing organizations in the Greater Waterbury Area.
- Developed and implemented a Balanced Scorecard and an Organizational Excellence Model at Saint Mary's Hospital.
- Developed Six Sigma as an Organization Quality Improvement methodology. Facilitated training of 1 Black Belt, 12 Green Belts and 40 "Yellow" belts across the organization.

- Achieved third place in the SMH-WH Annual Research Day poster presentation for pilot research on Hospitalized Patient Satisfaction with Nursing Care.

1987 to 1996:
**Administrative Director of Nursing**; Saint Mary's Hospital, Waterbury, Connecticut

- Responsible for a variety of patient care services including Emergency Department, 4 Inpatient Medical-Surgical units, Critical Care, Outpatient Clinics, along with the hospital Department of Education (including Management Development and OD)
- Implemented a community nursing case management service for chronically ill elderly especially Medicare managed care clients associated with Saint Mary's Hospital Primary Care physician practices
- Implemented Shared Governance model for Professional Nursing at Saint Mary's Hospital
- Implemented Clinical Ladders program for nursing and subsequently all health clinical professionals and allied health services including Pharmacy, Physical Therapy, Lab, Radiology, and Respiratory
- Implemented criteria based performance appraisal system for Registered Nurses
- Implemented patient care redesign model (Hay); participated in behavioral interviews design and implementation as a component of patient care redesign

1981 to 1987:
**Faculty, St. Mary's Hospital School of Nursing, Waterbury, Connecticut**

- Served as classroom and clinical faculty for senior students with curriculum in Professional nursing practice, Leadership development, and Emergency/disaster nursing
- Designed and implemented a major curriculum revision project (from a three year diploma to a two year associate degree in general studies program), based upon a nursing theoretical framework

1978 to 1981:
**Public Health Nurse**; **Waterbury Health Department**, Waterbury, Connecticut

- Provided community based supportive care to Maternal and Child Health clients of inner city Waterbury
- Served as the school nurse in 3 inner city elementary schools
- Chair of Staff Education Committee

1975 to 1978:
**Staff Nurse:** Coronary Care Unit; St. Mary's Hospital; Waterbury, Connecticut

**Education:**
2006 – Currently enrolled in PhD (Nursing) University of Connecticut; Storrs, CT
1986 - M.S. (Nursing) University of Connecticut; Storrs, CT
1978 - B.S. (Nursing) Western Connecticut State University; Danbury, CT

1975 - Diploma Saint Mary's Hospital School of Nursing; Waterbury, CT

**License/Certifications:**
Registered Nurse; State of Connecticut E37346
Certified Nurse Executive, Advanced; American Nurses Association, 2003
Six Sigma Green Belt Certification

**Appointments:**
Board of Directors member, (Chair 2005-2007): Wellpath (formerly Child Guidance Clinic of Greater Waterbury)
Advisory Board; Exchange Club Family Life Foundation
Advisory Board for Nursing: Post College; Waterbury, Ct.
Clinical Associate Professor of Nursing: Central Connecticut State University
Quality Committee of the Board of Directors: Connecticut Hospital Association
CHA Nurse Executive Group: Vice Chair
Board VNA Healthcare: HRI

**Professional Affiliations/ Organizations:**
American/Connecticut Nurses Association
American/Connecticut Organization of Nurse Executives
ONE-CT
Sigma Theta Tau International Nursing Honor Society; Mu Chapter
Connecticut League for Nursing: Board Member 2009-2010
American College of Healthcare Executives; Member
Saint Mary's Hospital School of Nursing Alumni Association
Saint Mary's Hospital Auxiliary

# KYLE F. JURCZYK, CPA

## *PROFESSIONAL EXPERIENCE*

***Internal Audit Manager, Saint Mary's Health System, Waterbury, CT*** **June 2009 to present**

Responsible for managing all phases of internal audit for the Health System. Responsibilities and accomplishments include:

- Planning and developing an effective and efficient overall internal audit plan focusing on the Hospital's needs and risk assessment
- Identifying risks and testing controls associated with financial integrity, operational effectiveness, safeguard, and compliance with rules and regulations
- Analyze results and determine best practices to strengthen internal control
- Reporting and presenting to the Audit Committee of the Board of Directors regarding status, written reports, findings and recommendations
- Assist management with various technical accounting issues, including the identification and analysis of the impact of new accounting pronouncements

***Audit Manager, KPMG LLP, Hartford, CT*** **May 2001 to April 2009**
*Started as Associate – 2001, promoted to Senior – 2003, Manager – 2006*

Responsible for managing all phases of financial statement audits of not-for-profit entities and privately-held industrial companies. Responsibilities and accomplishments include:

- Planning and developing an effective and efficient overall audit approach focusing on a client's strategic risks and key business processes
- Supervising and managing audit teams of one to six individuals and coordinating the timing of deliverables to meet client expectations and internal budgets
- Consulting with client management on various technical accounting issues, operational and financial improvement opportunities, and administrative matters
- Extensive US GAAP experience, including the identification and analysis of the impact of new accounting pronouncements on financial statements and disclosures and assisting clients in research and implementation of such pronouncements.
- Developed superior communication, interpersonal, analytical, time management, multi-tasking and organizational skills
- Serving as performance manager for several staff members, including goal-setting, mentoring, and preparation of engagement evaluations and annual reviews

## *EDUCATION*

***University of Connecticut, Storrs, CT*** **Graduated August 2002**
Masters of Science in Accounting

***Western New England College, Springfield, MA*** **Graduated May 2001**
Bachelor of Science in Business Administration in Accounting
GPA 3.85 (graduated Summa cum laude); Captain of the golf team for three years

## *COMPUTER SKILLS*

Proficient in Microsoft Office Applications and internet use

* References available upon request

**Barbara J. Sullivan**

Barbara J. Sullivan is the Director of Corporate Compliance and Risk Management for Saint Mary's Hospital. She has served in this role since 2007. Ms. Sullivan began her career at Saint Mary's in 1978 as a staff nurse in the Cardiac Care Unit. She subsequently held staff and supervisory positions in the Emergency Department and as a Shift Clinical Nursing Supervisor. In 1996, Ms. Sullivan moved into an administrative position in the Quality Management Department. Ms. Sullivan supported and coordinated the functions of the hospital wide quality assessment and then risk management programs which included establishing polices and procedures for the Quality Management and Risk Management programs at Saint Mary's Hospital.

Ms. Sullivan graduated from the Registered Nurse Program at Saint Mary's Hospital in 1978. She holds an Associates Degree in General Science from Mattatuck Community College and a Bachelor of Science from the University of Connecticut. In 2000, Ms. Sullivan graduated from the University of Hartford with a Master of Science in Nursing.

Ms. Sullivan holds a registered nursing license with the State of Connecticut. She is a member of the Healthcare Compliance Association and American Society for Healthcare Risk Management. Ms. Sullivan is also active with the Connecticut Society for Risk Management, having previously served as on its Board of Directors.

M. Clark Kearney

## SUMMARY

**Senior human resource executive** with experience in health care, human resources, operations and business development. Skilled at building sound relationships and leading teams to support organizational goals. Management responsibilities have included:

*Compensation, Benefits, Labor Relations, Organizational Development, Quality Improvement, Employee Relations, Community Relations, Operations and Business Development*

## CAREER HISTORY

**SAINT MARY'S HOSPITAL, Waterbury, CT** **1/07 - present**

*Vice President, Human Resources & Organizational Effectiveness*

- Human Resource, Education, and Organizational Development responsibilities in a non-union environment of 1800 plus employees.

**JOHNSON HEALTH NETWORK, Strafford, CT** **8/00 - 12/06**

- Network Vice President to an integrated health system with 1,400 employees. RN's are unionized.
- Restored confidence to a beleaguered Human Resources function through a strong customer-focused plan.
- Reduced the RN vacancy rate from 13% to 3% with special recruitment/retention programs.
- Headed an organizational development effort to increase customer satisfaction. Satisfaction increased from the 30th percentile to the 70th percentile in one year.
- Implemented a self-insured workers compensation program which reduced the annual expense from $800,000 to $450,000.
- Recruited ten attending physicians (Urology, Surgery, etc.) to strengthen the Hospital's marketing position.

**MIDSTATE MEDICAL CENTER, Meriden, CT** **1980-7/00**

*Vice President, Business Development 1997 - 7/00*

- Registered a 2% increase in market share by directly involving physicians in marketing.
- Increased the community approval rate of the hospital from 43% to 80% by implementing a comprehensive community relations strategy.

**MIDSTATE MEDICAL CENTER** (continued)

*Vice President Administration, Human Resources 1980-1998*

- Built a for-profit hospital business to $12 million annual revenue from $4 million.
- Led customer satisfaction change effort. Produced dramatic changes in customer ratings. Hospital now ranks in the 96th percentile of U.S. hospitals. (Press-Ganey Survey)
- Implemented first hospital management incentive system in Connecticut.
- Negotiated successful labor agreements in a previously adversarial environment.
- Increased employee retention by implementing a system-wide transfer policy which consolidated pension coverage.
- Implemented a performance based downsizing policy from a longevity system.
- Created an integrated delivery system which currently manages $8 million in risk contracts.

**NEW BRITAIN GENERAL HOSPITAL,** *Director of Personnel 1974-1980*

**CONNECTICUT MUTUAL LIFE,** *Employment Specialist 1972-1974*

**UNITED STATES ARMY,** *1st Lieutenant 1969-1972*

## EDUCATION

**M.S.,** Management, Hartford Graduate Center, Hartford, CT
**M.S.,** Education, University of Southern California, Los Angeles, CA
**B.A.,** Bates College, Lewiston, ME

## PROFESSIONAL

Chairman, Zoning Board of Appeals
Former faculty, Graduate Program, *Management, Labor Relations,* Hartford Graduate Center

# Saint Mary's – Physician Leaders

# Curriculum Vitae

# Curriculum Vitae

| | | |
|---|---|---|
| **Name** | S. Mark Albini | |
| **Office Address** | Naugatuck Valley OB/GYN, PC<br>133 Scovill Street<br>Waterbury, Connecticut 06706 | |
| **Telephone** | Office: (203) 575-1811 | |
| **Education** | 1976-1981 | B.S.<br>University of Connecticut<br>Storrs, Connecticut |
| | 1982-1983 | M.S.<br>University of Connecticut<br>Storrs, Connecticut |
| | 1983-1987 | M.D.<br>St. George's University School of Medicine<br>Grenada, West Indies |
| | 1987-1989 | Resident, Internal Medicine<br>St. Mary's Hospital<br>Waterbury, Connecticut |
| | 1989-1993 | Resident, Obstetrics & Gynecology<br>University of Connecticut<br>Farmington, Connecticut |
| **Licensure and Certification** | 1989 | State of Connecticut, License No. 030405 |
| | 1996 | Diplomat of the American Board of Obstetrics and Gynecology |
| | 2003-present | Recertified yearly |

**Hospital Appointments**

Attending Obstetrician & Gynecologist
St. Mary's Hospital
Waterbury, Connecticut

Attending Obstetrician & Gynecologist
Waterbury Hospital Health Center
Waterbury, Connecticut
9/1993-11/2006

Chairman, Department of Obstetrics & Gynecology
St. Mary's Hospital
Waterbury, Connecticut
3/12/99-present

Medical Director, The Birthplace at St Mary's Hospital
In-hospital Birth Center
1/1/00-9/2006

Associate Chief of Staff--St Mary's Hospital
1/1/06-12/31/07

Chief of Staff-- St Mary's Hospital
1/1/08-12/31/09

**Teaching Appointments**

Instructor, Obstetrics & Gynecology
University of Connecticut School of Medicine
Farmington, Connecticut
1992-1993

Clinical Instructor, Obstetrics & Gynecology
University of Connecticut School of Medicine
Farmington, Connecticut
1993-6/1999

Assistant Clinical Professor, Obstetrics & Gynecology
University of Connecticut School of Medicine
Farmington, Connecticut
9/1998-present

Clinical Adjunct Assistant Professor
Quinnipiac University School of Health Sciences
Hamden, Connecticut
8/1/02-present

**Awards, Prizes and Distinctions**

Honorable Mention for abstract Idiopathic
Esophageal Varices 1989
American College of Physicians
Clinical Vignette Competition

Outstanding Achievement Award for Excellence in
Urogynecology 1990-1991
Department of Obstetrics & Gynecology
University of Connecticut School of Medicine
Parke-Davis Scholar 1993
Awarded by the Educational Foundation of the
Association of Professors of Obstetrics &
Gynecology

Outstanding Resident in Gynecologic Endoscopy 1993
Awarded by the American Association of Gynecologic
Laparoscopists

Dorfman Award for Excellence in
Patient Care 1993
Department of Obstetrics & Gynecology
University of Connecticut School of Medicine

Alumni Award for Excellence in
Undergraduate Teaching 1993
Department of Obstetrics & Gynecology
University of Connecticut School of Medicine

President
University of Connecticut OB/GYN Society
1995-1996

Specialty Surgical Teaching Award 1996 & 2006
for Excellence and Dedication to Resident Teaching
in a Surgical Specialty
Department of Surgery
St. Mary's Hospital, Waterbury, Connecticut

Faculty Recognition Award 1998
St. Mary's Hospital CME Committee
St. Mary's Hospital, Waterbury, Connecticut

Monsignor James G. Coleman Alumni Award 1998
for an alumnus of Sacred Heart High School who reached
a distinguished level of accomplishment & achievement in
his chosen field

ACOG Recognition Award—Program for Continued
Professional Development, June 30, 2002, 2005, 2008, 2011
American College of Obstetricians & Gynecologists

Physician's Recognition Award, Nov. 1, 1998-2001,
July 1, 2003-2006, July 1, 2005-2008
American Medical Association

Health Professional Award 2000
La Leche League of Connecticut for outstanding support,
understanding and acceptance of breastfeeding

Community Service Award
May 11, 2004
Anderson Boys' Club of Waterbury, Connecticut

President
Greater Hartford OB/GYN Society
2005-2006

Children's Hero Award 2007
October 12, 2007
Young Parent Program at Crosby High School,
Waterbury, Connecticut

**Societies**

Fellow, American College of Obstetrics & Gynecology

Member, The Society for the Investigation of Early Pregnancy

Member, American Institute of Ultrasound in Medicine

**Committee Appointments**

| | |
|---|---|
| 1992-1993 | Medical Records Committee<br>John Dempsey Hospital<br>Farmington, Connecticut |
| 1993-1996 | Tissue Committee<br>St. Mary's Hospital<br>Waterbury, Connecticut |
| 1997-present | Continuing Medical Education Committee<br>Obstetrics & Gynecology<br>St. Mary's Hospital<br>Waterbury, Connecticut |
| 1998-2005 | Cancer Committee<br>St. Mary's Hospital<br>Waterbury, Connecticut |
| 1995-1997 | Member, Allocations Committee<br>United Way of Central Naugatuck Valley |
| 1997-1998 | Chair, Medical Professionals Division<br>United Way of Central Naugatuck Valley |
| 1998-2000 | Co-chair, Medical Professionals Division<br>United Way of Central Naugatuck Valley |

**Editorial Consultation**

| | |
|---|---|
| 1995-2005 | Journal of the American Association of Gynecologic Laparoscopists (Ad Hoc Review Committee) |

| | |
|---|---|
| 2005-present | The Journal of Minimally Invasive Gynecology (Ad Hoc Review Committee) |
| 2002-2003 | EARLY PREGNANCY: Biology and Medicine |
| 2003-present | American Journal of Reproductive Immunology (Ad Hoc Reviewer) |

**Publications**

1. Afrasiabi R, Sirop PA, Albini SM, Rosenbaum HM, Piscatelli RL: Recurrent Pericarditis and Dermatitis Herpetiformis-Evidence for Immune Complex Deposition in the Pericardium. Chest 97: 1006-1007, 1990.

2. Lettieri L, Vintzileos A, Rodis JF, Albini M, Salafia CM: Does Idiopathic Preterm Labor Exist? Am J Obstet Gynecol 168: 1480-1485, 1993.

3. Albini SM, Benadiva CA, Haverly K, Luciano AA: Laparoscopic Management of Benign Cystic Teratomas: Laparoscopy Compared with Laparotomy. J Am Assoc Gynecol Laparosc 1 (3): 219-222, 1994.

4. Cusick W, Rodis JF, Vintzileos AM, Albini SM, McMahon M, Campbell WA: Predicting Pregnancy Outcome from the Degree of Maternal Serum Alpha-Fetoprotein Elevation. J Reprod Med 41: 327-332, 1996.

**Non-peer Reviewed Publications**

1. Shirani J, Albini SM: Left Ventricular Free Wall Rupture Following Myocardial Infarction: A Review. Residents Forum 2: 5-9, 1989.

**Abstracts**

1. Albini SM, Cusick W, Rodis JF, Lettieri L, McMahon M, Vintzileos A: Routine Amniocentesis Is Not Indicated to Evaluate an Unexplained Elevated Maternal Serum Alpha-fetoprotein. Society of Perinatal Obstetricians (SPO), Orlando, February, 1992. (Poster Presentation).

2. Lettieri L, Vintzileos A, Albini M, Martins M, Salafia C, Mead J: Does Idiopathic Preterm Labor Exist? Society of Perinatal Obstetricians (SPO), Orlando, February, 1992. (Poster Presentation).

3. Cusick W, Rodis JF, Vintzileos A, Albini SM, McMahon M, Campbell W: Pregnancy Outcome by the Degree of Maternal Serum Alpha-fetoprotein Elevation. Society of Perinatal Obstetricians (SPO), Orlando, February, 1992. (Poster Presentation).

4. Henderson MG, Albini SM, Scotti RJ: Potential Incontinence in Patients with Severe Genitourinary Prolapse. American Urogynecology Society (AUGS), Cambridge, August 1992.

5. Henderson MG, Albini SM, Scotti RJ: Potential Incontinence in Patients with Severe Genitourinary Prolapse. International Continence Society (ICS), Halifax, Nova Scotia, September 1992.

6. Albini SM, Metzger DM, Oktay K, Benadiva CA, Luciano AA, Chere M: Laparoscopic Retropubic Urethral Suspension. European Society of Human Reproduction and Embryology, Goreme-Kapadokya, Turkey, May 1993. (Oral Presentation).

7. Oktay K, Manzi DM, Albini SM, Luciano AA: GnRH Challenge Test Using the GnRH Pump. European Society of Human Reproduction and Embryology, Goreme-Kapadokya, Turkey, May 1993. (Oral Presentation).

8. Albini SM, Hardardottir H, Hoffman JF, Luciano AA: Management of Malignant Precursors of the Endometrium with Hysteroscopy. New England Association of Gynecologic Oncologists (NEAGO), Chatham, Massachusetts, May 1993. (Oral Presentation).

9. Albini SM, Metzger D, Benadiva CA, Haverly K, Luciano AA: Laparoscopic Management of Benign Cystic Teratomas: Laparoscopy vs. Laparotomy. American Association of Gynecologic Laparoscopists (AAGL), San Francisco, November 1993. (Oral Presentation).

10. Scotti RJ, Henderson ML, Albini M: The Prolapse Reduction Test. Society of Gynecologic Surgeons (SGS), Nashville, March 1994. (Oral Presentation).

11. Albini SM, Karolicki B, Chere M, Polke D, Feldman RA, Luciano AA: Delayed Ureteral Injury After Laparoscopic Surgery. American Association of Gynecologic Laparoscopists (AAGL), Orlando, November 1995. (Oral Presentation).

12. Gonzalez RR, Leavis PC, Albini SM, Paidas MJ, Rivnay B, Sathiyaseelan T, Coulam CB, Barnea ER: Preimplantation Factors (PIF) Embryo-Derived Immunomodulatory Peptides: Possible Implications For Maternal Recognition And Allograft Tolerance. American Society for Reproductive Immunology (ASRI), Chicago, June 2002. (Plenary Session).

13. Barnea ER, Rivnay B, Sathiyaseelan T, Albini SM, Paidas M: Immune Modulation, By Embryo-specific Peptides, Allow for Embryo Tolerance Whilst Preserving the Maternal Host's Ability to Fight Pathogens: Preimplantation Factor. The 1st Brown-Linköping Conference on Basic and Clinical Aspects of Reproductive Immunology, Providence, November 2002 (Oral Presentation)

14. Albini SM: Consequences of Adverse Prenatal Conditions on the Development of Disease in Adult Life. The Agra Obstetrical and Gynecologic Society, Agra, India, December 2002 (Oral Presentation)

15. Albini SM: Consequences of Adverse Prenatal Conditions on the Development of Disease in Adult Life. The IVth Indian Congress on Gynecologic Endoscopy, Infertility & ART, Jodhpur, India, December 2002 (Oral Presentation)

16. Albini SM: Hysteroscopic Transcervical Sterilization. The IVth Indian Congress on Gynecologic Endoscopy, Infertility & ART, Jodhpur, India, December 2002 (Oral Presentation)

17. Albini SM: Postnatal Consequences of Adverse Embryonic/Fetal Development. From Fertilization to Fetal Development: Diagnostic and Therapeutic Challenges. The American Society for Reproductive Immunology (ASRI) Pre-Congress Symposium, New Haven, June 2003 (Oral Presentation)

**Other Presentations**

1. Management of Malignant Precursors of the Endometrium with Hysteroscopy, Waterbury Hospital Health Center OB/GYN Grand Rounds, Waterbury, Connecticut, July, 5, 1994.

2. CISH Procedure, AORN Conference on Advanced Laparoscopic Techniques, St. Mary's Hospital, Waterbury, Connecticut, October 7, 1995.

3. Care of the Prenatal Patient: Prenatal Visits, Common Tests, Common Problems, Sacred Heart University, Nursing 560: Family and Primary Care Course, Bridgeport, Connecticut, February 26, 1996.

4. Hysterectomy, In-service Lecture, Connecticut Peer Review Organization, Middletown, Connecticut, June 6, 1996.

5. A Complementary Approach to Menopause, Western Connecticut Association of Occupational Health Nurses Meeting, Woodbury, Connecticut, April 13, 1999.

6. Gentle Birth Choices, 1999 La Leche League Connecticut Conference, Southbury, Connecticut, April 17, 1999.

7. Seasons in the Sun, (The Non-hormonal Treatment of Menopausal Symptoms), 2000 La Leche League Connecticut Conference, Southbury, Connecticut, April 15, 2000.

8. Instituting Waterbirth Practices in Hospitals, Waterbirth 2000 Conference-A Vision for the Future, Portland, Oregon, September 23, 2000.

10. Waterworld, (History and Current Research on Waterbirth), 2001 La Leche League Connecticut Conference, Southbury, Connecticut, April 21, 2001.

11. Waterbirth, (History, Benefits and Safety Issues), 2001 Birth Partners Connecticut Conference, Southbury, Connecticut, December 1, 2001.

12. Mothers, Babies and Disease in Later Life—the effects of intrauterine development on health issues in later life, 2001 Birth Partners Connecticut Conference, Southbury, Connecticut, December 1, 2001.

13. Preimplantation Factor—an immunomodulatory peptide and its effects on early pregnancy, Section of Endocrinology & Infertility, Department of Obstetrics & Gynecology, University of Connecticut School of Medicine, Farmington, Connecticut, January 17, 2002.

14. Birth Underwater—water immersion for labor and delivery, Methodist Hospital, Indianapolis, Indiana, October 9-10, 2002.

15. Mothers, Babies and Disease—the effects of maternal nutrition in pregnancy on intrauterine development and the child's health in later life, Birth and Beyond Conference, Southbury, Connecticut, November 16, 2002.

16. Hysteroscopic Transcervical Sterilization, Waterbury Hospital Health Center, OB/GYN Grand Rounds, Waterbury, Connecticut, January 9, 2003.

17. Risks and Benefits of HRT, The Harold Leever Regional Cancer Center, 2003 Breast Health Symposium, Waterbury, Connecticut, September, 20, 2003.

18. Waterbirth—Embrace the Miracle, Hackettstown Community Hospital sponsored Symposium, Mt. Olive, New Jersey, October 24, 2003.

19.Immunology and Prematurity—Clinical Perspectives in Perinatal Nursing 2004 , Connecticut section of AWHONN and March of Dimes Birth Defects Foundation Connecticut Chapter, Farmington, Connecticut, May 10, 2004.

20. Shoulder Dystocia-- Clinical Perspectives in Perinatal Nursing 2004 , Connecticut section of AWHONN and March of Dimes Birth Defects Foundation Connecticut Chapter, Waterbury, Connecticut, May 10, 2005.

21.Immunobiology of Pregnancy-- Moderator of Selected Presentations, American Society for Reproductive Immunology 25th Anniversary Meeting, Providence, Rhode Island, June 18, 2005.

22. Osteoporosis, Resident Symposium, Department of Obstetrics & Gynecology, St. Francis Hospital and Medical Center, Hartford, Connecticut, May, 26, 2007.

23. Challenges in Initiating Team Training in an Obstetric Unit, Huddle-Sustaining Team Training: Successes and Challenges, Team Performance Plus—OB Huddle, Boston, Massachusetts, October 6, 2009.

Rev. 10/09

# CURRICULUM VITAE

**NAME: Joseph Robert Anthony, MD, FACC**

**BUSINESS ADDRESS & PHONE NUMBER: 56 Franklin Street, Waterbury, CT 06706 Phone: 203-709-6360**

**EDUCATION:**

University of Connecticut, B.A.
Tufts University School of Medicine, M.D.
Internship-Boston City Hospital, Boston, MA
Internal Medicine Residency - Waterbury Hospital, Waterbury, CT
Internal Medicine Residency - Boston V.A. Hospital, Boston, MA
Senior Resident in Cardiology - Los Angeles V.A. Hospital, Los Angeles, CA
U.C.L.A. Medical Center, Los Angeles, CA
Cardiology Fellowship-Tufts University School of Medicine, Boston, MA
Lemeul Shattuck Hospital, Boston, MA

**HOSPITAL APPOINTMENTS:**

Chief of Cardiology – St. Mary's Hospital
Attending in Medicine – St. Mary's Hospital
Physician to the Ambulatory Service – Medicine – Yale-New Haven Hospital
Consulting Staff – St. Raphael's Hospital, New Haven, CT
Consulting Staff – Cardiology – Griffen Hospital
Consulting Staff – Cardiology – Waterbury Hospital
Corporator of St. Mary's Health System Board of Directors

**ACADEMIC APPOINTMENT:**

Associate Clinical Professor of Medicine – Yale University School of Medicine
Assistant Clinical Professor of Medicine – University of Connecticut
Assistant Professor of Medicine – Ohio State University School of Medicine
Assistant Professor of Preventive Medicine – Ohio State University School of Medicine
Clinical Instructor in Medicine – Tufts University School of Medicine

**RESEARCH APPOINTMENTS:**

Director Sudden Cardiac Death Study – Ohio State University
Director Coronary Prevention Clinic – Ohio State University

**MEDICAL LICENSURE:**

Connecticut, Ohio, California and Massachusetts

**CERTIFICATION:**

Internal Medicine, 1968 – Recertified 1974 & 1980
Cardiovascular Disease, 1974

MILITARY SERVICE:

U.S. Public Health Service

ORGANIZATIONS:

Medical Director of the Connecticut State Police
Fellow of the American College of Cardiology
Fellow of the American College of Physicians
Cardiac Consultant Apollo X Mission to the Moon, NASA Space Center, Houston, TX
Connecticut Medical Society
Waterbury Medical Society
American Public Health Association (former)
Board of Directors of the Connecticut Heart Association – Northwest Chapter
Board of Directors – St. Mary's Hospital
Governors Advisory Committee (Connecticut) American College of Cardiology
American Heart Association
New Haven County Medical Society
Board of Directors of the American Red Cross
Regional Advisory Board – Mattatuck Community College
Trustee – St. Bridget's Church – Cheshire, CT
Chief State Police Surgeon – Connecticut State Police

CURRENT TEACHING ACTIVITIES:

ECG Sessions – Cardiology Service
Fourth Year UCONN Medical Students, Cardiology, St. Mary's Hospital
Medical Residents – St. Mary's Hospital
Third Year University of Connecticut Medical Students, St. Mary's Hospital
Various students rotating through St. Mary's Hospital

**OTHER ACTIVITIES:**

**Medical Director**
**Connecticut State Police**

**Cardiac Consultant**
**Waterbury Police Department**

**Director of Heartmobile Program**
**St. Mary's Hospital**
**Waterbury, CT**

**Consultant, N.I.H. Sudden Cardiac Death Study**
**Ohio State University**

**Assistant Director of the Coronary Prevention Program**
**Ohio State University School of Medicine**

**Consultant to the City Health Department**
**Waterbury, CT**

**Medical Director**
**Coronary Prevention Clinic**
**Ohio State University College of Medicine**
**Columbus, OH**

**Cardiology Consultant**
**Ohio State University**
**Student Health Service**

**Cardiology Consultant**
**Battelle Memorial Institute**
**Columbus, OH**

**Chairman, Disaster Committee**
**City of Waterbury**

**Cardiology Consultant**
**Apollo 10 Mission**
**Houston, TX**

**Chief State Police Surgeon**
**Connecticut State Police**

Joseph Robert Anthony, MD

PUBLICATIONS:

"Atherosclerosis: A Review of the Subject with Special Emphasis on the Significance of Serum Lipids and Diet." Anthony. Basic Science Thesis – Los Angeles V.A. and UCLA Medical Center, December 1965.

"Control of Persistent Ventricular Ectopic Beats by Alprenolol, A New Beta Adrenergic Blocking Agent". Anthony, Jick and Spodick. The American Heart Journal, 77 #5:5980692, May 1969.

"A Study of the Primary Prevention of Coronary Heart Disease". Keller and Anthony. American Journal of Public Health, 60 #8:1466-1476, August 1970.

"The Effect on the Deciduous and Permanent Teeth of Tetracycline Deposited While in Utero". Anthony. Post Graduate Medicine, 48 #4:165-168, October 1970.

"The Relationship of the P Wave Axis to Pulmonary Function in Ambulatory, Working Population. Anthony and Spodick. Angiology, 22 #10:557-560, November 1971.

"Cardiac Electro-Mechanical Time Intervals as Indices of Hypoxic Circulatory Stress in Man". Kowalski and Anthony. Aerospace Medicine, 43 #4:361-367, April 1972.

"Overexertion in the Physically Unfit". Anthony. Ohio's Health, XXIV #5:1-4, May 1972.

"Effect of Interval Training on Systolic Time Intervals". Fox, Anthony, Bartel and Lanese. The Physiologist, November 1972.

"Pathology of Sudden Cardiac Death". Keller, Babu, Anthony and Bash. Circulation XLVIII #4 IV-240, October 1973.

"The Heartmobile: A Mobile System of Emergency Cardiac Care". Anthony. Waterbury Printing Co., 1973.

"The Effect of Altitude on the Cardiac Systolic Time Intervals". Anthony and Kowalski. Angiology, 25 #2:127-137, February 1974.

"A Mobile System of Acute Cardiac Care". Anthony. Emergency Medicine Today, American Medical Association, 3 #4 April 1974.

"A Mobile Emergency Cardiac Care Unit: Analysis of Initial Data: Anthony and Semeraro. Connecticut Medicine, Vol 34 #12:797-800, December 1975.

"Pathology of Atherosclerotic Heart Disease in Sudden Death". Baba, Keller, Anthony and Bash. I Circulation Supplement, Vol 52 #6: III 53-III 59, December 1975.

"Pathology of Atherosclerotic Heart Disease in Sudden Death". Baba, Keller, Anthony and Bash. II Circulation Supplement, Vol 52 #6: III 63-III 69, December 1975.

"The Connecticut State Police Health Maintenance Program". Leonard, Anthony, Camaione and Forkiotis. Police Chief, Vol. XLV #7:58-63, July 1978.

"Newer Antiphospholipid Antibodies Predict Adverse Outcomes in Patients With Acute Coronary Syndrome". Coagulation and Transfusion Medicine

"Oxidized-LDL/B2-glycoprotein I complexes are associated with disease severity and increased risk for adverse outcomes in patients with acute coronary syndromes". Thomas P. Greco, MD, Ann Marie Conti-Kelly, MD, J. Robert

**Anthony, MD, Thomas Greco Jr., Robin Doyle, Matt Boisen, Kazuo Kojima, BA Pharm, Eiji Matsuura, PhD, Luis Lopez, MD**

**Gregory K. Buller, MD FACP**

## Education

| | | |
|---|---|---|
| Undergraduate: | 1972-1977 | University of Kansas<br>B.A. Biology, B.S. Genetics |
| Postgraduate: | 7/77-6/80 | University of Kansas<br>School of Medicine, M.D. |
| | 7/80-6/81 | Duke University Medical Center, Intern in Medicine |
| | 7/81-7/82 | Duke University Medical Center, Junior Assistant Resident |
| | 7/82-6/83 | Duke University Medical Center and Durham Veterans Administration Medical Center, Chief Medicine Resident |
| | 7/84-7/86 | Duke University Medical Center, Fellow in Nephrology |

## Faculty Positions

| | |
|---|---|
| 7/83-6/86 | Medical Associate (Instructor), Duke University Medical Center |
| 7/86-6/93 | Assistant Clinical Professor of Medicine Yale University School of Medicine |
| 7/94-Present | Associate Clinical Professor of Medicine<br>Yale University School of Medicine |
| 8/88-12/02 | Chief, Division of Nephrology and Hypertension St. Mary's Hospital, Waterbury, Connecticut |
| 8/88-12/02 | Director of Dialysis<br>St. Mary's Hospital, Waterbury, Connecticut |

## Faculty Positions (continued)

| | |
|---|---|
| 7/93-6/05 | Firm Chief, St. Mary's Hospital, Yale University Primary Care Residency Program |
| 1/03-Present | Chairman, Department of Medicine<br>Saint. Mary's Hospital, Waterbury, Connecticut |

7/08-Present Designated Institutional Official
Saint Mary's Hospital, Waterbury, Connecticut

11/05-8/09 Saint Mary's Hospital-Yale University Medicine Residency
Program Director

**Board Certification**

ABIM-1984
ABIM-Nephrology-1988
Specialist in Hypertension-Certified by American Society of Hypertension-1999 (first year offered)

**Professional Organizations**

American Society of Nephrology
International Society of Nephrology
American Society of Hypertension
National Kidney Foundation
New Haven County Medical Association
American College of Physicians
Southern Medical Society
American Heart Association
- Council on High Blood Pressure

Association of Program Directors of Internal Medicine
Association of Chiefs and Chairs of Medicine
Alliance for Academic Medicine

**Journal Reviewer/Editor**

Annals of Internal Medicine
ACP Journal Club
American Journal of Kidney Disease
Best Clinical Evidence
Hospital Practice

## Relevant Medical Organizational Experience

President, Nephrology & Hypertension Associates of Waterbury 1989 to Present

Medicine Intern Selection Committee, Yale Primary Care Residency Program -1990-2004

Curriculum Committee, Yale Primary Care Residency Program – 1990-2004

CT ACP Scientific Committee, 1994-2001

Chairman, ACP Associates Committee, 1999-2001

Medical Director, Waterbury Dialysis Unit (currently DaVista) – 2000-Present

Board of Directors, Saint Mary's Hospital – 2003-Present

Quality Committee, Saint Mary's Hospital Board of Directors, 2004-Present

Institutional Committee for Graduate Medical Education, Saint Mary's Hospital – 2003-Present

Medical Executive Committee of Saint Mary's Hospital – 2003-Present

Board of Directors, Franklin Medical Group, PC; Vice-President of Organization – 2004-Present

Multiple other committees associated with a variety of business, educational, and administrative processes, such as physician recruitment, strategic planning, resident education and evaluation, quality assurance, peer review.

## Other Work Experience

| | |
|---|---|
| 1972-1976 | Topeka Tennis Club/Topeka Country Club, Tennis Professional, Teaching |
| 1976 | Director, University of Kansas Tennis Camp |

## Honors/Awards-Academic

| | |
|---|---|
| 1978-1980 | Carriage Club, Kansas City, KS Tennis Professional<br>Sterling Scholarship; 1978; 1970, 1980 |

Medical School
Elected to Alpha Omega Alpha, 1979
President of University of Kansas Chapter 1980

**Honors/Awards-Academic (continued)**

Who's Who in American Colleges and Universities, 1979
Merck Award for Special Academic Achievement, 1980
Marcell Award for Student Receiving Highest Overall Rating by the Medical Faculty, 1980
Sosnow Award for Clinical Skill & Humanistic Qualities, 1980

| | |
|---|---|
| 1985-1986 | National Kidney Foundation Research Fellowship |
| 1985&1986 | Nominated for "Golden Apple", the Faculty Teaching Award at Duke University Medical School |
| 1988-1989 | "Teacher of the Year" Award Yale Primary Care Residency Program |
| 1990-1991 | "Teacher of the Year" Award Yale Primary Care Residency Program |
| 1993-1994 | "Teacher of the Year" Award Yale Primary Care Residency Program |
| 1995-1996 | "Teacher of the Year" Award Yale Primary Care Residency Program |
| 2002-2003 | "Teacher of the Year" Award Yale Primary Care Residency Program |
| 2005-2006 | "Teacher of the Year" Award. Saint Mary's Hospital – Yale Residency Program |
| 2/2002 – Present | Named one of the "Top Doctors of Connecticut" |
| 8/2007 | Named one of the "Top Doctors in America" |

**Honors/Awards-Nonacademic**

Member National Junior Ski Team, 1968
American Legion Service Award, 1972
Athletic Scholarship, University of Kansas, 1972-1976
Captain, University of Kansas Tennis Team, 1974-1976
Big 8 Conference Scholar, Athletic Award 1976

**Publications**


Buller GK, Klotman PE and Brazy PC. Endotoxin stimulates renal oxidative metabolism in vitro. Clin Res 32:858, 1984.

Schwab SJ, Buller GK, McCann RL, Bollinger RR and Stickel DL. Prospective evaluation of a Dacron cuffed hemodialysis catheter for prolonged use. Am J Kidney Dis 11:166, 1988.

Buller GK and Perazella MA. Huypoglycemia and angiotensin converting enzyme (ACE) inhibition. Amer J Med 91:104, 1991.

Perezella MA and Buller GK. Hemorrhagic bursitis complicating treatment with recombinant tissue plasminogen activator (rt-PA). Amer J Med 91:440, 1991.

Buller GK and Perazella MA. Can ibuprofen cause ARF in a normal individual? Am J Kidney Dis 18:600, 1991.

Buller GK and Perazella M. Metabolic considerations in the treatment of hypertension. Ch. Cardiology 6:102, 1992.

Perazella MA and Buller GK. The multiple cholesterol emboli syndrome. Res. Staff Phy. 38:95, 1991.

Buller GK and Perazella MA. Successful treatment of cystinuria with captopril. Am J kidney Dis 21:504, 1993.

Perazella MA and Buller GK. NSAID nephrotoxicity revisited: Parenteral ketorolac induced acute renal failure. Southern Med J 86:1421, 1993.

Buller GK and Perazella MA. Tretment of cystinuria with Captopril. Kidney 2: 299, 1992.

Buller GK and Perazella MA. Nephrotic syndrome associated with agnogenic myeloid metaplasia. Am J Nephrol 14:223, 1994.

Buller, GK. Commentary on "Effects of saline, mannitol, and furosemide on acute decreases in renal function induced by radiocontrast agents." ACP J Club. 1995 May-June; 122-71. Abstract and comment on: Solomon R, Werner C, Mann D, D'Ellia J, Silva P. Effects of saline, mannitol, and furosemide on acute deceases in renal function induced by radiocontrast agents, N Engl J Med 331: 1416-1420, 1994.

Buller, GK and Perazella MA. The treatment of cystinuria. Am J Kidney Dis. 25: 661-662, 1995.

**Publications (continued)**

Leechiong J Sadigh M, Simms ML, Buller GK. Pericarditis and lymphadenitis due to rhodoccus equi. The American Journal of Medical Sciences. 310:31-33, 1995.

Buller GK and Perazella MA. The renal syndromes of non-steroidal antinflammatory agents. (Accepted – publication pending – Annals of Int Med).

Sander S, Perazella MA and Buller GK. Hypercalcemia due to sarcoidosis with normal chest radiography. Am J Med 99:437-438, 1995.

Buller GK. Commentary on "A randomized, placebo-controlled, parallel study of various doses of losartan potassium compared with enalapril maleate in patients with potassium compared with enalapril maleate in patients with essential hypertension. ACP Club. January-Febriuary. 1996. 124: 10. Abstract and comment on: Gradman AH, Arcuri KE, Goldberg AI, et al. Hypertension. 25: 1345-50, 1995.

Perazella MA, Frederick WG, Buller GK, Widman S. Mechanical mitral valve prosthesis dysfunction from thrombus: TEE has limitations. Connecticut Med 60:75-77, 1996.

Buller GK, Papanicolaou D and Perazella MA. Osmotic pulmonary edema in chronic renal failure. (Submitted for publication, 1994).

Buller GK and Perazella MA. Mesangioproliferative glomerulonephritis associated with oral dextroamphetamine use. (Submitted for publication).

Rajendran A, Perazella MA, and Buller GK. Trimethaprimsulfamethoxazole causes hyperkalemia in standard therapeutic doses. Ann Intern Med. 124:316-320, 1996.

Buller, GK and Perazella MA. Trimethaprim-induced hyperkalemia. Am J Kidney Dis. July, 1997.

Buller K and Perazella MA. Ketorolac and acute Renal Failure. Annals Int Med June, 1997.

Perazella MA and Buller GK. Biopsy-proved nodular diabetic nephropathy in a patient with glucagonoma (Abstract). CT ACP, 1992.

Buller GK and Perazella MA. Chronic amphetamine use and renal failure. (Abstract) CT ACP meeting, 1992.

**Publications (continued)**

Buller GK and Perazella MA. Crescentic glomerulonephritis occurring in multiple myeloma. (Abstract). CT ACP, 1994.

Daher E and Buller GK. Lactic acidosis associated with lymphoma: A case report, literature review and report of responses to insulin and glucose therapy. CT ACP; (Submitted for publication, 1994).

Butler J, Daher E, Roer D and Buller GK. The changing spectrum of acute renal failure: Role of NSAID's and ACE inhibitors. CT ACP; (Submitted for publication, 1994).

Papanicolaou D and Buller GK. Cushing's syndrome presenting as diabetic ketoalkalosis. CT ACP; (Submitted for publication, 1994).

Pesani M and Buller GK. Tuberculous ileocecitis and peritonitis. (Abstract). CT ACP, 1995.

Buller GK and Papanicolaou, D. The natural history of Little's disease. CT ACP; (Submitted for publication).

Alem A, Buller GK and Perazella MA. Atypical histology associated with light chain nephropathy. (Abstract). CT ACP, 1995.

Bravata D, Buller GK Perazella MA. Sled-rider's kidney: A rare cause of renin-associated hypertension (Abstract). CT ACP, 1995.

Alappan R, Perazellia MA and Buller GK. TrimethoprimSulfamethoxazole (TMP-SMX) in standard dose causes hyperkalemia in hospitalized patients (Abstract). CT ACP, 1995.

Alcindor T Kuo D, Alappen R and Buller GK. Hyperphosphatemia, metabolic alkalosis and renal calcification in "cockayne syndrome." (Abstract) CT ACP, 1995.

Buller GK, Roer DA and Varano S. Nocardia brain abscess in a renal transplant patient with pneumonia (Abstract). CT ACP, 1997.

Buller GK and Cadariu A. Thyrotoxic hypokalemic periodic paralysis presenting in an African-American (Abstract). CT ACP, 1997.

Puttagunta S, Roer D and Buller GK. Spontaneous renal hemorrhage presenting as worsening hypertension (Abstract). CT ACP, 1998.

**Publications (continued)**

Wong W, Buller GK and Roer D. Near end stage renal disease presenting acutely in a 15-year-old female (Abstract), CT ACP, 1998.

Horne M. Buller GK and Roer D. Idiopathic membranous nephropathy in a 55-year-old male with marked nail dystrophy (Abstract). CT ACP, 1998.

Marwaha A, Buller GK and Roer D. Anorexia, bulemia and cathartic abuse with hypokalemic nephropathy (Abstract). CT ACP, 1998.

Alappan R, Buller GK, Perazella MA. Trimethoprim-sulfamethoxazole therapy in outpatients; is hyperkalemia a significant problem?
Am J Nephrol. 1999; 19(3);389-94

Coca SG, Buller GK. Eplerenone in patients with left ventricular dysfunction.
N England J Med. 2003 Jul 3;349(1);88-9; author reply 88-9. No abstract available.

Coca SG, Buller GK. COMET: a proposed mechanism of action to explain the results and concerns about dose.
Lancet. 2003 Sep 27;362(9389):1076; author reply 1077-8. No abstract available.

Buller, GK. Review: prophylactic acetylcysteine reduces contrast nephropathy in chronic renal insufficiency. ACP J Club. 2004 Mar-April; 140(2):41. No abstract available.

Coca SG, Buller GK
Albuminuria and mortality in hypertension.
Ann Intern med. 2004 Aug 3;141(3):244-5. No abstract available.

Coca SG, Buller GK.
Effects of low-dose angiotensin II receptor blocker candesartan on cardiovascular events in patients with coronary artery disease.
Am Heart J. 2004 Dec;148(6):e29; author reply e30. No abstract available.

Coca SG, Buller GK
The cardiovascular implications of hypokalemia.
Am J Kidney Dis. 2005 Feb;45(2):233-47. Review.

Prasad M, Buller GK, Mena CI, Sofair AN. Clinical problem-solving. Sum of the parts. N Engl J Med. 2006 Dec 7:355(23);2468-73. No abstract available.

**Publications (continued)**

Garg S, Sandur S, Buller GK. Dyspnea and left shoulder pain in an end-stage renal disease patient. Semin Dial. 2007 Mar-April;20(2):172-3. No abstract available.

Montague BT, Ouellette JR, Buller GK. Retrospective review of the frequency of ECG changes in hyperkalemia. Clin J Am Soc Nephrol. 2008 Mar;3(2):324-30. Epub 2008 Jan 30.

## Major Administrative Accomplishments

**As Chairman of Medicine**:

- Established successful Hospitalist Program
- Established "Docs on Call" Program for weekend coverage of both inpatient and outpatient services of participating private physician groups.
- Significantly increased medical service admissions and local hospital market share.
- Established quality review process of core measures on medical teaching and hospitalist services with marked improvement in percent compliance.
- Established Palliative and End of Life Care Program.
- Successfully integrated a part-time clinical teaching faculty (made up of private practitioners) with a group of full-time geographic teaching faculty, increasing the number of both part-time and full-time faculty.

**As Medicine Residency Program Director**:

- Oversaw successful implementation of a new categorical internal medicine residency training program, beginning 07/05.
- Oversaw transition from Yale Primary Care Residency Program to present Saint Mary's-Yale Community Hospital Training Program.
- Achieved accreditation of Saint Mary's-Yale Residency Program by ACGME, Medicine RRC.
- 100% ABIM Board Exam pass rate.
- Continue to oversee successful resident participation in scholarly activity program, resulting in multiple awards for presentations of resident research (at state and national general medicine and subspecialty meetings)
- Implemented novel required "quality rotation" for PGYIIIs
- Continue to oversee Yale Med-Peds faculty at Saint Mary's Hospital; the hospital's outpatient clinic remains the site of all ambulatory training for the Yale Med-Peds residency program.

**As Vice President and member of the Board of Directors of Franklin Medical Group, PC**

- Contribute to the oversight and administration of a large, complex, multi-specialty, multiple-site medical group.

**As President of Nephrology and Hypertension Associates, PC**

- Oversaw increase in practice size and scope over the last decade.
- Oversaw evaluation of private subspecialty group into a group performing medical education, medical administration, clinical research (utilizing a specific clinical trials arm), and consultative patient care.

**Visiting Lectureships/Conferences**

Medical College of Pennsylvania, Philadelphia, PA. Renal Grand Rounds; 3/12/86, "Endotoxin-stimulated eicosinoid production by renal tubular cells."

University of Texas at Galveston, Galveston, TX ; Medical Grand Rounds; 3/15-3/16/87, "Uremic Pericarditis." Renal Conference: "The role of endotoxin in ARF."

U.S. Naval Hospital, Groton, CT; Grand Rounds; 9/17/87, "How to Rx hypertension without killing your patient."

U.S. Naval Hospital, Groton, CT; Grand Rounds; 9/24/87, "NSAID-related renal failure. "

Windham Community Hospital, Willimantic, CT; Grand Rounds; 10/19/87, "Renal effects of NSAID's."

Norwich State Hospital, Norwich, CT; Medical Conference; 11/12/87, "Treatment of hypertension in psychiatric patients."

The Miriam Hospital, Providence, RI; Grand Rounds; 12/2/87, "Nephrotoxic acute renal failure."

Fairfield Hills State Hospital, Newtown, CT; Medical Conference; 2/18/88, "Treatment of hypertension in psychiatric patients."

St. Joseph's Hospital, Providence, RI; Grand Rounds; 3/18/88, "Drug induced acute renal failure."

Connecticut Valley Hospital, Middletown, CT; Medical Conference; 4/27/88, "Treatment of hypertension in psychiatric patients."

Middletown Memorial Hospital, Middletown, NY; Grand Rounds; 6/30/88, "Treatment of hypertension in the elderly."

The Rhode Island Medical Center, Providence, RI; Grand Rounds; 8/24/88, "Drug-induced acute renal failure."

Rhode Island State Psychiatric Hospital, Cranston, RI; Medical Conference; 8/25/88, "Management of hypertension in the psychiatric patient."

**Visiting Lectureships/Conferences (continued)**

Middletown Memorial Hospital, Middletown, CT; Grand Rounds; 9/9/88, "A rational approach to the treatment of mild hypertension."

Binghampton General Hospital, Binghampton, NY; Grand Rounds; 9/16/88, "Nephrotoxic acute renal failure."

Jamaica Hospital, Jamaica Queens, NY; Grand Rounds; 9/18/88, "Nephrotoxic ARF."

C.H.C.P. Conference, New Haven, CT; 9/21/88, "Renal effects of ACE inhibitors."

Symposium on Arthritis in the Elderly, Norwich, CT; 9/21/88, "Renal syndromes associated with NSAID's."

Army Hospital at West Point, West Point, NY; Medical Grand Rounds; 9/23/88, "Should mild hypertension be treated?"

Symposium on Osteoarthritis, Garden City, NY; 9/28/88, "Renal syndromes associated with NSAID's."

Symposium on Osteoarthritis (sponsored by Mary Imogene Bassett Hospital), Cooperstown, NY; 9/29/88, "Renal syndromes associated with NSAID's."

New Britain General Hospital, New Britain, CT; Grand Rounds; 10/18/88, "Nephrotoxic acute renal failure."

Port Chester Memorial Hospital, Port Chester, NY; Grand Rounds; 10/25/88, "Renal syndromes associated with NSAID's."

Stamford Hospital, Stamford, CT; Grand Rounds; 10/26/88, "Nephrotoxic acute renal failure"

Nyack Hospital, Nyack, NY; Grand Rounds; 11/8/88, "Drug-induced acute renal failure."

Conemaugh Valley Hospital-University of Pittsburgh at Johnstown, Johnstown, PA; Visiting Professor/Internal Medicine Residency evaluation; 11/15 - 11/17/88

Putnam Valley Hospital, Putnam, NY; Grand Rounds; 12/1/88, "Diabetic nephropathy."

Peekskill Memorial Hospital, Peekskill, NY; Grand Rounds; 12/15/88, "NSAID induced acute renal ,failure."

New Rochelle Hospital, New Rochelle, NY; Grand Rounds; 12/15/88, "The initial Rx of hypertension."

St. Agnes Hospital, White Plains, NY; Grand Rounds; 1/19/89, "Treatment of hypertension in the elderly."

Chester Medical Center, Chester, PA; Grand Rounds; 1/24/89, "Nephrotoxic acute renal failure."

Windham Memorial Hospital, Willimantic, CT; Grand Rounds; 2/13/89, "The initial Rx of mild hypertension."

**Visiting Lectureships/Conferences (continued)**

Paterson Memorial Hospital, Paterson, NJ; Grand Rounds; 2/22/89, "Nephrotoxic acute renal failure."

Martinsville Medical Society, Martinsville, VA; Medical Conference; 3/20/89, "NSAID-related acute renal failure."

High Point Regional Hospital, High Point, NC; Grand Rounds; 3/21/89, "Hypertensive Emergencies."

Durham County General Hospital, Durham, NC; Visiting Professor, 3/22/89.

Butner State Hospital, Butner, NC; Medical Conference; 3/23/89, "Treatment of hypertension in the institutionalized patient."

Health in Action Symposium (Cornell University Medical School), New York, NY; 6/10/89, "Drug-induced acute renal failure."

Current Concepts in the Use of NSAID's Symposium, Mystic, CT; Chairman of symposium and lecture; .1/11-7/12/89, "Renal effects of NSAID's."

Piedmont Medical Center, Rock Hill, SC; Grand Rounds; 7/18/89, "Should mild hypertension be treated?"

U.S. Naval Hospital, Groton, CT Grand Rounds 9/7/89, "Treatment of hypertension in the elderly."

Windham Memorial Hospital, Willimantic, CT; Grand Rounds 9/13/89, "Nephrotoxic acute renal failure."

Mount Vernon Hospital, Mt. Vernon, NY; Grand Rounds; 10/11/89, "Metabolic considerations in the treatment of hypertension."

St. Joseph's Hospital, Yonkers, NY; Grand Rounds; 11/9/89, "The approach to Rx of mild hypertension."

Milford Hospital, Milford, CT; Medical Conference; 12/19/89, "Metabolic considerations in the Rx of mild hypertension."

Holy Redeemer Hospital, Meadowbrook, PA; Grand Rounds; 1/31/90, "Treatment of hypertension in the elderly."

Coatsville VA Hospital, Coatsville, PA; Grand Rounds; 2/1/90, "Metabolic considerations in the Rx of hypertension."

Rolling Hills Hospital, Elkins Park, PA; Grand Rounds; 2/1/90, "NSAID induced acute renal failure."

**Visiting Lectureships/Conferences (continued)**

Windber Hospital, Windber, PA; Medical Conference; 4/24/90, "Metabolic and pathophysiologic considerations in the Rx of hypertension."

Comenaugh Valley Memorial Hospital-University of Pittsburgh at Johnstown; Visiting Professor; 4/24-4/25/90, "Metabolic and pathophysiologic considerations in the treatment of hypertension."

Meyerside Hospital, Meyersdale, PAi Grand Rounds; 4/25/90, "Diabetic nephropathy. "

Kittanning Hospital, Kittanning, PA; Grand Rounds; 4/26/90, "Hypertensive emergencies."

Lee Hospital, Johnstown, PA; Medical Conference; 4/26/90, "Sports Medicine for the Internist."

Memorial Hospital of Bedford, Bedford, PA; Grand Rounds; 4/27/90, "Nephrotoxic acute renal failure."

St. Joseph's Hospital, Providence, *RIi* Grand Rounds; 6/8/90, "Renal effects of calcium antagonists and ACE inhibitors."

U.S. Naval Hospital, Newport, RI; Grand Rounds 7/11/90, "Metabolic and pathophysiologic considerations in the treatment of hypertension."

Symposium on Cardiovascular Diseases, Mystic, *CTi* Moderator/Chairman; 7/14/90, "Metabolic and pathophysiologic considerations in the treatment of hypertension."

York Hospital, York, PA; Grand Rounds; 10/4/90, "Metabolic and pathophysiologic considerations in the treatment of hypertension."

Community General Hospital, Harrisburg, PA; Grand Rounds; 10/4/90, "Hypertension and diabetic nephropathy."

Pennsylvania State Association of Physician Assistants, Elkins Park, PA; Medical Conference; 10/4/90, Metabolic and pathophysiologic considerations in the treatment of hypertension,"

Allentown VA Hospital, Allentown, PA; Grand Rounds; 10/5/90, "Treatment of hypertension in the elderly,"

V.A. Hospital, Wilkes-Barre, PA; Grand Rounds; 10/5/90, "Metabolic and pathophysiologic considerations in the treatment of hypertension."

St. Joseph Medical Center, Paterson, NJ; Grand Rounds; 11/14/90 "Hypertensive end organ damage."

Coney Island Hospital, Coney Island, NY; Grand Rounds; 1/10/91, "Metabolic and pathophysiologic considerations in the treatment of hypertension."

Horton Memorial Hospital, Middletown, NY; Grand Rounds; 2/26/91, "Metabolic and pathophysiologic considerations in the treatment of hypertension."

**Visiting Lectureships/Conferences (continued)**

Physician Assistants of Connecticut; Annual State Meeting; 4/25/91, "Acute renal failure and chronic renal failure."

The Genessee Hospital, Rochester, NY; Grand Rounds; 4/25/91, "The renal complications of NSAID's."

Batavia V.A. Hospital, Batavia, NY; Grand Rounds; 4/26/91, "Treatment of hypertension in the elderly."

Strong Memorial Hospital, Rochester, NY; Grand Rounds; 4/26/91, "Renal effects of endotoxin."

SUNY Downstate Medical School; Renal Conference; 5/14/91, "Uremic pericarditis."

Long Island College Hospital, Long Island, NY; Grand Rounds; *5/14/91,* "Nephrologists' approach to the treatment of inflammatory disease."

Dorothea Dix Hospital, Raleigh, NC; Grand Rounds; *5/22/91,* "Nephrotoxic acute renal failure."

University of North Carolina Medical School, Chapel Hill, NC; Visiting Professor, Clinical Renal Conference; *5/23/91,* "Pathophysiology and treatment of cystinuria."

Duke University, Durham, NC; Renal subspecialty conference; 5/24/91, "Cystinuria."

Duke University, Durham, NC; Medical Grand Rounds; 5/24/91, "Cystinuria."

Symposium on Hypertension and Heart Disease (sponsored by the University of Buffalo), Buffalo, NY; Teaching rounds with medical housestaff; *5/29/91,* "Metabolic and pathophysiologic considerations in the treatment of hypertension."

Hospital of St. Raphael, New Haven, CT; Medical Conference; 6/12/91, "Metabolic and pathophysiologic considerations in the treatment of hypertension."

Symposium on Hypertension and Heart Disease, Rochester, NY; 6/19/91, "Hypertensive nephropathy."

Faulkner Hospital, Boston, HA; Grand Rounds; 8/1/91, "Metabolic and pathophysiologic considerations in the treatment of hypertension."

Buffalo General Hospital, Buffalo, NY; Grand Rounds; 8/7/91, "Hypertension, heredity and diabetic nephropathy."

Kingsbrook Jewish Hospital, NY; Grand Rounds; 9/10/91, "Treatment of hypertension in the elderly."

Greenwich Hospital, Greenwich, CT; Grand Rounds; 9/18/91, "Managing hypertension in patients with COO risk factors."

U.S. Naval Hospital, Newport, RI; Grand Rounds; 9/25/91, "Hypertension beyond BP control."

**Visiting Lectureships/Conferences (continued**

Our Lady of Victory Hospital, Lackawanna, NY; Grand Rounds; 9/27/91, "Raynaud's phenomenon."

Warwick Hospital, Warwick, RI; Grand Rounds; 10/10/91, "Metabolic and pathophysiologic considerations in the treatment of hypertension."

Northern Westchester Medical Center, NY; Grand Rounds; 11/8/91, "The management of hypertension in patients with COO risk factors."

Park City Hospital, Bridgeport, CT; Grand Rounds; 11/21/91, "Diabetic nephropathy."

St. Mary's Hospital, Waterbury, CT; Grand Rounds; 12/20/91, "Diabetic nephropathy."

Putnam Hospital, Carmel, NY; Grand Rounds; 1/17/92, "Treatment of hypertension in the elderly."

Mount Sinai Hospital, Hartford, CT; Grand Rounds; 2/12/92, "Calcium antagonists in.the renal compromised patient."

Interfaith Hospital, Brooklyn, NY; Grand Rounds; 2/13/92, "Nephrotoxic acute renal failure."

UMass Medical Center, Worcester, HA; Grand Rounds; 2/19/92, "Hetabolic and pathophysiologic considerations in the treatment of hypertension,"

West Haven V.A. Hospital, West Haven, CT; Clinicopathological Conference; 3/13/92, "A patient with nephrotic syndrome and splenomegaly."

Forum on Cardiovascular Therapy, Buffalo, NY; 4/9/92, "Renal effects of hypertension."

St. Francis Hospital, Poughkeepsie, NY; Grand Rounds; 4/17/92, "Treatment of hypertension *in* the diabetic."

Yale University Medical Center, New Haven, CT; Clinicopathologic Conference; 4/21/92, "A patient with scleroderma and renal failure."

Mount St. Mary's Hospital, Lewiston, NY; Grand Rounds; 4/27/92, "A rational approach to the treatment of mild hypertension,"

Morristown Memorial Hospital, Morristown, NJ; Grand Rounds; 5/13/92, "Metabolic and pathophysiologic considerations in the treatment of hypertension."

V.A. Hospital, Syracuse, NY; Grand Rounds; 8/12/92, "A rational approach to the treatment of mild hypertension."

Griffiss Air Force Hospital, Rome, NY; Grand Rounds; 8/12/92, "Metabolic and pathophysiologic considerations in the treatment of hypertension."

Cornell University Medical School, New York, NY; Renal Conference; 8/18/92, "Cystinuria."

Danbury Hospital, Danbury, CT; Grand Rounds; *9/2192,* "Metabolic and pathophysiology considerations in the treatment of hypertension."

**Visiting Lectureships/Conferences (continued**

Mount Vernon Hospital, Mount Vernon, NY; Grand Rounds; *9/2192,* "Treatment of hypertension in the elderly."

Monroe Community Hospital, Rochester, NY; Medical Conference; 9/16/92, "Metabolic and pathophysiologic considerations in the treatment of hypertension."

Delaware Valley Medical Center, Langhorne, PA; Grand Rounds; 10/29/92, "Metabolic and pathophysiologic considerations in the treatment of hypertension."

Lancaster General Hospital, Lancaster, PA; Grand Rounds; 10/30/92, "Metabolic and pathophysiologic considerations in the treatment of hypertension."

North Penn Hospital, Lansdale, PA; Grand Rounds; 10/30/92, "Treatment of hypertension in the elderly."

Yale University Medical Center, New Haven, CT; Grand Rounds; 11/5/92, "NSAID-associated renal syndromes."

Auburn Memorial Hospital, Auburn, NY; Grand Rounds; 11/17/92, "Hypertensive end organ damage."

Soldier and Sailor's Hospital, Penn Yann, NY; Medical Conference; 11/18/92, "Metabolic and pathophysiologic considerations in the treatment of hypertension."

Wyoming County Community Hospital, Warsaw, NY; Grand Rounds; 11/18/92, "Metabolic and pathophysiologic considerations in the treatment of hypertension."

St, Mary's Hospital, Waterbury, CT; Medical Conference; 1/11/93, "Treatment of hypertension in the elderly."

Westchester County Hospital, NY; Combined Medical/Cardiology Conference; 1/14/93, "Metabolic and pathophysiologic considerations in the treatment of hypertension."

Spring Hill College, Mobile, AL; Cardiovascular Update Symposium; 3/25/93, "Update on calcium channel blockers and renal function."

VA Medical Center, Biloxi, HS; Grand Rounds; 3/25/93, "Metabolic & pathophysiologic considerations in the treatment of hypertension."

St. Vincent's Hospital, Bridgeport, CT; Grand Rounds; 3/30/93, "Renal effects of calcium antagonists & ace inhibitors in patients with renal insufficiency."

Kingston Hospital, Kingston, NY; Grand Rounds; 4/3/93, "Hypertension in the psychiatric patient."

F,F, Thompson Hospital, Canandaiga, NY; Grand Rounds; 5/12/93, "Metabolic & pathophysiologic considerations in the treatment of hypertension."

Yale University School of Medicine, New Haven, CT; Cardiology/Preventative Medicine Conference 6/10/93, "Hypertension in the diabetic: Pathogenesis & Rx."

**Visiting Lectureships/Conferences (continued**

Warren General Hospital, Warren, PA; Grand Rounds; 6/15/93, "Treatment of hypertension in the patient with concomitant heart disease."

W.C.A; Hospital, Jamestown, NY; Noon Conference; 6/16/93, "Treatment of CHF in the patient with. concomitant heart disease."

St. Michael's Medical Center, Newark, NJ; Grand Rounds; 7/15/93, "Metabolic and pathophysiologic considerations in the treatment of hypertension."

Mercy Hospital, Buffalo, N. Y.; Grand Rounds; 9/2/93, "Chronic renal failure in the diabetic patient."

Griffin Hospital, Derby, CT; Grand Rounds; 10/21/93, "Diabetic nephropathy."

Griffin Hospital, Derby, CT; Noon Conference; 11/1/93, "Acid-Base Disorders."

Ht. Sinai Hospital, Hartford, CT; Grand Rounds; 11/10/93, "Nephrotoxic ARF."

Cortland Memorial Hospital, Cortland, NY; Grand Rounds; 3/1/94, "Metabolic & pathophysiologic considerations in the treatment of hypertension."

Genesee Hospital, Rochester, NY; Grand Rounds; 3/2/94, "Hypertension, obesity and insulin resistance-Syndrome X."

Meadville City Hospital, Erie, PA; Grand Rounds; 3/9/94, "The Cardiorenal Connection."

VA Medical Center, Erie, PA; Grand Rounds; 3/9/94, "The Cardiorenal Connection."

Hammot Medical Center, Erie, PA; Grand Rounds; 3/10/94, "Prevention of CRF."

VA Medical Center, Buffalo, NY; Renal Grand Rounds; 4/13/94, "Disorders of potassium homeostasis."

Buffalo General Hospital, Buffalo, NY; Noon Conference; 4/14/94, "Metabolic & pathophysiologic considerations in the treatment of hypertension."

Radisson Conference Center, Cromwell, CT; 1994 Charter Oak Conference, Connecticut Academy of Physician Assistants; 4/20/94, "Treatment of hypertension in the primary care setting."

Eighth Annual Update in Internal Medicine, Olean, NY; 5/7/94, "Management of renal failure in the community hospital setting."

Erie County Medical Center, Buffalo, NY; Medical Grand Rounds, 10/21/94, "The role of hyperinsulinemia in hypertension."

Our Lady of Victory Hospital, Buffalo, NY; Medical Grand Rounds, 10/22/94, "Hypertensive end-organ damage."

**Visiting Lectureships/Conferences (continued**

Millard Fillmore Hospital, Buffalo, NY; Endocrine Conference, 10/22/94, "The role of hyperinsulinemia in hypertension."

Bridgeport Hospital, Bridgeport, CT; Medical Grand Rounds, 11/17/94, "Diab~tic nephropathy: natural hx, pathophysiology and Rx."

Middlesex Hospital, Middletown, CT; Medical Grand Rounds, 3/2/95, "Hypertensive end-organ damage."

Eastern Maine Medical Center, Bangor, HE; Medical Grand Rounds, 4/13/95, "Treatment of hypertension in the 90's."

Eastern Main~ Medical Center, Bangor, HE, 4/14/95; Nephrology Symposium "Primary Hyperaldosteronism" and "Renal effects of NSAID's."

St. Joseph's Medical Center, Reading, PA; Medical Grand Rounds, 5/12/95, "Treatment of Hypertension in the Elderly."

Allentown VA Clinic, Allentown, PA; Medical Grand Rounds, 5/12/95, "Treatment of Hypertension in the Elderly."

Hass. General Hospital: Medical Grand Rounds, 6/6/95, "A critical evaluation of the prospective trials of the treatment of hypertension."

Bethlehem, PA: Cardiovascular symposium (sponsored by University of Wisconsin), 6/21/95, "Treatment of hypertension in the elderly."

UCONN Health Center, Farmington, CT; Medical Grand Rounds, 12/29/95, "Drug induced hyperkalemia."

St. Mary's Hospital, Waterbury, CT; Medical Grand Rounds, 2/9/96, "Standard Dose Bactrim Causes Hyperkalemia."

Hartford Hospital, Hartford, CT; Visiting Professor and Cardiology Grand Rounds, 4/5/96, "Hypertension in the patient with coronary artery disease."

Westbrook, CT; Symposium in Cardiovascular Medicine, 5/22/96, Moderator. "CHF in the Hypertensive Patient."

St. Elizabeth's Hospital, Utica, N.Y.; Medical Grand Rounds, 7/30/96, "Treatment of Hypertension in the 90's."

South Portland, ME; Issues in Cardiovascular Care symposium, 8/9/96, "Hypertension in the Elderly."

Portsmouth, N.H.; Issues in Cardiovascular Care symposium, 8/10/96, "Hypertension in the Elderly."

**Visiting Lectureships/Conferences (continued**

St. Joseph's Hospital, Syracuse, NY; Medical Grand Rounds, 10/8/97, "Treatment of Hypertension in the 1990's."

Syracuse University, Syracuse, NY; 10/7/97, "The Approach to the Patient with Cardiorenal Syndromes."

Waterbury Hospital, Waterbury, CT; 11/20/97; "Pathophysiology of Hypertension."

LeMoyne College, Syracuse, NY; 4/15/98; "Treatment of Mild Hypertension."

Clifton Springs Hospital, Syracuse, NY; Medical Grand Rounds, 4/15/98; "The Syndrome of Insulin Resistance."

St. Mary's Hospital, Waterbury, CT; 9/10/98; "Initial Approach to the Treatment of Hypertension."

# Curriculum Vitae

Peter James Jacoby, M.D., F.A.C.E.P.

Education: M.D. Degree: Universidad Nacional Pedro Henriquez Urena (National University)
Santo Domingo, Dominican Republic
Graduation: November, 1976

BA Degree: University of Wisconsin
Madison, Wisconsin
Graduation: June, 1972

Training and Work Experience:

Chairman, Department of Emergency Services
St. Mary's Hospital
Waterbury, Connecticut
April, 1991 to Present

President, Franklin Medical Group
St. Mary's Hospital
May, 2003-Present

Emergency Department Physician
St. Mary's Hospital
Waterbury, Connecticut
July, 1980 to March, 1991

Residency, Internal Medicine
St. Mary's Hospital
Waterbury, Connecticut
July, 1977 to June, 1980

Department of Health, Commonwealth of Puerto Rico
School Health Program of Caguas Regional Hospital
Pediatric Department
January, 1977 to May, 1977

Professional Certification:

American Board of Emergency Medicine:
Original Certification: 1987
Recertification: 1997, 2006
Connecticut Licensure #19781: August, 1978

Flex (Foreign Licensing Examination):
December, 1977

Puerto Rico State Board: 1977

Advanced Cardiac Life Support Instructor
Original Certification: 1981

Advanced Trauma Life Support Instructor
Original Certification: 1981

Pediatric Advanced Life Support
Certification: April 1988

Professional Societies/Awards

Fellow, American College of Emergency Physicians

Member, American College of Physician Executives

Fellow, American Professional Wound Care Association

Phil Stent Award (EM Physician of the Year)
Connecticut College of Emergency Physicians
2003

American College of Emergency Physicians
Council Meritorious Service Award
2005

Humanitarian Award
Boys and Girls Club of Greater Waterbury
2007

Hero of Emergency Medicine Award
American College of Emergency Medicine
2008

Connecticut Hospital Association
HealthCare Hero Award
2009

Appointments:

Hospital: Chairman, Department of Emergency Services
St. Mary's Hospital
Waterbury, Connecticut
1991 to Present
Associate Director, Emergency Department

St. Mary's Hospital
Waterbury, Connecticut
1988 to 1991

Academic: Assistant Professor (SMH)
Department of Traumatology &
Emergency Medicine
University of Connecticut
School of Medicine

Adjunct Clinical Assistant Professor
Quinnipiac College

Medical: Council Speaker
American College of Emergency Physicians
[two-year term (2001-2003)]

President, Past- President, Secretary-Treasurer
CT College of Emergency Physicians
1991-1993

Councillor
CT College Emergency Physicians
1995 to 2001

Board of Directors
CT College of Emergency Physicians
1990 – 1992

Board of Directors
NEMPAC (Emergency medicine PAC)
2008 – Present

Member, Chapter Advisor Committee
American College of Emergency Physicians
1994 - 1998

Member, Finance Committee
American College of Emergency Physicians
1999 to Present

Chairman, Chapter Advisory Committee
American College of Emergency Physicians
1997, 1998

Chairman, Finance Committee
American College of Emergency Physicians
2006-2007

Member, Internal/External Communications

Task Force
American College of Emergency Physicians
1997, 1998

Medical Director
Northwest CT Emergency
Medical Services Council

Chairman,
EMS Advisory Board
State of Connecticut
2001 – 2003

Vice Chairman,
EMS Advisory Board
State of Connecticut
1997 to 2000

Member of CT State Medical Advisory
Committee for Emergency Medical Services

Chairman,
Subcommittee "New Therapies & Technologies"
1994 to 2000

Member, Committee on Trauma
American College of Surgeons
CT Chapter
1981 to Present

Member, Medical Advisory Committee
Connecticut Poison Control Center
1993 to 1996

Member, Trauma Committee
CT EMS Advisory Board
1994 to 2000

Community:

Member, Commission on the Standardization
of the Collection of Evidence in Sexual
Assault Investigations
1993 to Present

Member, Board of Directors
Jane Doe No More
2007-2009

Trustee, Board of Directors

Connecticut Community Foundation
May, 2002 – 2008

President, Board of Directors
Connecticut Community Foundation
May 2008 – March, 2011

Chairman, Board of Directors
Waterbury Regional Chamber Health Council
2004-2006

Trustee, Board of Directors
St Mary's Hospital Foundation
2005 - Present

Member, Business Advisory Board
"Physician Practice Magazine"

Member, Region VI
Permanent Commission on the
Status of Women
1996 to 2002

Board of Directors
Morris Foundation
Waterbury, Connecticut
1985 to 1988

President, Board of Directors
Pearl Street Community Center
Waterbury, Connecticut
1983 to 1988

Medical Advisor
Woodbury Volunteer Ambulance Association
Woodbury, Connecticut
1983 to Present

Board of Directors, Ambassadors
St. Mary's Hospital
Waterbury, Connecticut
1984 to 1993

Medical Advisor, WARC
(Waterbury Association of Retarded Children)
1993 to 1998

Local Emergency Planning Commission

Woodbury, CT
1994 to Present

Local Emergency Planning Commission
Waterbury, CT
1992 to Present

Speaking Engagements: Emergency Care Symposium
Assoc. for Trauma Care of India
Bombay, India
August, 1990

Chapter Officer - Guide to Survival
Leadership Conference
American College of Emergency Physicians
Dallas, Texas
April 1994

Chapter Officer Orientation & National Support Resources
Leadership Conference
American College of Emergency Physicians
Washington, D.C.
April, 1997

Emergency Medicine Symposium
Sofia, Bulgaria
Albert Schweitzer Institute and
Open Society
November 1997

Emergency Medicine in Bulgaria
CCEP Educational Conference
Ledyard, CT
April, 1998

Chapter Leader Orientation
Leadership/Legislative Conference
American College of Emergency Physicians
Washington, D.C.
April, 1998

Emergency Medicine Symposium
Baku, Azerbaijan
Albert Schweitzer Institute and Open Society
October 1998

Emergency Medicine in Eastern Europe

Emergency Nurses Association
Annual Meeting
November 1998

Sexual Assault: How to Convict a Rapist
Emergency Medicine Grand Rounds
Lehigh Valley Hospital
Allentown, PA
February 2, 2000

Overcrowding in the ED, EMTALA, Terrorism 2002
Trauma Symposium
Tulsa, Oklahoma
September, 2002

When do we need the Trauma Surgeon?
Trauma Symposium ACS, COT Connecticut
March, 2003

Terrorism, 2003: Are we really prepared?
Trauma and Emergency Medicine Symposium
Boise, Idaho
June, 2003

Sexual Assault
Emergency Medicine Grand Rounds
SUNY @ Syracuse, NY
January, 2004

Trauma Review and Effective Relationships
Michigan College of Emergency Physicians
Macinac Island, MI
July, 2004

Pain Control in the Emergency Department
Yale New Haven Emergency Medicine Grand Rounds
Sept., 2004

Efficiency & Change: restructuring around productivity
Measures in a Highly Competitive Market
Physicians Practice
Annapolis, MD
October, 2004

Ethical Dilemmas in the Emergency Department
Connecticut Hospital Association
November, 2004

Communication: the key to success

Leadership & Advocacy Conference
Washington, DC
April, 2005

Pain Control in the ED Setting
Christiana Care Hospital EM Grand Rounds
Newark, DE
May, 2005

Falls in the Elderly
Hartford Hospital EM Grand Rounds
June, 2005

Panel Moderator
EMS Issues
Connecticut Trauma Symposium
March, 2006

Effective Relationships in the ED Setting
Sterling Health Care Director's Symposium
Greensboro, GA
April, 2006

Preparing the Trauma Patient for Transfer
New Hampshire Trauma Symposium
November, 2006

Trauma Systems: Can we continue to afford them?
Pain Management in the ED setting
Trauma Symposium
Kansas City, MO
December, 2006

The IOM Report – Where are we today?
New Hampshire Trauma Symposium
November, 2007

Sexual Assault Evaluations – Where are we today?
Connecticut Hospital Association
May, 2008

*CURRICULUM VITÆ*

# JUAN A. SANCHEZ, M.D., M.P.A.

Chairman
The Stanley J. Dudrick Department of Surgery
Saint Mary's Hospital
Waterbury, Connecticut

## CONTACT INFORMATION

*Academic Office:*
Saint Mary's Hospital
Department of Surgery
56 Franklin Street
Waterbury, CT 06706
Telephone: 203.709.6315
Facsimile: 203.709.6089
Email: juan.sanchez@stmh.org

*Clinical Office:*
Franklin Medical Group
Franklin Surgical Suite – Room 308
133 Scovill Street
Waterbury, CT 06706
Telephone: 203.709.5900
Facsimile: 203.709.5910

## CURRENT POSITIONS AND APPOINTMENTS

Saint Mary's Hospital:
Chair of Surgery
Program Director in Surgery
ACGME-Approved Residency Training Program

University of Connecticut Health Center
Professor of Surgery

## EDUCATION

1973-1977 Monsignor Edward Pace High School
Miami, Florida
*High School Diploma, 1977*

1977-1980 University of Miami
Coral Gables, Florida
*Bachelor of Science*, 1980

1980-1984 University of Florida College of Medicine
Gainesville, Florida
*Doctor of Medicine*, 1984

1996-1997 University of Kentucky Gatton College of Business
Lexington, Kentucky
*Certificate in Medical Management,* 1997

2000-2001 Harvard University Kennedy School of Government
Cambridge, Massachusetts
*Master of Public Administration*, 2001
Methodological Concentration: Internal Management of Organizations & Networks
Policy Area: Health

2010- University of London/ London School of Hygiene and Tropical Medicine
London, United Kingdom
*Master of Science* (Public Health), Candidate
Stream: Health Services Management

## POSTGRADUATE TRAINING

1984-1985 Surgery Internship
Georgetown University Medical Center
Washington, District of Columbia
Chair: Robert B. Wallace, MD

1985-1989 Resident & Chief Resident in Surgery
Georgetown University Medical Center
National Veteran's Administration Hospital
Washington, District of Columbia
Chair: Robert B. Wallace, MD/ Chief: Russell J. Nauta, MD

1989-1990 Research Fellow
Cardiac Transplantation Research Laboratory
Department of Surgery
Columbia University College of Physicians & Surgeons
New York, New York
Chair: Keith Reemtsma, MD/ Chief: Eric A. Rose, MD

1990-1991 Cardiopulmonary Transplant Fellow
Yale New Haven Hospital
New Haven, Connecticut
Chair: Ronald C. Merrell, MD/ Chief: John C. Baldwin, MD

1991-1993 Resident & Chief Resident in Thoracic Surgery
Yale New Haven Hospital
New Haven, Connecticut
Chair: Ronald C. Merrell, MD/ Chief: John C. Baldwin, MD

## PREVIOUS ADMINISTRATIVE POSITIONS

1989-1990 Procurement Surgeon
Cardiopulmonary Transplantation Program
Columbia-Presbyterian Medical Center
New York, New York

1993-1995 Director, Cardiothoracic Surgery Intensive Care Unit
Jackson Memorial Hospital
University of Miami School of Medicine, Miami, Florida

1993-1995 Director, Lung Transplant Program (UNOS Approved Director)
Jackson Memorial Hospital
University of Miami School of Medicine, Miami, Florida

1995-2001 Director, Cardiac Transplant Program (UNOS Approved Director)
University of Kentucky, Lexington, Kentucky

1996-1997 Interim Chief, Division of Cardiovascular & Thoracic Surgery
University of Kentucky, Lexington, Kentucky

2001-2007 Chief, Section of Cardiothoracic Surgery
Bridgeport Hospital/ Yale New Haven Health System, Bridgeport, Connecticut

2004-2007 President, Connecticut Cardiothoracic Surgery, LLC (Private Practice)
Trumbull, Connecticut

2005-2007 Co-Director, Thoracic Oncology Program
Norma S. Pfriem Cancer Center
Bridgeport Hospital/ Yale New Haven Health System, Bridgeport, Connecticut

## OTHER PROFESSIONAL POSITIONS AND APPOINTMENTS

2010-present President-Elect
Connecticut Chapter of the American College of Surgeons

2011-present Board of Examiners
Malcolm Baldrige Quality Award
National Institute of Standards and Technology (NIST)
U.S. Department of Commerce

## ACADEMIC APPOINTMENTS

1989-1990 Post-Doctoral Research Scientist
Columbia University College of Physicians & Surgeons
New York, New York

1992-1993 Instructor in Surgery
Yale University School of Medicine
New Haven, Connecticut

1993-1995 Assistant Professor of Clinical Surgery
Division of Cardiothoracic Surgery
University of Miami School of Medicine
Miami, Florida

1995-2001 Associate Professor of Surgery with Tenure
Division of Cardiovascular and Thoracic Surgery
University of Kentucky Medical Center
Lexington, Kentucky

2010- Professor of Surgery (*pending*)
Department of Surgery
University of Connecticut Health Center
Farmington, Connecticut

## MILITARY SERVICE

| | |
|---|---|
| 1989-1997 | United States Navy, Medical Corps<br>Commissioned, Washington Naval Yard, 1989<br>Officer Candidate School, Naval Air Station Pensacola, 1989<br>PRIMUS Unit, Bethesda Naval Hospital, 1989-1990<br>25th Marine Regiment, Picatinny Arsenal, NJ, 1990-1993<br>IRR, 1993-1997<br>Highest Rank Achieved: Lieutenant Commander (O-4)<br>Honorable Discharge, 6/28/97 |

## HOSPITAL APPOINTMENTS/PRIVILEGES

| | |
|---|---|
| 1993-1995 | University of Miami Hospitals & Clinics, Miami, Florida |
| 1993-1995 | Miami Veteran's Affairs Hospital, Miami, Florida |
| 1995-2001 | University of Kentucky Hospital, Lexington, Kentucky |
| 1995-2001 | Lexington Veterans' Affairs Hospital, Lexington, Kentucky |
| 2001- | Bridgeport Hospital, Bridgeport, Connecticut |
| 2003-2007 | St. Vincent's Hospital, Bridgeport, Connecticut (Courtesy) |
| 2004-2007 | Griffin Hospital, Derby, Connecticut |
| 2006-2010 | The Stamford Hospital, Stamford, Connecticut |
| 2007- | Saint Mary's Hospital, Waterbury, Connecticut |
| 2008- | Connecticut Children's Medical Center, Hartford/Waterbury, Connecticut |
| 2010- | Bristol Hospital, Bristol, Connecticut |

## BOARD CERTIFICATION

| | |
|---|---|
| 1988 | National Board of Medical Examiners, Certificate # 305513 |
| 1992 | American Board of Surgery, Certificate # 046019 |
| 1994 | American Board of Thoracic Surgery, Certificate # 5562 |
| 2004 | American Board of Thoracic Surgery, Recertification |
| 2008 | American Board of Surgery, Recertification |
| 2010 | American Board of Medical Quality, Certificate # 21006 |

## MEDICAL LICENSURE

| | |
|---|---|
| 1988 | District of Columbia, License # 17261, Inactive |
| 1990 | New York, License # 182417, Inactive |
| 1993 | Florida, License # 0065251, Inactive |
| 1995 | Kentucky, License # 31784, Inactive |
| 2000 | West Virginia, License # 20132, Inactive |
| 2001 | Connecticut, License # 039641, Active |

## OTHER PROFESSIONAL CERTIFICATION

| | |
|---|---|
| 2010 | Patient Safety Certificate, National Quality Colloquium |
| 2010 | Advanced Cardiac Life Support (ACLS) Provider, American Heart Association |

## HONORS & AWARDS

| | |
|---|---|
| 1977-1980 | President's Honor Roll, University of Miami |
| 1999-2001 | American Heart Association, Beginning Grant-in-Aid Award |
| 1977-1979 | Educational Scholarship Award, University of Miami |
| 2000-2001 | Kennedy Fellowship, Harvard University |
| 2000-2001 | Alley-Sheridan Scholar-in-Residence, The Thoracic Surgery Foundation |
| 1978 | Elected to Phi Kappa Phi Honor Society, University of Miami |
| 1980 | Distinguished Achievement in Sciences, Delta Theta Mu Honorary Society |
| 1980 | Cum Laude Graduation, University of Miami |
| 1984 | William W. & Marie C. Wolff Scholarship, University of Florida |
| 1989 | Outstanding Achievement Award, OIS, Naval Air Station, Pensacola |
| 1993 | Ferriaolo-Glenn Award for Cardiovascular Research, Yale University |
| 1997 | P. P. Bosomworth Award, University of Kentucky Hospital |
| 1997 | Faculty Development Grant, University of Kentucky |
| 2006 | Making a Difference Award, Bridgeport Hospital |
| 2007 | Best Doctors in America®, Best Doctors, Inc |
| 2007 | Top Doctor, Thoracic Surgery, Connecticut Magazine, April 2007 |
| 2004 | Top Doctors, New York Metro Area, Castle-Connolly Guide, 8th Ed. |
| 2005 | Top Doctors, New York Metro Area, Castle-Connolly Guide, 9th Ed. |
| 2006 | Top Doctors, New York Metro Area, Castle-Connolly Guide, 10th Ed. |
| 2007 | Top Doctors, New York Metro Area, Castle-Connolly Guide, 11th Ed. |
| 2008 | Top Doctors, New York Metro Area, Castle-Connolly Guide, 12th Ed |
| 2009 | Top Doctor, Thoracic Surgery, Connecticut Magazine, April 2009 |
| 2010 | Best Doctors in America®, Best Doctors, Inc |
| 2010 | Top Doctor, Thoracic Surgery, Connecticut Magazine, April 2010 |
| 2010 | Top Doctors, New York Metro Area, Castle-Connolly Guide, 13th Ed |
| 2011 | Top Doctors, Thoracic Surgery, Connecticut Magazine, April 2011 |
| 2011 | Best Doctors in America®, Best Doctors, Inc |
| 2011 | Top Doctors, New York Metro Area, Castle-Connolly Guide, 14th Ed |

## PROFESSIONAL MEMBERSHIPS (** by election*)

| | |
|---|---|
| 1989-2002 | Association for Academic Surgery* |
| 1989- | Robert B. Wallace, MD Society |
| 1989-2001 | International Society for Heart and Lung Transplantation |
| 1993 | American Heart Association Cardiovascular Surgery Council |
| 1993- | Yale Surgical Society (Lifetime Member) |
| 1994-2001 | Royal Society of Medicine (London), Fellow* |
| 1995- | American College of Cardiology, Fellow* |
| 1995- | American College of Chest Physicians, Fellow* |
| 1995-2001 | American Society of Artificial Internal Organs |
| 1995-2001 | International Association of Cardiac Biological Implants |
| 1995-2001 | International Society for Heart Research* |
| 1996- | American College of Physician Executives |
| 1996- | American College of Surgeons, Fellow* |

| | |
|---|---|
| 1996-2001 | American Society of Transplant Surgeons* |
| 1996-2001 | Society for Organ Sharing* |
| 1996- | Society of Thoracic Surgeons* |
| 1997-2001 | Heart Failure Society of America |
| 1997- | Societé Internationale de Chirugie* |
| 1997- | Southern Thoracic Surgical Association* |
| 1998-2001 | Lexington Surgical Society |
| 1998- | Southeastern Surgical Congress, Fellow* |
| 1998- | 21st Century Cardiac Surgical Society* |
| 1999- | Society of University Surgeons* |
| 1999- | The Scientific Research Society of Sigma Xi * |
| 2000- | American Association for Thoracic Surgery* |
| 2001- | Connecticut State Medical Society |
| 2001- | Fairfield County Medical Society |
| 2007- | Surgical Outcomes Club* |
| 2007- | American College of Medical Quality |
| 2008- | Beaumont Medical (History) Club, Yale University* |
| 2008- | International Society for the Study of Lung Cancer |
| 2009- | New England Surgical Society* |
| 2009- | International Society for Minimally Invasive Cardiothoracic Surgery |
| 2010- | European Association for Cardio-Thoracic Surgery* |
| 2010- | Society of Surgical Oncology* |
| 2010- | International Thymic Malignancy Interest Group |
| 2010- | New York General Thoracic Surgery Club |
| 2010- | The New York Academy of Sciences |
| 2010- | General Thoracic Surgery Club* |
| 2010- | AcademyHealth (formerly Association for Health Services Research) |
| 2010- | The Halsted Society* |
| 2011- | Association for Surgical Education |
| 2011- | Association of Program Directors in Surgery |

## COMMITTEE ASSIGNMENTS & OTHER ACADEMIC/EDUCATIONAL ACTIVITIES

*National*

American College of Medical Quality
Annual Meeting Planning Committee, 2010

American College of Surgeons
The Committee on Young Surgeons, 1999-2000

American College of Physician Executives
Patient Safety and High Reliability Taskforce, 2010-present
Member-Driven Taskforce, 2010

Association for Academic Surgery
Membership Committee, 1998

International Society for Heart and Lung Transplantation
Scientific Council on Pulmonary Transplantation, 1996-2000
Subcommittee on Guidelines
Scientific Council on VAD/Total Artificial Hearts, 2000

International Thymic Malignancy Interest Group
Database Committee, 2010-present

Joint Council on Thoracic Surgery Education, Inc.
Committee for Simulation-based Learning, 2010-present
Boot Camp for Surgical Residents & Medical Students, Clinical Congress ACS, 2010

Society of Cardiovascular Anesthesiology
FOCUS Initiative
Steering Committee, 2009-present

Society of University Surgeons
Committee on Publications, 2000-2004

Society of Thoracic Surgeons
Information Technology Committee, 1996-1999
Public and Media Affairs Subcommittee, 1997-1999
Workforce on Health Policy, Advocacy, and Reform, 2002-2007
Task Force on Clinical Guidelines, Endocarditis, 2006-2008
Workforce on Patient Safety, 2008–present
Taskforce for Surgical Safety Checklist, Chair, 2009-present
Representative to FOCUS Initiative, 2009-present
Workforce on National Databases
Task Force on Quality Initiatives, 2008-present
Longitudinal Follow-up Subcommittee, 2008-present
Public Reporting Task Force, 2009-present
Abstract Reviewer
Annual Meeting, 2009
Annual Meeting, 2010
Workforce on Research and Clinical Trials, 2010
Taskforce on Performance Improvement CME, Co-Chair, 2010

Thoracic Surgery Foundation for Education and Research
Education Committee, 2001
Matloff Society (Founder), 2011-present

United Network for Organ Sharing
Scientific Advisory Council, At Large Member, 1996
Representative to AHIP Evidence-Based Medicine Committee, 2009-2000

Finance Committee, Region 11 Representative, 1999-2000

University HealthCare Consortium
Heart Transplant Benchmarking Project, 1996
Clinical Benchmarking Liaison
CABG Benchmarking Project, 1996

*Regional*

American College of Surgeons
Kentucky Chapter
Committee on Applicants, Kentucky District #2, 1999-2000
Connecticut Chapter
Executive Council, 2008-2011 Term
Chair, Legislative Committee, 2008-present
Committee on Applicants, Connecticut District #1, 2009-present
CMS Carrier Advisory Committee, 2009-present
Treasurer, 2009-2011
Vice President, 2010-2011
Co-Chair, Quality Committee, 2010-present

Connecticut Department of Public Health
Quality in Health Care Program
Cardiac Care Committee, 2007-present

Connecticut Hospital Association
CV/Thoracic Surgery Performance Improvement Collaboration Project, 2008-
Surgical Quality Improvement Collaborative, Co-Chair, 2010-

Connecticut State Medical Society
Committee on Medicare and Senior Health Issues, 2008-present
Committee on Alcohol and Drug Dependency (Ex-Officio), 2009-present

Fayette County Medical Society
Service Council, 1997
Chairman, Medicare Liaison Committee, 1998-2000
Chairman, Public Information Committee, 1998-2000

Kentucky Medical Association
Delegate, 1997
Alternate Delegate, 1998
Ad Hoc Committee on Cardiovascular Services, 1998-2000

Annual Northeast Cardiovascular Collaborative, Mt. Snow, Vermont
CME Director (Sponsor-University of Connecticut), 2011
Medical Program Director, 2011

United Network for Organ Sharing (Region 11)
Thoracic Transplant Regional Review Board, 1998-2000

*Institutional*

Saint Mary's Health System, Inc.
Medical Executive Committee, 2007-present
Quality Coordination Council, 2007-present
Cancer Committee, 2007-present
Operating Room Committee, Chair, 2007-present
Surgical Section Chiefs Committee, Chair, 2007-present
Surgical Education Committee, 2007-present
Search Committee, Vice-President of Medical Affairs, 2007-2008
Peer-Review Oversight Committee, 2007-present
Institutional Privacy/Security Oversight Committee, 2008-present
Patient Safety Committee, 2008-present
Medical Records Committee, 2008-present
Contingency Fund Committee, 2008-present
Surgical Services Strategy Task Force, Chair, 2008-2009
Strategic Planning Committee, 2008-present
Institutional Review Board, Chair, 2009-present
Board, Trinity Medical Group, 2010-present

Bridgeport Hospital
Pediatric Surgery Committee, 2007
Robot Usage Committee, Chair, 2007
Thoracic Oncology Center of Excellence, Chair, 2006
Cancer Committee, 2005-2007
Medical Executive Committee, Nominating Subcommittee, 2005
Surgical Services Committee, 2005-2007
Integrated Quality Council, 2004-2007
New Technology Assessment Committee, 2003

Yale University School of Medicine
Stanley J. Dudrick Symposium, Course Director, 2009

Yale-New Haven Health System
Heart Institute, Executive Committee, 2005-2006

Harvard University, Kennedy School of Government
Health Policy Interest Council (PIC), 2000-2001
Student Government Representative, 2000-2001
Group Discussion Leader, Health Care Executive Course, 2000-2001
Innovations in American Government/Ford Foundation, 2001-2002

University of Kentucky
Transplant Center Executive Council, 1996-2000

Medical Policy Advisory Group, 1995-1996
ICU Committee, 1996-2000
Organ Donation Committee, 1996-2000
Clinical Pathways and Outcomes Management, 1996-2000
Steering Committee
Chair, Cardiac Clinical Group Management Team
Multidisciplinary Medication Error Prevention Task Force, 1996-1997
Blood Product Utilization Committee, 1997-2000
Kentucky Heart Institute, 1997-2000
Business Plan Committee
Outreach Committee
Quality Improvement Council, 1998-1999
Clinical Outcomes Group, 1998-2000
College of Medicine Admissions Committee Interviewer, 1997-1998
MD/JD Degree Program Committee, 1997-1998
Resource Center for Medical Education Planning Committee, 1997-1999
International Rotation Committee, 1998-2000
Humanities Advisory Committee, 1998-2000
UK HealthCare Enterprise, KMSF Billing Task Force, 1998-1999
Member, Institutional Review Board, 1998-1999
Department of Surgery, Marketing Committee, 1999
Critical Care Committee VAMC Lexington, Co-Chairman, 1997-1998

## STUDY SECTIONS & ADVISORY PANELS

National Institute of Standards and Technology, U.S. Department of Commerce
Board of Examiners, Malcolm Baldrige Quality Award, 2011-present

National Quality Forum
Patient Safety Technical Advisory Panel, 2010-present

## EDITORIAL ACTIVITIES

*Ad hoc* Reviewer
Annals of Thoracic Surgery (Elsevier), 1996-present
Cardiovascular Research (Oxford), 1997-2000
Chest (HighWire Press), 1995-present
Circ, Resp, and Pulm Medicine (Libertas America), 2010-present
Harvard Health Policy Review, 2000-2001
Journal of Heart and Lung Transplantation (Elsevier), 1997-2000
Life Sciences (Elsevier), 2010-present
Society of Thoracic Surgery, Annual Meeting, 2001–present
Surgical Innovation (SAGE), 2010-present
Journal of Surgical Research, 2010-present
Journal of Surgical Education, 2010-present
The Medical Letter, 2010-present

Antioxidants and Redox Signaling (Mary Ann Liebert, Inc.), 2010-present

*Books*

Co-Editor: The Multi-Organ Donor: Selection and Management (Blackwell Scientific), 1997
Guest Editor: Metabolism and Nutrition for the Acute Care Patient
Surgical Clinics of North America (Elsevier), 2011 (In Press)
Guest Editor: Metabolism and Nutrition for the Critically Ill Patient
Surgical Clinics of North America (Elsevier), 2011 (In Press)
Guest Editor: Patient Safety in Surgery
Surgical Clinics of North America (Elsevier), 2012

*Editorial Boards*

The Internet Journal of Thoracic and Cardiovascular Surgery
Editorial Board, 1997-2008
Editor-in-Chief, 2009-present
Wikidoc.org, Editor-in-Chief, Cardiac Transplantation, 2009-present
The Heart Surgery Forum: Cardiothoracic Multimedia Journal, 1996-2003
CTSNet, Adult Cardiac Surgery Editorial Board, 2007- present
Image Gallery, Editor, 2007- present

## CIVIC & PHILANTROPIC ACTIVITIES/AWARDS

Volunteer, Hope Center (homeless shelter for men), Lexington, KY, 1997-2000
Commissioned a Kentucky Colonel by Governor Patton, 1997, Frankfort, KY
Health Promotion among Hispanic Migrant Workers, Midway College, Midway, KY, 1998
Mayor's Task Force on Hispanic Issues, Fayette County Government, 1998-1999
Connecticut Cancer Partnership, 2008-present
Waterbury Area Science Advisory Committee, 2009-present
CardioStart International, Medical Missions, 2010-present

## DIRECTORSHIPS & NON-PROFIT BOARDS

Board of Directors, Greater Bridgeport Symphony Orchestra, 2008-present
Board of Directors, Waterbury Symphony Orchestra, 2008-present
Board of Directors, Franklin Medical Group, PC, 2007-2010
Board of Directors, Trinity Medical Group, PC, 2011-present

## TEACHING, MENTORING, AND OTHER ACADEMIC ACTIVITIES

University of Connecticut
Anatomy Lab Proctor, 2010-present
ED-2 Inpatient Surgery Site Director, 2010-present
Multidisciplinary Ambulatory (MAX-2) Preceptor, 2010-present
Multidisciplinary Surgical Oncology Clerkship Preceptor, 2010-present
Faculty, UCONN Integrated Residency Program in Surgery, 2010-present
Faculty, Saint Mary's Residency Program in Surgery, 2007-present

Yale University
Anatomy Lab Proctor, 2001-present
Physician Assistant Students (at Bridgeport), 2001-2007
Site Faculty, ACGME Program in Surgery (at Bridgeport), 2001-2007

New England Association of Program Directors in Surgery
Oral Examiner Exchange Program, 2007-present

King's College, Wilkes-Barre, PA
Clinical Preceptor, Physician Assistant Students, 2007-present

Bridgeport Hospital
Teaching Faculty, Cardiology Fellowship, 2005-2007
Teaching Faculty, Critical Care Medicine Fellowship, 2006-2007

Harvard University
Student/Alumni Professional Connections Advisor, 2001-present

University of Kentucky College of Medicine
Structured Clinical Instruction Module (SCIM) Tutor, 1996-1997
Patient-Based Learning (PBL) Tutor, 1996-1998
Clerkship Director, Cardiothoracic Surgery Rotation, 1996-1997
Course Director, Cardiac Transplantation Elective (SUR 815p), 1996
History of Surgery Elective (SUR 815m), 1997
Faculty Adviser, William Osler Program in the Humanities, 1997-1998
Medical Student Liaison Faculty for Cardiothoracic Surgery, 1998-2000
Transplantation Curriculum for Third Year Medical Students, 1998-2000
University of Kentucky College of Law, Law and Medicine Course, 1997-2000
Surgery Housestaff Orientation Course, 1996-2000
Examiner, Mock Oral Boards Examination in Surgery, 1996, 1997
Clinical Competency Conference for Cardiology Fellows, 1999-2000

University of Miami School of Medicine
Lecturer, Harvey Cardiology Course, 1993-1995

## FUNDED RESEARCH & EXTRAMURAL GRANTS

Medical Student Research Fellowship, 1980-1981
Rates of Nucleotide Sequence Variation in Mitochondrial DNA.
Department of Immunology and Molecular Biology
University of Florida College of Medicine

Core Lab Investigator, 1989-1990
Feasibility of Cardiac Xenografting in Non-Human Primates.
NIH Program Project Grant No. PO1HL36581-01A1
Columbia University College of Physicians and Surgeons, New York, NY

Principal Investigator, 1993-1994
Surgical Stapling Devices in Left Ventricular Aneurysm Resection
United States Surgical Corporation
University of Miami, Miami, FL
$15,000.00

Principal Investigator, 1998-1999
The Cardioprotective Effects of Opioid Receptor Activation in Ischemia-Reperfusion and Long-Term Organ Preservation.
University of Kentucky Multi-level Development Grant.
NIH-National Institutes of General Medical Sciences. 5 R25 GM55275-02
$32,000.00

Principal Investigator, 1999-2001
Opioid Receptor Agonists in Myocardial Preservation
American Heart Association-Ohio Valley Affiliate. 9951482V
$68,447.00

Co-Investigator, 1999-2001
Development of Novel Techniques for Cryopreservation of Human Arteries for Clinical Implantation. American Heart Association-Ohio Valley Affiliate. 9960401V
$59,850.00

Principal Investigator, 1999-2000
University of Kentucky
Medical Center Research Fund
$7,000.00

Subcontractor, 2010-2013 (Submitted)
Cardiac Surgical Outcomes: Comparing Effects of CUSP/TRIP vs. Passive Reporting. Clinical and Health Outcomes Initiative in Comparative Effectiveness (CHOICE) Grant
Agency for Healthcare Research and Quality (AHRQ)
PI: P.J. Pronovost MD, PhD
Johns Hopkins University
$9,300,000.00

## PATENTS

Protection against ischemia and reperfusion injury.
United States Patent No. 6316411. Issue Date: Nov 13, 2001
United States Patent No. 6645938. Issue Date: Nov 11, 2003
United States Patent No. 6900178. Issue Date: May 31, 2005
United States Patent No. 7060792. Issue Date: Jun 13, 2006

## CLINICAL TRIALS & INDUSTY-SUPPORTED RESEARCH

Co-Investigator, 1997-1999
A Study to Evaluate the Safety of Recombinant Human Hemoglobin (Rhb1.1) When Used For Acute Normovolemic Hemodilution in Patients Undergoing Cardiopulmonary Bypass. Protocol No. CB-014-HB. IND No. BB-IND 4031. Somatogen, Inc.
PI: TW Mullett MD

Co-Investigator, 1997-2000
Inhaled Nitric Oxide in the Treatment of Persistent Pulmonary Hypertension in the Lung and Heart Transplant Patient.
PI: TW Mullett MD

Site Principal Investigator, 1997-1998
Prospective, Randomized, Controlled Evaluation Of The Safety And Efficacy Of "Ready to Use" Celsior® Versus Standard Preservation Solutions For Cardiac Transplantation. Protocol No. SANG-96-6-H-CELS-OP. SangStat Corporation
$24,500.00

Co-Investigator, 1998-1999
A Pilot Study on Quality Of Life Among Patients Who Undergo Coronary Artery Bypass Surgery. University of Kentucky College of Nursing. PI: D.A. Brockopp, RN,PhD
$2,000.00

Co-Investigator, 1998-1999
Biventricular Pacing In Congestive Heart Failure. Guidant Corporation/CPI.
PI: A. Natale MD

Co-Investigator, 1998-2000
Prevention of Post-transplant Osteoporosis by Alendronate.
PI: S. Rastogi MD, HH Malluche MD

Co-Investigator, 1998-2000
Comparison between T10B9 and OKT3 Monoclonal Antibodies as Induction Immunotherapy in Heart Transplantation. Principal Investigator: S Menon MD. Medimmune Corporation

Co-Investigator, 1998-2000
CMV Prophylaxis in Seropositive Heart Transplant Patients.
PI: S Menon MD
Medimmune Corporation

Co-Investigator, 1998-2000
Rapamycin Immunosuppression in Lung Transplantation.
PI: TW Mullett MD
Novartis Pharmaceutical Corporation

Principal Investigator, 1999-2000

HeartPak Portable Pneumatic Driver Study. Thermo Cardiosystems, Inc.

Co-Investigator, 1999-2000
A Double-Blind, Placebo-Controlled, Randomized Study to Assess the Efficacy and Safety of Zenapax in Combination with CellCept, cyclosporine, and corticosteroids in Patients undergoing Cardiac Transplantation. PI: S. Menon MD. Roche Laboratories, Inc.

Sub-Investigator, 1999-2000
Evaluation of the Topical Hemostatic Efficacy and Safety of a New Fibrin Sealant Compared with Currently Licensed Tisseel VH Kit in Subjects Undergoing Cardiac Surgery. PI: R. Mentzer MD. Baxter Healthcare, Inc.

Site Principal Investigator, 1999-2000
A Prospective, Randomized, Multicenter, Open-Label Study of Intravenous Methylprednisolone versus Conversion to Tacrolimus Therapy for Grade IIIa and Grade IIIb Rejection Without Homodynamic Compromise in Cardiac Transplant Recipients Receiving Primary Cyclosporine Immunosuppression. PI: T. Schroeder MD. Fujisawa Healthcare, Inc.

Sub-Investigator, 2000
A Randomized, Open-Label Preference Study of Gengraf™ Compared to Neoral® in Stable Solid-Organ Transplant Subjects (the PREFER Study). Abbott Laboratories

Sub-Investigator, 2001
A Phase III Randomized, Parallel, Double-Blind, Multi-Center, Placebo-Controlled Study of the Effect of Pexelizumab on All-Cause Mortality and and Myocardial Infarction in Patients Undergoing Coronary Artery Bypass (CABG) Surgery With Cardiopulmonary Bypass. PI: S. Zarich MD. Procter & Gamble Pharmaceuticals, Inc

Site Investigator, 2003
Double-Blind Multicenter Study of the Safety and Efficacy of Parecoxib/Valdecoxib and Placebo/Valdecoxib Compared to Placebo for the Treatment of Post-Surgical Pain in Patients who have Coronary Artery Bypass Graft via Median Sternotomy. PARA-0505-071. Pharmacia, Inc.

Sub-Investigator, 2003
Outcome Assessment of Mitral Valve Replacement and Repair, Prospective Study. American Heart Association Grant. Institutional PI: H. Krumholz MD; PI: W. Weintraub MD (Emory Center for Outcomes Research).

## INVITED LECTURES & SYMPOSIA

Lung Transplantation for Cystic Fibrosis. Florida Cystic Fibrosis, Inc. Annual Meeting. Miami Lakes, Florida, September 11, 1993.

Lung Transplantation. Surgical Grand Rounds. University of Miami/ Jackson Memorial Hospital Medical Center. Miami, Florida, February 16, 1995 (CME).

Lung Transplantation. Dartmouth-Hitchcock Medical Center. Lebanon, New Hampshire. March 2, 1995.

Surgical Options in End-Stage Heart Failure. Cumberland Regional Medical Center. Somerset, Kentucky. May 30, 1996.

Medical Technology and Cost Containment in the Treatment of End-Stage Organ Failure. Leadership Kentucky Conference, Lexington, Kentucky. June 7, 1996.

Postoperative Care of the Cardiovascular Patient. UK Annual Family Medicine Review. Lexington, Kentucky. May 17, 1997 (CME).

Heart Transplantation. Marymount Hospital. Monthly Meeting of the Medical Staff. London, Kentucky. June 17, 1997.

Surgical Options in End-Stage Heart Disease. Monthly Medical Staff Meeting. Our Lady of Bellafonte Hospital. Ashland, Kentucky. September 24, 1997.

Surgical Options in the Treatment of End-Stage Heart Disease. Surgical Grand Rounds. University of Kentucky Chandler Medical Center. Lexington, Kentucky. October 25, 1997 (CME).

Role of opioid peptides in cardioprotection. Alumni Festschrift for Dr. William W. L. Glenn. Department of Surgery. Yale University School of Medicine. New Haven, Connecticut. June 5, 1998.

Surgical Options in the Treatment of Heart Failure. Treatment Attacks on the Coronary Valley. Lexington, Kentucky, September 19, 1998 (CME).

Heart Transplantation in Sensitized Patients. Annual TCI HeartMate User's Meeting. Baltimore, Maryland. October 1-3, 1998.

An Overview of Myocardial Ischemia and Reperfusion. Cardiovascular Symposium. ZymoGenetics Corp. Seattle, Washington, November 20, 1998

Uses of Ventricular Assist Devices in Heart Failure. University of Florida Winter Medical Update. Keystone, Colorado. March 8, 1999 (CME).

Surgical Revascularization for Ischemic Cardiomyopathy. Surgical Grand Rounds. University of Kentucky Chandler Medical Center. Lexington, Kentucky. March 20, 1999 (CME).

Issues in Heart Transplantation. St. Claire Medical Center. Morehead, Kentucky. May 25, 1999 (CME).

Current Status of Ventricular Assist Devices. Medical Grand Rounds. Mayo Clinic Scottsdale, Scottsdale, Arizona. May 28, 1999.

Surgical Options in the Treatment of Heart Failure. Treatment Attacks on the Coronary Valley. Lexington, Kentucky, September 25, 1999 (CME).

Artificial Hearts. 5th Annual Cardiovascular Symposium. Central Baptist Hospital, Lexington, Kentucky. October 16, 1999 (CME).

Surgical Treatment of Mitral Valve Disease. Surgical Grand Rounds. University of Kentucky Chandler Medical Center. Lexington, Kentucky. February, 2000 (CME).

Cardiac Surgery update. University of Florida Winter Medical Update. Park City, Utah. March 13, 2000 (CME).

Surgical outcomes: what are they? Postgraduate Course: Leadership and Management Skills for Surgeons. The 85th Annual Clinical Congress of the American College of Surgeons. Chicago, Illinois. October 24, 2000 (CME).

Quality of Care and Clinical Process Improvement: A Systems Approach. Surgical Grand Rounds. Bridgeport Hospital. Bridgeport, Connecticut. January 17, 2001.

The Health Insurance Portability and Accountability Act of 1996: Implications for Clinical Practice. Bridgeport Hospital. Bridgeport, Connecticut. April 14, 2003.

Diagnosis and Management of Lung Cancer. Surgical Grand Rounds. Bridgeport Hospital. Bridgeport, Connecticut. July 21, 2005.

Video-Assisted Thoracic Surgery, Medical Grand Rounds. Bridgeport Hospital. Bridgeport, Connecticut. Sept 2005.

The Mediastinum. Surgical Grand Rounds. Bridgeport Hospital. Bridgeport, Connecticut. August 17, 2006.

Medicare: Past, Present, and Future. Surgical Grand Rounds. Bridgeport Hospital. Bridgeport, Connecticut. August 2, 2007.

Bloodless Cardiac Surgery. Jehovah's Witness Hospital Liaison Committee. Bridgeport Hospital. Bridgeport, Connecticut. September 26, 2007.

The IASLC Lung Cancer Staging Project. Harold Leever Cancer Center. Waterbury, Connecticut. April 23, 2008.

Current Status and Future Directions of the STS National Databases. Connecticut Society of Thoracic Surgery. Hartford, Connecticut. May 28, 2008.

Challenges for the U.S. Health Care System. Department of Medicine Grand Rounds. Saint Mary's Hospital. Waterbury, Connecicut. December 23, 2008.

Overview of the Healthcare System. Connecticut Young Physicians and Residents Symposium: The Business of Medicine. Connecticut Chapter of the American College of Surgeons. Waterbury, Connecticut. April 18, 2009.

Medical Staff Credentialing, Antitrust Issues, HIPAA, and Recovery Audit Contractors. Connecticut Young Physicians and Residents Symposium: The Business of Medicine. Connecticut Chapter of the American College of Surgeons. Waterbury, Connecticut. April 18, 2009.

Minimally Invasive Thoracic Surgery. Annual Waterbury Minimally Invasive Surgery Symposium. Saint Mary's Hospital. Waterbury, Connecticut. November 20, 2009.

Primum Non Nocere: Patient Safety in Surgery. Department of Surgery, University of Connecticut/ St. Francis Medical Center. Hartford, Connecticut. March 19,2010.

Patient Safety in Surgery. Naugatuck Valley Surgery Center. Waterbury, Connecticut. April 14, 2010.

Does Organizational Culture Affect Outcomes? FOCUS Initiative: Reducing Human Error in Cardiac Operating Rooms. Society of Cardiovascular Anesthesiologists. 32nd Annual Meeting. New Orleans, Louisiana. April 25, 2010 (CME).

Clinical Consequences of Myocardial Ischemia/Reperfusion Injury. Molecular Cardiology Research Conference. University of Connecticut. Farmington, Connecticut. August 10, 2010.

Surgery in High-Reliability Organizations. Surgery Grand Rounds. The Waterbury Hospital. Waterbury, Connecticut. October 21, 2010 (CME).

Clinical Microsystems and High-Reliability Organizations. Surgery Grand Rounds. The Hartford Hospital. Hartford, Connecticut. December 3, 2010 (CME).

Patient Safety in Surgery: Lessons from Other Industries. Surgery Grand Rounds. The Louisiana State University Health Sciences Center. New Orleans, Louisiana. December 13, 2010.

Patient Safety: Regulatory and Public Health Perspective. FOCUS Investigator's Meeting. San Diego, California. January 30, 2011.

Patient Safety. Medicine Grand Rounds. Saint Mary's Hospital. Waterbury, Connecticut. March 22, 2011.

## BIBLIOGRAPHY

### Books

1. Higgins RSD, Sanchez JA, Baldwin JC, Lorber MI, Eds. The Multiorgan Donor: Selection and Management. Blackwell Scientific Publications, Inc.; 1997

### Book Chapters and Monographs

1. Sanchez JA, Michler RE, Rose EA, Cooper DKC. Experimental xenotransplantation between closely related primate species (Chapter 22). In: Cooper DKC, Kemp, Reemtsma K, White, eds: Xenotransplantation: the transplantation of organs between species. Berlin: Springer-Verlag, 1991: 365-375

2. Baldwin J, Sanchez JA, Bing RJ. Coronary artery surgery. Chapter 8. In: Bing RJ: Cardiology: the evolution of the science and the art. Gordon & Breach, 1993, 169-1801

3. Sanchez JA, Baldwin JC. Surgery for complications of ischaemic heart disease. In: Morris PJ, Malt RA, eds: Oxford Textbook of Surgery (Chapter 34, Section C). Oxford: Oxford University Press, 1994

4. Sanchez JA, Baldwin JC. Diagnostic and therapeutic thoracoscopy (Chapter 33).In: Ballantyne GH, Leahy PF, Modlin IM, eds: Textbook and Atlas of Laparascopic Surgery. Philadelphia: W.B. Saunders Company, 1994, 345-350

5. Sanchez JA, Desai US. Pulmonary Resections (Chapter 25). In: Lanzafame RJ, ed: Management and Prevention of Complications in Minimally Invasive Surgery. Igaku-Shoin Medical Publishers, Inc., 1996, 295-302

6. Sanchez JA, Higgins RSD, Baldwin JC. The heart donor. In: Higgins RSD, Sanchez JA, Baldwin JC, Lorber MI, eds., The Multiorgan Donor: Selection and Management. Cambridge, MA: Blackwell Scientific Publications, Inc., 1997, 295-305

7. Jahania MS, Sanchez JA. Heart transplantation. In: Medicine, Ob/Gyn, Psychiatry, and Surgery. ebooks. http://www.ebooks.com; 2000

8. Sanchez JA, Jahania MS. Cardiac Surgery. In: Breckler GL, Maull KI, General Surgery Medical Student USMLE Parts II and III: Pearls of wisdom, 1999-2000. Boston Medical Publishing Corp., 2000

9. Govidaswami M, Sanchez JA, Wedge J, Langston MD, Bishop PD, Bruce DS, Oeltgen PR. Opioid-like hibernation factors provide protection to the ischemic myocardium. Life in the Cold. Heldmaier G, Klaus S, Klingenspor M, eds. 2000, 377-387

### Original Contributions

1. Sanchez JA, Feller WW. Paget's disease of the breast. Am Fam Physic 1987; 32(3): 145-47

2. Sanchez JA, Dickson WA. Colonic intussusception: a complication of pedunculated lipomas of the colon. Surgical Rounds 1988:11(8): 96-97

3. Sanchez JA, Lilac LA, Holt RW. Gunshot wounds to legs in drug runners (letter). N Eng J Med 1989; 320(16): 1089.

4. Jones B, Sanchez JA, Vinh DA. Acute traumatic abdominal wall herniation (letter). Am J Emerg Med 1989; 7(6): 667-668

5. Sanchez JA, Nigro M, Colvin D. Congenital pelvic arteriovenous malformation: an unusual cause of rectal pain. Dis Colon Rectum 1990; 3(4): 327-329

6. Sanchez JA, Newman KD, Eichelberger MR, Nauta RJ. The papillary- cystic neoplasm of the pancreas: an increasingly recognized clinicopathologic entity. Arch Surg 1990; 25(8):1502-1505

7. Sanchez JA, Smith CR, Spotnitz HM, Malm JR, Rose EA. High-risk reparative surgery: a neglected alternative to heart transplantation. Circulation 1990; 82(5) (supp IV):IV-302-305

8. Sanchez JA, Edwards NM, Berger CL, Ott GY, Coppey L, He X, Fong JC, Reemtsma K, Rose EA. Photochemotherapy provides donor-specific immunosuppression in cardiac transplantation. Surgical Forum 1990; 41: 421-423

9. Sanchez JA, Marboe CC, Auteri JS, Jeevanandam V, Edwards NM, Berger CL, Rose EA. Binding of preformed xenoantibodies to porcine bioprosthetic valves. Ann Thorac Surg 1990; 51(1):30-33

10. Rose EA, Pepino P, Fuzezi, Sanchez JA. Cardiac xenotransplantation. Pro Cardiovasc Dis 1990; 33(2): 105-117

11. Sanchez JA, Rose EA. Reparative procedures may alleviate the need for some transplants (invited letter to Editorial-Heart transplantation: when?). Controversies in Cardiology 1990; 2(4):27

12. Barr ML, Sanchez JA, Seche LA, Shulman L, Smith CR, Rose EA. Anti-OKT3 monoclonal induction therapy: immunologic equivalency to triple drug therapy in heart transplantation. Circulation 1990; 82(5) (supp IV): IV-291-298

13. Sanchez JA, Nauta RJ. Resection of a granular cell tumor at the hepatic confluence: a precarious location for a benign tumor. Am Surgeon 1991; 57(7): 446-450

14. Sanchez JA, Fong JC, Watkins JF, Berger CL, He X, Reemtsma K, Rose EA. Elimination of preformed antibody to xenoantigens utilizing dithiol reducing agents. Transp Proc 1991; 23(1): 885-886

15. Watkins JF, Edwards NM, Sanchez JA, Ott GY, Copey LJ, Collet J, He X, McLaughlin M, Berger CL, Smith CR, Rose EA. Specific removal of preformed antibody in an extracorporeal immunoadsorbent circuit. Transp Proc 1991; 23(1):360-364

16. Jeevanandam V, Auteri JA, Marboe CC, Hsu D, Sanchez JA, Smith CR, Rose EA. Extending the limits of donor heart preservation: a trial with University of Wisconsin solution. Transp Proc 1991; 23(1): 697-698

17. Popilskis S. Kohn D. Sanchez JA, Gorman P. Epidural vs. intramuscular oxymorphone analgesia after thoracotomy in dogs. Vet Surg 1991; 20: 462-467

18. Sanchez JA, Baldwin JC. Central venous catheter in a persistent left superior vena cava. Surgical Rounds 1991; 14(11): 1027

19. Jeevanandam V, Barr ML, Auteri JS Sanchez JA, Ott GY, Schenkel FA, Marboe C, Smith CR , Rose EA. University of Wisconsin solution for human donor heart preservation: initial clinical experience. Ann Thorac Surg 1991, 52(6): 1213-1216

20. Jeevanandam V, Auteri JS, Barr ML, Ott G, Sanchez JA, Smith CR, Rose EA. Improved heart preservation with University of Wisconsin solution: experimental and preliminary human experience. Circulation 1991; 84(5): III-324-328

21. Auteri JS, Jeevanandam V, Sanchez JA, Spotnitz HM. Effect of AICD patch electrodes on the diastolic pressure-volume curve in pigs. Ann Thorac Surg 1991; 52(5): 1052-1057

22. Auteri JS, Oz MC, Jeevanandan V, Sanchez JA, Bass LS, Treat MR, Smith CR. Laser activation of tissue sealant in hand-sewn canine esophageal closure. J Thorac Cardiovasc Surg 1992: 103(4):781-783

23. Sanchez JA, Ahmed JF, Temeck BK, Ortega L, Harmon JW. Esophago-bronchial fistula from esophageal intramural pseudodiverticulosis. Digestive Surg 1992; 9:54-57

24. Berger CL, Edelson R, Edwards NM, Sanchez JA, Coppey L, He X, Marboe C, Rose EA. Autoregulation of the immune response in autoimmune disease and cardiac transplantation by photoinactivated autologous lymphocytes. Ann NY Acad Sciences 1992; 636: 266-278

25. Auteri JS, Jeevanandam V, Sanchez JA, Marboe CC, Kirby TJ, Smith CR. Normal bronchial healing without bronchial wrapping in canine single lung transplantation. Ann Thorac Surg 1992; 53(1):80-84

26. Vaccarino RA, Sanchez JA, Johnson LL, Wang, Seldin D, Marboe CC, Egby, Bhatia, Rose EA, Khaw BA. Imaging of cardiac transplant rejection in primates using two new antimyosin imaging agents. J Nuc Cardiol 1992; 33:194-199

27. Jeevanandam V, Barr ML, Auteri JS, Sanchez JA, Fong J, Schenkel FA, Marboe CC, Michler RE, Smith CR, Rose EA. University of Wisconsin solution versus crystalloid cardioplegia for human donor heart preservation: a randomized blinded prospective clinical trial. J Thorac Cardiovasc Surg 1992; 103(2): 194-199

28. Jeevanandam V, Auteri JS, Sanchez JA, Hsu D, Marboe C, Smith CR, Rose EA. Cardiac transplantation after prolonged graft preservation with the University of Wisconsin solution. J Thorac Cardiovas Surg 1992; 104(2): 224-228

29. Jeevanandum V, Bielefeld MR, Auteri JS, Sanchez JA, Schenkel FA, Michler RE, Smith CR, Livelli F, Jr., Bigger JT, Jr., Rose EA, Spotnitz HM. The implantable defibrillator: An electronic bridge to cardiac transplantation. Circulation 1992; 86(5): II-276-279

30. Ratner AJ, Canhui H, Pepino P, Sanchez JA, Edwards N, Watkins JF, Xu H, Reemtsma K, Rose EA, Berger C. Lymphocyte xenoantigens recognized by preformed antibodies. Transplant Proc 1992; 24(2): 583

31. Higgins RSD, Sanchez JA, Kopf GS, DeGuidis L, Franco KL, Dewar M, Elefteriades JA, Hammond GL, Baldwin JC. Mechanical circulatory support decreases neurologic complications in the treatment of traumatic injuries of the thoracic aorta. Arch Surg 1992; 127(5): 516-519

32. Higgins RSD, Letsou GV, Sanchez JA, Eisen R, Franco KL, Hammond GL, Baldwin JC. Improved ultrastructural lung preservation with prostaglandin EL as donor pre-treatment in a primate heart-lung transplant model. J. Thorac Cardiovsc Surg 1993; 1015(6): 965- 971

33. Sanchez JA, Gusberg RJ, Hammond GL, Elefteriades JA. Pathologic confirmation of the principles of the thromboexclusion operation for descending aortic dissection (letter). J Vasc Surg 1993; 17(2): 448-450

34. Sanchez JA, Elefteriades JA, Hammond GA. The Aortic Bodice: a life-saving maneuver. Ann Thorac Surg 1994; 58(1):252-253

35. Braxton JH, Higgins RS, Schwann TA, Sanchez JA, Hammond GL, Kopf GS, Elefteriades JA. Reoperative mitral valve surgery via right thoracotomy: decreased blood loss and improved hemodynamics. J Heart Valve Dis 1996 Mar; 5(2): 169-73

36. Dewanjee MK, Belinskiy V, Holland FW, Kapadvanjwala M, W SM, Novak S, Hsu LC, Sanchez J, Dewanjee S, Serafini AN, Duncan RC, Sfakianakis GN. Effect of thoracotomy and cardiopulmonary bypass on activated platelet and neutrophil dynamics and platelet emboli in a pig model. J Thrombosis and Thrombolysis 1996; 3: 195-208

37. Sanchez JA, Mentzer RM. Coronary revascularization in patients with chronic heart failure. Coronary Artery Disease 1998, 9(10): 685-689

38. Sanchez JA, Jahania MS, Lasley RD, Narayan P, Mentzer RM. The opioid agonist DADLE does not attenuate myocardial stunning. Surgical Forum 1998, 49: 194

39. Jahania MS, Lasley RD, Sanchez J, Narayan P, Mentzer RM. Ischemic preconditioning does not attenuate porcine myocardial stunning assessed by load-insensitive measurements of contractility. Surgical Forum 1998, 49: 205

40. Jahania MS, Wedge J, Oeltgen P, Mentzer RM, Sanchez JA. Hibernation induction trigger reduces infarct size and improves recovery of ventricular function after ischemia in the isolated perfused rat heart. Surgical Forum 1999, 50: 96-98

41. Jahania MS, Sanchez JA, Lasley RD, Mentzer RM. Heart preservation for transplantation: principles and strategies. Ann Thorac Surg 1999; 68(5): 1983-1987

42. Jahania MS, Mullett TW, Sanchez JA, Narayan P, Lasley RD, Mentzer RM. Acute allograft failure in thoracic transplantation J Cardiac Surg 2000; 15: 122-128

43. Jahania MS, Lasley R, Narayan P, Mullett T, Sanchez JA, Mentzer RM. Adenosine A2a agonist CGS-21680 improves recovery of ventricular function after ischemia-reperfusion in regionally stunned porcine myocardium. Surgical Forum 2000, 51: 103-104

44. Nicholas CD, Jahania MS, Wedge J, Govindaswami M, Oeltgen P, Bishop PD, Mentzer RM, Sanchez JA. Selective opioid agonist-based cardioprotection is mediated by potassium-ATP channels. Surgical Forum 2000, 51: 104-105

45. Lower FE, Menon S, Sanchez JA. Association of Parvovirus B19 with Plasma Cell Rich Myocardial Infiltrates Following Heart Transplantation. J Heart Transp 2001, 20(7) pp. 755-758

46. Sanchez JA, Marshall MB. Improved Patient Safety through the Cardiothoracic Surgery Reporting System. STS News 2008, 14(3):10-11

47. Sanchez JA, Daly JM. Stanley J. Dudrick, M.D.: A Paradigm Shift. Arch Surg 2010, 145 (6): 1-3

48. Jacobs JP, Edwards FH, Shahian DM, Haan CK, Puskas JD, MoralesDLS, Gammie JS, Sanchez JA, Brennan JM, O'Brien SM, Dokholyan RS, Hammill B, Peterson ED, Mayer JE, Chitwood WR, Murray GF, Grover FL. Successful Linking of the STS Adult Cardiac Surgery Database to Centers for Medicare and Medicaid Services Medicare Data. Ann Thorac Surg 2010; 90:1150-1157.

49. Adluri RS, Thirunavukkarasu M, Dunna NR, Zhan L, Oriowo B, Takeda K, Sanchez JA, Otani H, Maulik G, Fong GH, Maulik N. Disruption of Hypoxia-Inducible Transcription Factor-Prolyl Hydroxylase Domain-1 (PHD-1-/+) Attenuates Ex Vivo Myocardial Ischemia/Reperfusion Injury Through Hypoxia-Inducible Transcription Factor -1 Alpha and Its Target Genes in Mice. Antioxid Redox Signal. 2010 Nov 18. [Epub ahead of print]

50. Jacobs JP, Edwards FH, Shahian DM, Prager RL, Wright CD, Puskas JD, MoralesDLS, Gammie JS, Sanchez JA, Haan CK, Badhwar V, George KM, O'Brien SM, Dokholyan RS, Sheng S, Peterson ED, Shewan CM, Feehan KM, Jacobs ML, Mayer JE, Chitwood WR, Murray GF, Grover FL. Successful Linking of the STS Database to Social Security Data to Examine Survival after Cardiac Surgery. Ann Thorac Surg 2011;

51. Byrne JG, Rezai K, Sanchez JA, Bernstein RA, Okum E, Leacche M, Balaguer JM, Prabhakaran S, Bridges CR, Higgins RSD. Surgical Management of Endocarditis: The Society of Thoracic Surgeons Clinical Practice Guidelines. Ann Thor Surg 2011

52. Maulik N, Sanchez JA. Risk Factors in Heart Disease: Therapeutic Interventions. Antioxid Redox Signal, 2011

Abstracts

1. Edwards NM, Berger CL, Sanchez JA, He X, Ott GY, Coppey L, Reemtsma K, Rose EA. Characterization of preformed antibodies to xenoantigens. Fourth Annual Conference on Clinical Immunology. The Clinical Immunology Society. November 3-6, 1989. Arlington, Virginia

2. Sanchez JA, Rose EA. Should rejection be lethal? Loma Linda International Conference on Pediatric Heart Transplantation. March 11-14, 1990. Palm Desert, California

3. Sanchez JA, Rose EA. Cardiac re-transplantation in children. Loma Linda International Conference on Pediatric Heart Transplantation. March 11-14, 1990. Palm Desert, California

4. Sanchez JA, Marboe CC, Edwards NM, Berger CL, Rose EA. Are porcine valves antigenic? XIIth Congress of the European Society of Cardiology. September 16-20, 1990. Stockholm, Sweden. Euro Heart J 1990; 11: 219

5. Sanchez JA, Smith CR, Spotnitz HM, Rose EA. High-risk reparative surgery: a neglected alternative to heart transplantation. XIIth Congress of the European Society of Cardiology. September 16-20, 1990. Stockholm, Sweden. Euro Heart J 1990; 11: 256

6. Sanchez JA, Edwards NM, Berger CL, Ott GY, Coppey L, He X, Fong JC, Reemtsma K, Rose EA. Photochemotherapy as donor directed immunosuppression in cardiac transplantation. The 76th Annual Clinical Congress of the American College of Surgeons. October 7-12, 1990. San Francisco, California (ACS Press Release)

7. Sanchez JA, Fong JC, Watkins JF, Berger CL, He X, Reemtsma K, Rose EA. Elimination of preformed antibody to xenoantigens utilizing dithiol reducing agents. Thirteenth International Congress of the Transplantation Society. August 19-24, 1990. San Francisco, California

8. Edwards NM, Watkins JF, Ott GY, Collet J, Sanchez JA, Berger CL, Reemtsma K, Rose EA. Specific removal of preformed antibody in an extracorporeal immunoadsorbent circuit. Thirteenth International Congress of the Transplantation Society. August 19-24, 1990. San Francisco, California

9. Jeevanandam V, Auteri JA, Marboe CC, Hsu D, Sanchez JA, Smith C, Rose EA. Extending the limits of donor heart preservation: a trial with University of Wisconsin solution. Thirteenth International Congress of the Transplantation Society. August 19-24, 1990. San Francisco, California

10. Auteri JS, Jeevanandam V, Sanchez JA, Libutti SK, Oz MC, Smith CR, Treat MR. Tracheal anastomosis using tissue welding with diode laser energy. Sixth Annual Scientific Session of theAcademy of Surgical Research. September 27-29, 1990. Long Beach, California. J Invest Surg 1990; 3(3): 301

11. Watkins JF, Detwiller P, Fong JC, Sanchez JA, Coppey L, Rose EA. Ultrasonic angioplasty: mechanism and specificity. 63rd Scientific Sessions of the American Heart Association. November 12-15, 1990. Dallas, Texas. Circulation 1990; 82(4), suppl III: 219

12. Jeevanandam V, Auteri JS, Barr ML, Ott GY, Sanchez JA, Smith CR, Rose EA. Improved heart preservation with University of Wisconsin Solution: experimental and preliminary human experience. 63rd Scientific Sessions of the American Heart Association. November 12-15, 1990. Dallas, Texas. Circulation 1990; 82(4), suppl III: 256

13. Vaccarino RA, Sanchez JA, Johnson LL, Marboe CC, Rose EA, Shaw BA. Non-invasive imaging of cardiac transplant rejection using two new antimyosin imaging agents in primates. American College of Cardiology. May 6-8, 1991. JACC 1991; 17(2), suppl A: 342A

14. Auteri JS, Jeevanandam V, Sanchez JA, Spotnitz HM. Effect of location of AICD patch electrodes on left ventricular diastolic pressure-volume curve in pigs. Twenty-seventh Annual Meeting of The Society of Thoracic Surgeons. February 18-20, 1991. San Francisco, California

15. Jeevanandam V, Barr ML, Ott GY, Sanchez JA, Marboe CC, Auteri JS, Smith CR, Rose EA. UW solution for human donor heart preservation: initial clinical experience. Twenty-seventh Annual Meeting of The Society of Thoracic Surgeons. February 18-20, 1991. San Francisco, California.

16. Auteri JS, Jeevanandam V, Sanchez JA, Popliskis S, Kirby TJ, Smith CR. Normal bronchial healing without anastomotic wrapping in pre- and post-operatively immunosuppressed canine single lung transplantation. Eleventh Annual Meeting and Scientific Sessions of the International Society for Heart Transplantation. April 7-9, 1991. Paris, France. J Heart Transplant 1991; 10(1): 166

17. Frank RA, Sanchez JA, Addonizio LJ, Hsu DT, Rose EA, Michler RE. OKT3 induction therapy increases early infections and does not reduce early rejection in pediatric heart transplantation. Eleventh Annual Meeting and Scientific Sessions of the International Society for Heart Transplantation. April 7-9, 1991. Paris, France. J Heart Transplant 1991; 10(1): 161

18. Auteri JS, Oz Mc, Sanchez JA, Jeevanandam V, Treat M, Smith CR. Dye enhanced laser sealing of hand sewn canine esophageal anastomoses. The Seventieth Annual Meeting of the American Association for Thoracic Surgery. May 6-8, 1991. Washington, D.C.

19. Rose EA, Jeevanandam V, Barr ML, Sanchez JA, Auteri JS, Marboe CC, Schenkle FA, Smith CR. University of Wisconsin solution versus crystalloid cardioplegia for donor heart

preservation: a randomized blinded prospective human trial. The Seventieth Annual Meeting of the American Association for Thoracic Surgery. May 6-8, 1991. Washington, D.C.

20. Berger CL, Edwards NM, Sanchez JA, Coppey L, He X, Rose EA. Autoregulation of the immune response in autoimmune disease and cardiac transplantation by photoinactivated autologous lymphocytes. Conference on Antigen and Clone-Specific Immunization. October 7-12, 1990. New York, New York.

21. Auteri JS, Jeevanandam V, Sanchez JA, Popliskis S, Kirby TJ, Smith CR. Normal bronchial healing without anastomotic wrapping in pre- and post-operatively immunosuppressed canine single lung transplantation. Twenty-Seventh Annual Meeting of the Society of Thoracic Surgeons. February 18-20, 1991. San Francisco, California.

22. Auteri JS, Oz MC, Sanchez JA, Bass LS, Jeevanandam V, Williams MR, Smith CR, Treat MR. Preliminary results of laser assisted sealing of hand sewn canine esophageal anastomosis. Progress in Biomedical Optics '91. Society of Photo-Optical Instrumentation Engineers. January 20-25, 1991. Los Angeles, California. Proc SPIE 1991; 1201

23. Rose EA, Sanchez JA, Watkins J, Xu H, Canhui, Berger CL. Lymphocyte xenoantigens recognized by preformed antibodies. First International Congress on Xenotransplantation. August 25-28, 1991. Minneapolis, Minnesota.

24. Higgins RSD, Sanchez JA, DeGuidis L, Franco KL, Dewar M, Elefteriades JA, Hammond GL, Baldwin JC. Left heart bypass decreases neurologic complications in the management of traumatic injuries of the thoracic aorta. 1991 Annual Meeting of the New England Surgical Society. September 27-29, 1991.Quebec, Canada.

25. Higgins RSD, Letsou GV, Sanchez JA, Eisen R, Franco KL, Baldwin JC. Improved ultrastructural preservation with prostaglandin E1 as donor pre-treatment in a primate heart-lung transplant model. 72nd Annual Meeting of the American Association for Thoracic Surgery. April 26-29, 1992. Los Angeles, California.

26. Sanchez JA, Higgins RSD, Hellenbrand WE, Kleinman CS, Laks H, Kopf GS. Cor triatriatum in infancy: surgical results and long-term follow-up. 58th Annual Scientific Assembly of the American College of Chest Physicians. Chicago, Illinois. Chest 1992; 100(8)

27. Baldwin JC, Sanchez JA. Nd:YAG laser in the treatment of complications from tracheo-broncheal tumors. 3rd World Congress of the International Society for Low Power Laser Applications in Medicine. September 9-12, 1992. Bologna, Italy.

28. Sanchez JA, Kopf GS, Kleinman CS, Fahey JT, Dewar ML, Manion K, Hellenbrand WE. Long-term results of the Fontan operation for tricuspid atresia: superiority of postero-lateral compared to anterior systemic venous-pulmonary artery connections. 6th Annual Meeting of the European Association for Cardiothoracic Surgery. September 14-16, 1992. Geneva, Switzerland.

29. Kopf GS, Kleinman CS, Fahey JT, Sanchez JA, Dewar ML, Manion K, Hellenbrand WE. Long-term follow-up of Fontan operation for tricuspid atresia: unsatisfactory results with anterior connections. 65th Scientific Sessions of the American Heart Association. November 16-19, 1992. New Orleans, Louisiana.

30. Letsou GV, Liu WX, Higgins RSD, Sanchez JA, Condos S, Hines R, Baldwin JC. Amrinone enhances internal mammary artery graft blood flow. 42nd Annual Scientific Session of the American College of Cardiology. March 14-18, 1993. Anaheim, California. JACC 93; 21:344A

31. Letsou GV, Liu WX, El Gamel A, Higgins RSD, Cole G, Mills A, Sanchez JA, Zarif A, Eisen R, Baldwin J. Successful transplantation of frozen hearts. 13th International Society for Heart and Lung Transplantation. April 1-3, 1993. Boca Raton, Florida.

32. Sanchez JA, Doyle T, Fahey J, Hellenbrand WE, Kleinman CS, Kopf GS. Thrombotic and thromboembolic complications following the Fontan procedure: a role for routine anticoagulation. World Congress of Pediatric Cardiology and Cardiac Surgery. June 21-25, 1993. Paris, France.

33. Higgins RSD, Sanchez JA, Kopf GS, Wiske P, Elefteriades JA. Complications of Mitral Valve Endocarditis. 30th Anniversary Meeting Society of Thoracic Surgeons. January 21-February 2, 1994. New Orleans, Louisiana.

34. Sanchez JA, Jahania MS, Wedge J, Narayan P, Mentzer RM. The opioid agonist DADLE is a negative inotropic agent and fails to confer myocardial protection. The 84th Annual Clinical Congress of the American College of Surgeons. October 25-30, 1998. Orlando, Florida.

35. Jahania MS, Lasley RD, Sanchez J, Narayan P, Mentzer RM. Ischemic preconditioning does not attenuate porcine myocardial stunning assesed by load-insensitive measurements of contractility. The 84th Annual Clinical Congress of the American College of Surgeons. October 25-30, 1998. Orlando, Florida.

36. Sanchez JA, Wedge J, Mentzer RM. DADLE reduces myocardial infarct size following ischemia and reperfusion. 32nd Annual Meeting of the Association for Academic Surgery. November 19-21, 1998. Seattle, Washington.

37. Menon SG, Dickens GR, Sanchez JA, Mullett T, Abraham S, Mentzer RM. Safety and Efficacy of Long-Term Home Milrinone Therapy as a Bridge to Cardiac Transplantation in Patients with End-Stage Cardiomyopathy. Gill Heart Institute Cardiovascular Program. University of Kentucky. 1998. Lexington, Kentucky.

38. Jahania MS, Wedge J, Oeltgen P, Mentzer RM, Sanchez JA. Pretreatment with hibernation induction trigger reduces infarct size and improves post-ischemic ventricular function in the rat heart. The 85th Annual Clinical Congress of the American College of Surgeons. October 10-15, 1999. San Francisco, California.

39. Sanchez JA, Jahania MS, Wedge J, Govindaswami M, Mentzer RM, Oeltgen P. Delta specific opioid receptor activation reduces infarct size and improves ventricular function following myocardial ischemia and reperfusion. The 60th Annual Meeting of The Society of University Surgeons. February 10-12, 2000. Toronto, Ontario, Canada.

40. Oeltgen PR, Govidaswami N, Bishop PD, Langston MD, Wedge J, Sanchez JA. Delta opioid agonists for myocardial ischemia protection. FASEB Experimental Biology 2000. April 11-15, 2000. San Diego, California. FASEB J (2000) 14(4): A14

41. Sanchez JA, Jahania MS, Wedge J, Govindaswami M, Mentzer RM, Oeltgen P. Delta specific opioid receptor activation reduces infarct size and improves ventricular function following myocardial ischemia and reperfusion. Tripartite Meeting. June 1-3, 2000. Malm, Sweden.

42. Govindaswami M, Sanchez JA, Wedge J, Langston MD, Bishop PD, Bruce DS, Oeltgen PR. Opioid-like hibernation factors provide protection to the ischemic myocardium. Life in the Cold: 11th International Hibernation Symposium 2000. August 13-18, 2000. Jungholz, Austria.

43. Stevens R, Barnes S, Mullett, TW, Sanchez JA. ECMO improves survival in acute respiratory but not cardiac failure. Spring Meeting of the Kentucky Chapter-ACS. March 24, 2000, Lexington, Kentucky.

44. Jahania MS, Bishop PD,Wedge J, Govindaswami M, Oeltgen P, Mentzer RM, Sanchez JA. Delta selective opioid receptor agonist mediated cardioprotection is linked to potassium-ATP channels. XXII Annual Meeting of the International Society for Heart Research, June 14-18, 2000. Louisville, Kentucky. J Mol Cell Cardiol 2000; 32(5): A51.

45. Jahania MS, Lasley R, Narayan P, Mullett T, Sanchez JA, Mentzer RM. Adenosine A2a agonist CGS-21680 improves recovery of ventricular function after ischemia-reperfusion in regionally stunned porcine myocardium. The 86th Annual Clinical Congress of the American College of Surgeons. October 22-27, 2000. Chicago, Illinois.

46. Nicholas CD, Jahania MS, Bishop PD,Wedge J, Govindaswami M, Oeltgen P, Sanchez JA. Opioid cardioprotection is mediated by ATP-dependent potassium channels. The 86th Annual Clinical Congress of the American College of Surgeons. October 22-27, 2000. Chicago, Illinois.

47. Oeltgen PR, Govindaswami M, Bishop PD, Bruce DS, Wedge J, Sanchez JA. Delta-2 opioid agonists provide extended myocardial ischemia protection. Experimental Biology 2001. March 31-April 4, 2001. Orlando, Florida. FASEB J (2001): 15(4): A96.

48. Uppal U, Menon S, Jahania MS, Mullett TW, Sanchez JA, Mentzer RM, Jr. Efficacy and safety of long term intravenous Milrinone therapy as a bridge to cardiac transplantation in patients with end stage cardiomyopathy. Presented at the meeting of the Canadian Journal of Cardiology. October 2000. Vancouver, BC, Canada.

49. Nicholas CD, Jahania MS, Wedge J, Govindaswami M, Oeltgen P, Mentzer RM Jr., Sanchez JA: δ selective opioid agonist based cardioprotection is mediated by potassium-ATP channels. J Am Col Surg, 191:S26, October 2000.

50. Malaisamy S, Tikoo S, Deepak B, Sanchez J, Bernasek R. Intravascular hemolytic anemia secondary to mitral valve repair: a case report. 18th Annual Bridgeport Hospital Science Symposium, April 2004. Bridgeport, Connecticut.

51. DeLaney E, Sanchez JA, Holt DW. Effect of aprotinin on insulin management and post-operative drainage. University of Nebraska Perfusion Conference. August 2006.Omaha, Nebraska.

52. Fancher TT, Sanchez JA, Cramer TE, Dudrick SJ. Survival Outcomes Justify Surgical Treatment for Non-Small Cell Lung Cancer Stages I through IIIA in Patients 80 Years of Age and Older. The 94th Clinical Congress Annual American College of Surgeons. October 12-16, 2008. San Francisco, California.

53. Fancher TT, Raishi L, Sanchez JA, Ajemian MS. Colorectal Cancer in a Young Population: 10 year Experience at a Community Academic Hospital. The 90th Annual Meeting of the New England Surgical Society. September 11-13, 2009. Newport in Newport, Rhode Island.

54. Sanchez JA, Wheatley GH, Shemin RJ. Impact of Job Availability on Applications for Cardiothoracic Surgery Residency Training. The 90th Annual Meeting of the New England Surgical Society. September 11-13, 2009. Newport in Newport, Rhode Island.

55. Panait L, Brenes RA, Shetty S, Moskowitz C, Sanchez JA, Ajemian MS. Manual Dexterity Scores do not Predict Acceptance into Surgical Residency Programs. The 90th Annual Meeting of the New England Surgical Society. September 11-13, 2009. Newport in Newport, Rhode Island.

56. Tapias L, Alam S, Rematulla F, Richi A, Sanchez JA. Management of Chronic Empyema after Pneumonectomy with Eloesser flap and use of Vacuum-Assisted Closure Therapy: Case Presentation and Review of the Literature. Annual Meeting of the Connecticut Chapter of the American College of Surgeons. October 30, 2009. Waterbury, Connecticut.

57. Jacobs JP, Edwards FH, Morales DL, Shahian DM, Puskas JD, Sanchez JA, Gammie JS, Prager RL, Wright CD, Haan CK, O'Brien SM, Sheng S, Dokholyan RS, Peterson ED, Sherwan CM, Feehan KM, Mayer JE, Chitwood WR, Murray GF, Grover FL. Comparing Survival at Hospital Discharge to the Survival at One Year after Cardiac Surgery by Linking the STS Database to Social Security Data. American Association for Thoracic Surgery, 90th Annual Meeting, , May 1-5, 2010. Toronto, Canada.

58. Geirsson A, Abbas H, Ali R, W. Kim RW, Sanchez JA, Hashim S, Tellides G. Transforming Growth Factor-β Induces the Expression of Extracellular Matrix Molecules in Myxomatous Mitral Valves, American Association for Thoracic Surgery, 90th Annual Meeting, May 1-5, 2010. Toronto, Canada.

59. Panait L, Tapias L, Malkan AD, Dudrick SJ, Sanchez JA. Giant Ganglioneuroma of the Chest: Surgical Considerations. Southwestern Surgical Congress 62nd Annual Meeting. March 21-24, 2010. Tucson, Arizona.

60. Panait L, Brenes RA, Ajemian MS, Dudrick SJ, Sanchez JA. Virtual Reality Simulators in Selecting Surgical Residents: A Caveat. The 96th Clinical Congress Annual American College of Surgeons. October 3-7, 2010. Washington, DC.

61. Jacobs JP, Edwards FH, Morales DL, Shahian DM, Puskas JD, Sanchez JA, Gammie JS, Prager RL, Wright CD, Haan CK, O'Brien SM, Sheng S, Dokholyan RS, Peterson ED, Sherwan CM, Feehan KM, Mayer JE, Chitwood WR, Murray GF, Grover FL. Comparing Survival at Hospital Discharge to the Survival at One Year after Cardiac Surgery by Linking the STS Database to Social Security Data. 57th Annual Meeting, Southern Thoracic Surgical Association, November 3-6, 2010. Orlando, Florida.

62. Panait L, Larios JM, Brenes RA, Ajemian MS, Dudrick SJ, Sanchez JA. Surgical Skills on a Virtual Reality Simulator Do Not Correlate with Previous Experience with Other Manual Dexterity Activities. The 91st Annual Meeting of the New England Surgical Society. October 29-31, 2010. Saratoga Springs, New York.

63. Brenes RA, Abbas HMA, Suresh S, Sanchez JA. Disparities in perforation rates from acute appendicitis. The 91st Annual Meeting of the New England Surgical Society. October 29-31, 2010. Saratoga Springs, New York.

64. Panait L, Brenes RA, Larios JM, Ajemian MS, Dudrick SJ, Sanchez JA. Applicants to a General Surgery Residency Program Have Laparoscopic Virtual Reality Simulators Scores Comparable with Internal Medicine Residents. Annual Meeting of the American College of Surgeons Connecticut Chapter, November 5, 2010, Waterbury, Connecticut

65. Ray SM, Panait L, Goodwin M, Sanchez JA. Lung Transplantation Donor Selection Criteria: Bridging the Gap. Annual Meeting of the American College of Surgeons Connecticut Chapter, November 5, 2010, Waterbury, Connecticut

66. Panait L, Larios JM, Brenes RA, Ajemian MS, Ouellette JR, Sanchez JA. Surgical Skills of Applicants to General Surgery Residency are no better than those of Internal Medicine Residents. 6th Annual Academic Surgical Congress. February 1-3, 2011. Huntington Beach, California.

Manuscripts Submitted

Sanchez JA, Sanchez LL, Dudrick SJ. Nutritional and Metabolic Considerations in Acute Cardiovascular Disease. In: Dudrick SJ, Sanchez JA, Eds: Metabolism and Nutrition for the Critically Ill Patient Surgical Clinics of North America. Elsevier, 2011 (In Press)

Brenes RA, Abbas HM, Suresh S, Palesty JA, Sanchez JA. Impact of Hospital Characteristics on Rates of Perforation in Acute Appendicitis. Arch Surg (In Preparation).

Raad W, Palesty JA Sanchez JA. Is a Picture Worth a Thousand Words? The Use of Cell Phone Cameras in the Clinical Setting. Bul Am Coll Surg (In Preparation)

Sanchez JA. Resilient engineering of complex adaptive healthcare systems. In: Sanchez JA, Ed: Patient Safety in Surgery. Surgical Clinics of North America. Elsevier, 2012 (In Press)

Thirunavukkarasu M, Adluri RS, Juhasz B, Samuel SM, Zhan L, Kaur A, Maulik G, Sanchez JA, Hager J, Maulik N. Effect of Myocardial ischemic preconditioning on the genomic profiling of Nox2 knockout mice. J Mol Cell Cardiol, 2011

Dudrick SJ, Sanchez JA, Eds: Metabolism and Nutrition for the Critically Ill Patient Surgical Clinics of North America. Elsevier, 2011 (In Press).

Dudrick SJ, Sanchez JA, Eds: Metabolism and Nutrition for the Acute Care Patient Surgical Clinics of North America, Elsevier, 2011 (In Press).

Sanchez JA, Ed: Patient Safety in Surgery. Surgical Clinics of North America. Elsevier, 2012 (Undergoing Editing).

Pimiento JM, Jaramillo CA, Brusatin O, Dudrick SJ, Sanchez JA. Caval obstruction and neuroendocrine tumor of the thymus. Interact CardioVasc Thorac Surg (Submitted).

Adluri RS, Thirunavukkarasu M, Zhan L, Akita Y, Muang-In S, Otani H, Sanchez JA, Maulik N. Glutaredoxin-1 Overexpression Enhances Akt/mk2/VEGF/NFk-β-Mediated Neovascularization and Reduces Ventricular Remodeling during Chronic Myocardial Infarction (In Preparation).

Adluri RS, Thirunavukkarasu M, Samuel SM, Zhan L, Sanchez JA, Maulik N. Ischemic Postconditioning Triggers Beta-Catenin-Mediated VEGF-Dependent Increased Angiogenesis and Reduced Ventricular Remodeling in Mouse Ischemic Reperfused Myocardium (In Preparation).

Thirunavukkarasu M, Akita Y, Adluri RS, Samuel SM, Juhasz B, Otani H, Maulik G, Sanchez JA, Maulik N. Disruption of Beta-Catenin/VEGF/FLK-1/NADPH Oxidase Signaling Leads to Myocardial Ischemia Reperfusion Injury in Ischemic Preconditioned Myocardium: Study with GP91 Knockout Mice (In Preparation).

Sanchez JA. The Incidence of Cardiovascular Disease: a Population Health Perspective. In Maulik N: Nutritional and Therapeutic Interventions for Heart Disease. CRC Press (In Preparation)

Sanchez JA. Resveratrol and Disease. In: Bagchi D, Nair S. Eds: Nutritional and Therapeuric Intervention of Diabetes and Metabolic Syndrome. Elsevier (In Preparation)

Panait L, Larios JM, Brenes RA, Ajemian MS, Dudrick SJ, Sanchez JA. Surgical Skills on a Virtual Reality Simulator Do Not Correlate with Previous Experience with Other Manual Dexterity Activities. J Surg Res (Submitted)

Shetty S, Brenes RA, Panait L, Ajemian MS, Sanchez JA. Video Assisted Thoracoscopic Resection of a Posterior Mediastinal Castleman's Tumor (In Preparation)

Abstracts Submitted

Oriowo B, Thirunavukkarasu M, Adluri S, Zhan L, Takeda K, Fong G, Sanchez JA, Maulik N. Silencing Prolyl Hydroxylase Domain Protein 3 Stabilizes Hypoxia Inducible Factor-1 alpha and Preserves Myocardial Function through the Activation of Pro-angiogenic and Anti-apoptotic pathway following Myocardial Injury in Mice. The 97th Annual Clinical Congress of the American College of Surgeons. October 23-27, 2011. San Francisco, California.

Brenes RA, Bear M, Jadlowiec S, Sanchez JA, Dardik A. A Novel Model of Hind Limb Ischemia to Test Human Therapeutic Angiogenesis. The 97th Annual Clinical Congress of the American College of Surgeons. October 23-27, 2011. San Francisco, California.

Shaikh I, Sanchez JA, Fales C, Syed S, Patel B, Carr JA New Classification System for Empyema Thoracis. The 97th Annual Clinical Congress of the American College of Surgeons. October 23-27, 2011. San Francisco, California.

Tapias L, Oriowo B, Tapias LF, Sanchez JA. Atypical Carcinoid Tumor of the Lung: Prognostic Factors for Survival. The 97th Annual Clinical Congress of the American College of Surgeons. October 23-27, 2011. San Francisco, California.

Panait L, Roddick W, Tapias L, Sanchez JA. Do Laparoscopic Skills Transfer to Robotic Surgery? The 97th Annual Clinical Congress of the American College of Surgeons. October 23-27, 2011. San Francisco, California.

Raad W, Dhamija A, Sanchez JA. Social Networking Media; Changing the way we promote surgery. The 97th Annual Clinical Congress of the American College of Surgeons. October 23-27, 2011. San Francisco, California.

Ray S, Panait L, Goodwin M, Sanchez JA. The Evolution of Lung Donor Selection: 1990-2010. The 97th Annual Clinical Congress of the American College of Surgeons. October 23-27, 2011. San Francisco, California.

Prior Appendectomy Correlates with Severity of Clostridium Difficile Infection
Fancher TT, Chowdhary P, Joshi M, Sanchez JA. The 97th Annual Clinical Congress of the American College of Surgeons. October 23-27, 2011. San Francisco, California.

Suresh S, Fancher TT, Brenes RA, Rutland RC, Sanchez JA, Ajemian MS. Traumatic Inferior Vena Cava Injuries: Can We Improve Survival by Getting the Patients to the Operative Theatre Faster? The 97th Annual Clinical Congress of the American College of Surgeons. October 23-27, 2011. San Francisco, California.

*Updated June 21, 2011*

# Steven E. Schneider MD, MBA

## Objectives:

- To lead a healthcare organization
- To continue my own professional growth and development

## Profile:

I am an experienced senior hospital executive with a proven record in direct operations management, physician leadership, managed care contracting, marketing, and management of quality and patient safety initiatives. I believe my enthusiastic and collaborative style, combined with my experience, make me well prepared to lead an organization looking for positive change and growth.

## Professional Experience:

### *Saint Mary's Hospital* - Waterbury Connecticut — **June 2011 – Present**

**President and Physician Executive, Trinity Medical Group**

---Responsible for overall leadership and management of a multi-specialty physician organization

Saint Mary's Hospital Description:

---12,000 admissions, 68,000 ED visits per year
---Residencies in Internal Medicine, General Surgery and Dentistry
---Level 2 Trauma Center

### *Waterbury Hospital* – Waterbury Connecticut — **1989-June 2011**

Waterbury Hospital Description:

--- 15,000 admissions, 10,000 surgical procedures 56,000 ED visits per year
--- Not for profit, community hospital
--- Residencies in Internal Medicine (Yale Affiliated) and General Surgery (Yale and UConn Affiliated)
--- Level 2 Trauma Center

Direct Reports at Waterbury Hospital:

--- Chairs of All Medical and Surgical Departments
--- Director of Emergency Department Nursing
--- Director of Case Management
--- Chief Quality and Safety Officer
--- Director of Marketing and Community Relations
--- President of Alliance Medical Group (hospital owned multispecialty physician group)
--- Chief Medical Officer of Alliance Medical Group
--- Director of Managed Care Contracting (from 1995-2000)

Accomplishments:

**Vice president for Medical Affairs/Chief Medical Officer** **1994-2011**

- Chair, Board of Directors, Heart Center of Greater Waterbury
  --Led, along with others, the creation and approval of the first new Open Heart Surgery and Angioplasty program approved in Connecticut in nearly 20 years
  --First program ever approved as a joint program between 2 competing hospitals
  --As Chair, successfully led the 2 hospital consortium through a very challenging Certificate of Need process
- Leadership of hospital marketing, advertising, and community relations departments
  --Created very successful campaign marketing Orthopedic services with more than half of joint replacements coming from areas beyond our primary and secondary service areas
  --Developed, in conjunction with a partnering hospital, a huge and successful multimedia, community grass roots, and political strategy and campaign to win approval for a joint open heart and angioplasty program
- Created one of the first Hospitalist programs in Connecticut
  --10 years in operation; grown from 5 to 15 physicians
  --Covers more than half of all inpatients
  --Superior ALOS and quality parameters compared with private service and teaching service patients
- Built and led hospital- owned physician group
  --Grown over 15 years from a 4 physician primary care group to a multispecialty group of more than 50 physicians and surgeons
  --Annual revenues of >$15 million; cost per physician lower than the 25$^{th}$percentile MGMA benchmark
- Started Waterbury Hospital's case management program
  --Greater than 10 year track record of shortened lengths of stay
  --Greatly improved clinical documentation accuracy with revenue improvements of greater than $1 million per year
- Oversaw managed care contracting on behalf of Waterbury Hospital and the 300 plus physicians in a PHO
- Led complete turnaround of Physician and Nursing Leadership and all Physician staff of the Waterbury Hospital Emergency Department
  --Changed from no EM Board Certified physician to All EM Board Certified
  --ED volume grew from 40,000 visits to over 56,000 visits per year
  --ED now has a positive contribution margin of $5-$10 million annually

**Chairman, Department of Psychiatry** **1989-1994**

- Full operational and budget responsibility for all aspects of a very large program with greater than **50,000** outpatient visits and 1000 inpatient admissions per year
- Redesigned department from one large service to sub-specialty service lines leading to significant improvements in service quality and in payor mix.
- Implemented aggressive utilization management and clinical pathways leading to the publication of an article in a peer reviewed journal featuring our specialty ultra short length of stay inpatient unit

***Allegheny General Hospital***- Pittsburgh Pennsylvania **1985-1989**

**Acting Medical Director, Allegheny Neuropsychiatric Institute** **1988-1989**

- Assumed leadership of Allegheny Neuropsychiatric Institute (ANI), a freestanding subsidiary of Allegheny General Hospital at the request of AGH CEO after unexpected departure of both AGH's Department Chair/Founder of ANI and the Medical Director of ANI just after the facility opened.
  --Brought stable leadership to a very chaotic situation
  --Provided credible clinical programming to external referring hospitals
  --Recruited excellent clinical staff in a challenging environment

**Chief, Inpatient Psychiatry Allegheny General Hospital/Medical College of Pennsylvania** **1985-1988**

- Facilitated growth of Inpatient Service from 16-28 beds
- Led change in treatment approaches toward more practical and modern neuropsychiatric and biologic treatment protocols

## ***United States Army Medical Officer*** **1977-1982**

- Attained rank of Major, U.S. Army Medical Corps

## ***Martin Army Hospital***- Ft. Benning Georgia

**Chief, Emergency Medicine Service** **1980-1982**

- Totally restructured E.R. service organization resulting in dramatic improvement in quality and efficiency of services
- Awarded Army Commendation Medal for the above
- Introduced Advanced Trauma Life Support Courses and Certification to the hospital
- Established respected Family Practice resident rotation in Emergency Medicine

## ***Ft. Lewis/Madigan Army Medical Center***- Ft. Lewis Washington

**Brigade Surgeon, 9th Infantry Division, 3rd Brigade** **1978-1979**

---

## Education:

| | |
|---|---|
| 1994-1995 | University of New Haven, MBA |
| 1982-1985 | Yale University School of Medicine, Residency in Psychiatry |
| 1979-1980 | Madigan Army Medical Center, Residency in Emergency Medicine |
| 1977-1978 | Madigan Army Medical Center, Internship, pre Emergency Medicine |
| 1974-1977 | University of Nebraska, College of Medicine, MD |
| 1970-1974 | University of Nebraska BA Biology, Magna Cum Laude |

## Licensure and Certification:

Connecticut- Medicine and Surgery
American Board of Psychiatry and Neurology

## Academic Publications:

Schneider, SE and Ross, IM. The Effectiveness of Ultra-Short Length of Stay Admission in a Comprehensive Managed Care System. Psychiatric Services, Vol. 47: No. 2, p.137-138, 1996.

Schneider, SE and Phillips, WM. Depression and Anxiety in Medical, Surgical, and Pediatric Interns. Psychological Reports. 72:1145-1146, 1993.

Yudofsky, SC, Silver, JM, Schneider, SE. The Use of Beta Blockers in the Treatment of Aggression. Psychiatry Letter. Fair Oaks Hospital. Spring/Summer, Vol. 6, Issue 1-6, 1988.

Yudofsky, SC, Silver, JM, Schneider, SE. Pharmacologic Treatment of Aggression. Psychiatry Annals. 17, (6):397-407, 1987.

## Academic Positions:

| | |
|---|---|
| Assistant Clinical Professor of Psychiatry, Yale University | 1991-2000 |
| Adjunct Clinical Assistant Professor, Quinnipiac College | 1997-2002 |
| Assistant Professor of Psychiatry, Medical College of Pennsylvania | 1987-1989 |
| Clinical Instructor in Emergency Medicine, US Army Academy of Health Sciences | 1981-1982 |

## Professional Organizations:

American College of Healthcare Executives
American College of Physician Executives
American Medical Association
Waterbury Medical Society

## Community Activities:

Trustee Waterbury YMCA
Volunteer Mentor in Waterbury School System
Member of Visions Task Force, City of Waterbury
Acting Director of Health Department, City of Waterbury
Incorporator, Child Guidance Clinic of Waterbury

# James G. Uberti, MD

## Education

| | |
|---|---|
| 1983-1987 | Medical Doctor, University of Connecticut School of Medicine, Farmington, CT |
| 1981-1983 | Master's Degree in Public Health, Yale University School of Epidemiology and Public Health, New Haven, CT |
| 1976-1980 | Bachelor of Science in Biology, Fairfield University, Fairfield, CT |

## Professional Experience

December 2008 to Present
Internist, Primary Care Partners, Prospect CT

November 1991 to December 2008
Internist and Partner, Greater Waterbury Primary Care Partners, P.C., Prospect, CT

July 1990 to October 1991
Internist, Associates in Internal Medicine, Wolcott, CT

July 1987 to June 1990
Intern/Resident in Internal Medicine, St. Mary's Hospital, Waterbury, CT

June 1982 to September 1982
Consultant, Department of Health, Greenwich, CT

June 1980 to September 1980
Research Assistant, Yale-New Haven Hospital, Department of Pediatric Neurology, New Haven, CT

June 1979 to September 1979
Research Assistant, Yale-New Haven Hospital, Department of Pediatric Neurology, New Haven, CT

June 1978 to September 1978
Hospital Aide, Griffin Hospital, Derby, CT

## Other Relevant Experience

Chief of Staff, 2010 to present
St. Mary's Hospital, Waterbury, CT

Vice Chief of Staff, 2008 to present
St. Mary's Hospital, Waterbury, CT

Co-Chairman, Quality Committee of the Board of Directors, 2008 to present
St. Mary's Hospital, Waterbury, CT

Member, Board of Directors, 2006 to present
St. Mary's Hospital, Waterbury, CT

Assistant Clinical Professor of Medicine, 1998 to present
Yale University School of Medicine, New Haven, CT

Chairman, Quality Coordinating Council, 1997 to 2009
St. Mary's Hospital, Waterbury, CT

## Certifications and Honors

Certified by American Board of Internal Medicine, 1990; Recertified, 2000

Graduated Cum Laude from Fairfield University, 1980

## Professional Affiliations

Member, American College of Physicians

Member, New Haven County Medical Association

Member, Connecticut State Medical Society

# EXHIBIT 17: FINANCIAL ATTACHMENTS 1(A) THROUGH 1(C)

**Greater Waterbury Health Network**

Please provide one year of actual results and three years of ***Total Hospital Health System*** projections of revenue, expense and volume statistics without, incremental to and with the CON proposal in the following reporting format:

| ***Total Hospital Health System:*** <br> **Description** | **FY 2011 Actual Results** | **FY 2012 Projected W/out CON** | **FY 2013 Projected W/out CON** | **FY 2014 Projected W/out CON** |
|---|---|---|---|---|
| **NET PATIENT REVENUE** | | | | |
| Non-Government | $112,236 | $119,366 | $124,561 | $129,975 |
| Medicare | $122,548 | $123,282 | $121,844 | $120,416 |
| Medicaid and Other Medical Assistance | $35,948 | $39,781 | $39,517 | $39,252 |
| Other Government | $0 | $0 | $0 | $0 |
| Total Net Patient Patient Revenue | $270,732 | $282,428 | $285,922 | $289,643 |
| Other Operating Revenue | $15,494 | $15,525 | $15,925 | $16,336 |
| Revenue from Operations | $286,227 | $297,953 | $301,847 | $305,979 |
| **OPERATING EXPENSES** | | | | |
| Salaries and Fringe Benefits | $174,330 | $170,468 | $173,227 | $175,999 |
| Professional / Contracted Services | $37,397 | $44,574 | $45,911 | $47,289 |
| Supplies and Drugs | $45,310 | $41,574 | $42,821 | $44,106 |
| Bad Debts | $11,672 | $13,637 | $12,695 | $12,696 |
| Other Operating Expense | $12,827 | $16,195 | $14,128 | $14,552 |
| Subtotal | $281,537 | $286,448 | $288,783 | $294,641 |
| Depreciation/Amortization | $9,638 | $10,483 | $10,526 | $10,571 |
| Interest Expense | $1,156 | $1,374 | $1,356 | $1,338 |
| Lease Expense | $2,649 | $2,690 | $2,708 | $2,790 |
| Total Operating Expense | $294,979 | $300,995 | $303,372 | $309,339 |
| Gain/(Loss) from Operations | ($8,752) | ($3,041) | ($1,526) | ($3,360) |
| Plus: Non-Operating Revenue | ($1,023) | $1,957 | $2,000 | $2,043 |
| Revenue Over/(Under) Expense | ($9,775) | ($1,084) | $474 | ($1,317) |
| FTEs | 1,937 | 1,762 | 1,737 | 1,712 |
| Inpatient Cases | 12,758 | 12,769 | 12,769 | 12,769 |
| Outpatient Cases | 304,064 | 307,105 | 313,247 | 319,512 |

Projections to be complete prior to and 3 years past the joint venture. Add columns as necessary.

*Volume Statistics:

Provide projected inpatient and/or outpatient statistics for any new services and provide actual and projected inpatient and/or outpatient statistics for any existing services which will change due to the proposal.

**Future Joint Venture "LLC" (For Profit)**

Please provide three years of ***Total Hospital Health System*** projections of revenue, expense and volume statistics without, incremental to and with the CON proposal in the following reporting format:

| ***Total Hospital Health System:*** | FY 2012 | FY 2012 | FY 2013 | FY 2013 | FY 2014 | FY 2014 |
|---|---|---|---|---|---|---|
| **Description** | **Projected Incremental** | **Projected With CON** | **Projected Incremental** | **Projected With CON** | **Projected Incremental** | **Projected With CON** |
| **NET PATIENT REVENUE** | | | | | | |
| Non-Government | $235,114 | $235,114 | $248,873 | $248,873 | $265,624 | $265,624 |
| Medicare | $225,065 | $225,065 | $233,673 | $233,673 | $241,129 | $241,129 |
| Medicaid and Other Medical Assistance | $84,367 | $84,367 | $89,512 | $89,512 | $94,209 | $94,209 |
| Other Government | $0 | $0 | $0 | $0 | $0 | $0 |
| Total Net Patient Patient Revenue | $544,545 | $544,545 | $572,059 | $572,059 | $600,962 | $600,962 |
| Other Operating Revenue | $16,070 | $16,070 | $16,150 | $16,150 | $16,231 | $16,231 |
| Revenue from Operations | $560,615 | $560,615 | $588,209 | $588,209 | $617,193 | $617,193 |
| **OPERATING EXPENSES** | | | | | | |
| Salaries and Fringe Benefits | $313,149 | $313,149 | $321,924 | $321,924 | $327,680 | $327,680 |
| Professional / Contracted Services | $76,691 | $76,691 | $78,695 | $78,695 | $80,319 | $80,319 |
| Supplies and Drugs | $77,999 | $77,999 | $80,000 | $80,000 | $81,612 | $81,612 |
| Bad Debts | $23,529 | $23,529 | $22,889 | $22,889 | $23,076 | $23,076 |
| Other Operating Expense | $42,832 | $42,832 | $41,082 | $41,082 | $41,740 | $41,740 |
| Subtotal | $534,200 | $534,200 | $544,591 | $544,591 | $554,428 | $554,428 |
| Depreciation/Amortization | $10,915 | $10,915 | $14,258 | $14,258 | $18,626 | $18,626 |
| Interest Expense | $0 | $0 | $960 | $960 | $7,738 | $7,738 |
| Lease Expense | $7,402 | $7,402 | $7,517 | $7,517 | $7,655 | $7,655 |
| Total Operating Expenses | $552,516 | $552,516 | $567,325 | $567,325 | $588,446 | $588,446 |
| Income (Loss) from Operations | $8,099 | $8,099 | $20,884 | $20,884 | $28,746 | $28,746 |
| Non-Operating Income | $0 | $0 | $0 | $0 | $0 | $0 |
| Income before provision for income taxes | $8,099 | $8,099 | $20,884 | $20,884 | $28,746 | $28,746 |
| (1) Provision for income taxes | $0 | $0 | $0 | $0 | $0 | $0 |
| Net Income | $8,099 | $8,099 | $20,884 | $20,884 | $28,746 | $28,746 |
| Retained earnings, beginning of year | | $0 | | $0 | | $0 |
| Retained earnings, end of year | $8,099 | $8,099 | $20,884 | $20,884 | $28,746 | $28,746 |
| FTEs | 3,026 | 3,026 | 2,966 | 2,966 | 2,906 | 2,906 |
| Inpatient Cases | 25,664 | 25,664 | 25,664 | 25,664 | 25,664 | 25,664 |
| Outpatient Cases | 584,724 | 584,724 | 596,141 | 596,141 | 607,785 | 607,785 |

First 3 years of the Future Joint Venture LLC are based on the "Projected with CON" column from FA1(C)

*Volume Statistics:

(1) The JV pays local sales and real estate taxes but is considered a “flow-through” entity for federal income tax purposes, i.e., profits are taxed at the owner level rather than at the JV level based upon each owner’s individual tax status.

**Future Joint Venture "LLC" (For Profit) (Prior & Post Joint Venture)**

Please provide one year of actual results and three years of projections of **Total Facility** revenue, expense and volume statistics without, incremental to and with the CON proposal in the following reporting format:

| Total Facility: | WH FY 2011 Actual | SMHS FY 2011 Actual | Combined FY 2011 Actual | WH FY 2012 Projected | SMHS FY 2012 Projected | Combined FY 2012 Projected | FY 2012 Projected | FY 2012 Projected | WH FY 2013 Projected | SMHS FY 2013 Projected | Combined FY 2013 Projected | FY 2013 Projected | FY 2013 Projected | WH FY 2014 Projected | SMHS FY 2014 Projected | Combined FY 2014 Projected | FY 2014 Projected | FY 2014 Projected |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Description | Results | Results | Results | W/out CON | W/out CON | W/out CON | Incremental | With CON | W/out CON | W/out CON | W/out CON | Incremental | With CON | W/out CON | W/out CON | W/out CON | Incremental | With CON |
| | (1) | (1) | (1) | (2) | (3) | (4) | | | (2) | (3) | (4) | | | (2) | (3) | (4) | | |
| **NET PATIENT REVENUE** | | | | | | | | | | | | | | | | | | |
| Non-Government | $112,236 | $110,329 | $222,565 | $119,366 | $113,112 | $232,477 | $2,636 | $235,114 | $124,561 | $114,369 | $238,930 | $9,943 | $248,873 | $129,975 | $117,190 | $247,165 | $18,459 | $265,624 |
| Medicare | $122,548 | $99,201 | $221,750 | $123,282 | $99,260 | $222,541 | $2,524 | $225,065 | $121,844 | $102,493 | $224,337 | $9,336 | $233,673 | $120,416 | $103,956 | $224,372 | $16,756 | $241,129 |
| Medicaid and Other Medical Assis | $35,948 | $41,749 | $77,697 | $39,781 | $43,640 | $83,421 | $946 | $84,367 | $39,517 | $46,419 | $85,936 | $3,576 | $89,512 | $39,252 | $48,411 | $87,662 | $6,547 | $94,209 |
| Other Government | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| Total Net Patient Patient Revenue | $270,732 | $251,279 | $522,011 | $282,428 | $256,011 | $538,439 | $6,106 | $544,545 | $285,922 | $263,281 | $549,203 | $22,856 | $572,059 | $289,643 | $269,557 | $559,200 | $41,762 | $600,962 |
| Other Operating Revenue | $15,494 | $6,700 | $22,194 | $15,525 | $7,036 | $22,561 | ($6,491) | $16,070 | $15,925 | $7,177 | $23,102 | ($6,951) | $16,150 | $16,336 | $7,320 | $23,656 | ($7,425) | $16,231 |
| Revenue from Operations | $286,227 | $257,979 | $544,206 | $297,953 | $263,047 | $561,001 | ($385) | $560,615 | $301,847 | $270,458 | $572,304 | $15,905 | $588,209 | $305,979 | $276,877 | $582,856 | $34,337 | $617,193 |
| **OPERATING EXPENSES** | | | | | | | | | | | | | | | | | | |
| Salaries and Fringe Benefits | $174,330 | $140,226 | $314,556 | $170,468 | $142,278 | $312,746 | $404 | $313,149 | $173,227 | $148,183 | $321,410 | $514 | $321,924 | $175,999 | $152,827 | $328,826 | ($1,146) | $327,680 |
| Professional / Contracted Service | $37,397 | $31,984 | $69,381 | $44,574 | $32,018 | $76,592 | $99 | $76,691 | $45,911 | $32,658 | $78,569 | $126 | $78,695 | $47,289 | $33,311 | $80,600 | ($281) | $80,319 |
| Supplies and Drugs | $45,310 | $38,404 | $83,714 | $41,574 | $36,324 | $77,898 | $101 | $77,999 | $42,821 | $37,051 | $79,872 | $128 | $80,000 | $44,106 | $37,792 | $81,898 | ($285) | $81,612 |
| Bad Debts | $11,672 | $9,599 | $21,271 | $13,637 | $9,861 | $23,498 | $30 | $23,529 | $12,695 | $10,157 | $22,852 | $37 | $22,889 | $12,696 | $10,462 | $23,157 | ($81) | $23,076 |
| Other Operating Expense | $12,827 | $23,714 | $36,542 | $16,195 | $26,582 | $42,777 | $55 | $42,832 | $14,128 | $26,889 | $41,017 | $66 | $41,082 | $14,552 | $27,335 | $41,886 | ($146) | $41,740 |
| Subtotal | $281,537 | $243,927 | $525,464 | $286,448 | $247,063 | $533,511 | $688 | $534,200 | $288,783 | $254,938 | $543,720 | $870 | $544,591 | $294,641 | $261,726 | $556,367 | ($1,939) | $554,428 |
| Depreciation/Amortization | $9,638 | $8,977 | $18,615 | $10,483 | $9,464 | $19,947 | ($9,032) | $10,915 | $10,526 | $9,086 | $19,612 | ($5,354) | $14,258 | $10,571 | $8,722 | $19,293 | ($667) | $18,626 |
| Interest Expense | $1,156 | $1,345 | $2,501 | $1,374 | $1,614 | $2,988 | ($2,988) | $0 | $1,356 | $1,469 | $2,824 | ($1,864) | $960 | $1,338 | $1,337 | $2,675 | $5,063 | $7,738 |
| Lease Expense | $2,649 | $5,740 | $8,389 | $2,690 | $4,702 | $7,392 | $10 | $7,402 | $2,708 | $4,796 | $7,505 | $12 | $7,517 | $2,790 | $4,892 | $7,682 | ($27) | $7,655 |
| Total Operating Expense | $294,979 | $259,989 | $554,968 | $300,995 | $262,844 | $563,838 | ($11,322) | $552,516 | $303,372 | $270,289 | $573,661 | ($6,336) | $567,325 | $309,339 | $276,677 | $586,016 | $2,431 | $588,446 |
| Gain/(Loss) from Operations | ($8,752) | ($2,010) | ($10,762) | ($3,041) | $203 | ($2,838) | $10,937 | $8,099 | ($1,526) | $169 | ($1,357) | $22,241 | $20,884 | ($3,360) | $200 | ($3,160) | $31,907 | $28,746 |
| Plus: Non-Operating Revenue | ($1,023) | $389 | ($634) | $1,957 | $1,860 | $3,818 | ($3,818) | $0 | $2,000 | $1,898 | $3,898 | ($3,898) | $0 | $2,043 | $1,936 | $3,979 | ($3,979) | $0 |
| Revenue Over/(Under) Expense | ($9,775) | ($1,621) | ($11,396) | ($1,084) | $2,064 | $980 | $7,119 | $8,099 | $474 | $2,067 | $2,541 | $18,343 | $20,884 | ($1,317) | $2,136 | $819 | $27,928 | $28,746 |
| FTEs | 1,937 | 1,593 | 3,530 | 1,762 | 1,566 | 3,328 | (302) | 3,026 | 1,737 | 1,589 | 3,326 | (360) | 2,966 | 1,712 | 1,602 | 3,314 | (408) | 2,906 |
| Inpatient Cases | 12,758 | 12,537 | 25,295 | 12,769 | 12,516 | 25,285 | 379 | 25,664 | 12,769 | 12,516 | 25,285 | 379 | 25,664 | 12,769 | 12,516 | 25,285 | 379 | 25,664 |
| Outpatient Cases | 304,064 | 266,288 | 570,352 | 307,105 | 268,978 | 576,083 | 8,641 | 584,724 | 313,247 | 274,084 | 587,331 | 8,810 | 596,141 | 319,512 | 279,292 | 598,803 | 8,982 | 607,785 |

**Notes:**

**(1) Combined actual results from FYE 2011.**

**(2) Projected results for WH per FQ1(A) included in this application.**

**(3) Projected results for SMHS per FQ1(A) as previously submitted in 2011 CON application.**

**(4) Combined projected results for WHS and SMHS.**

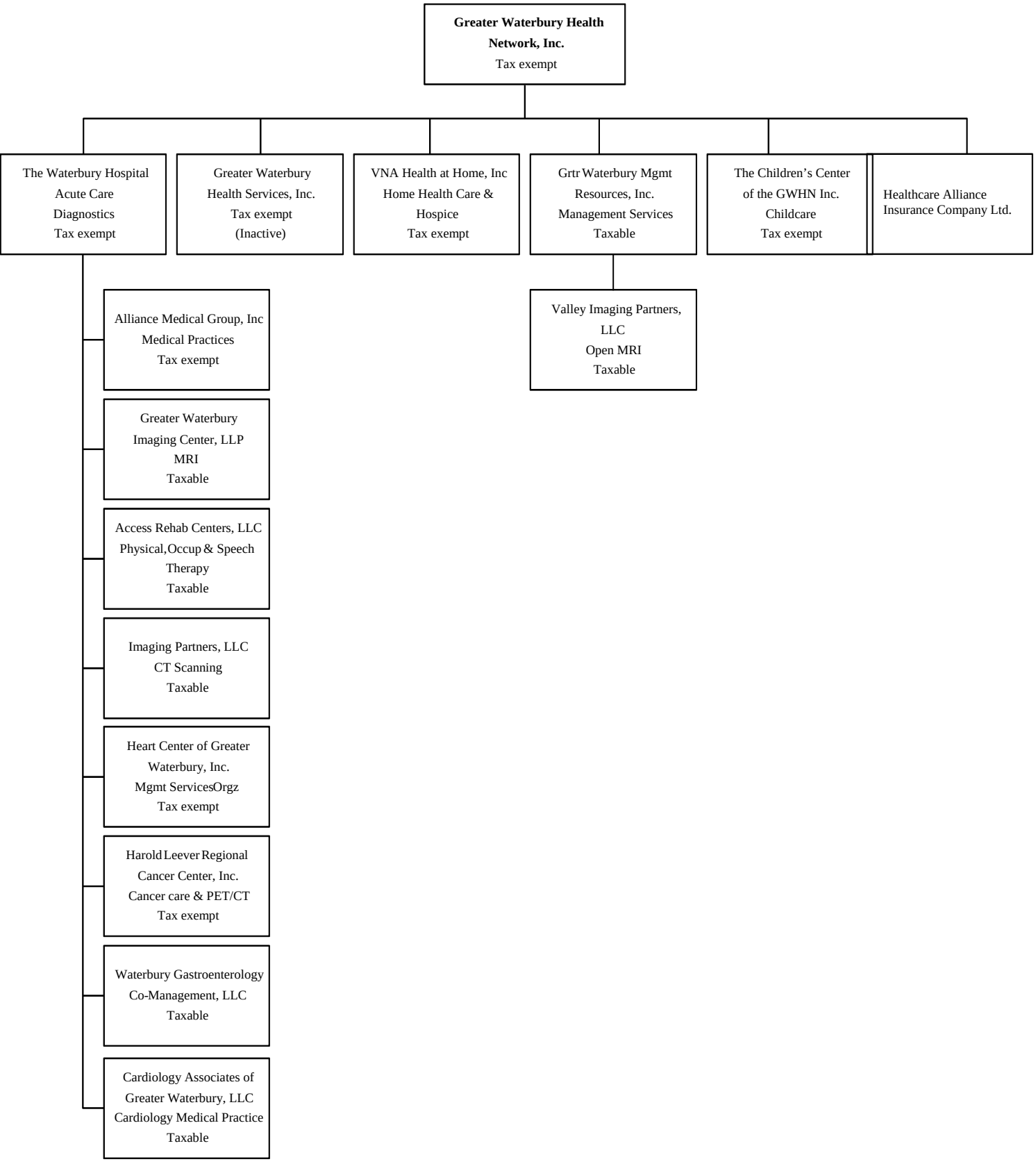
Please complete Actual Year for Hospital and projections for all years of the proposal incuding 3 years post joint venture. Please add columns as necessary.

*Volume Statistics:

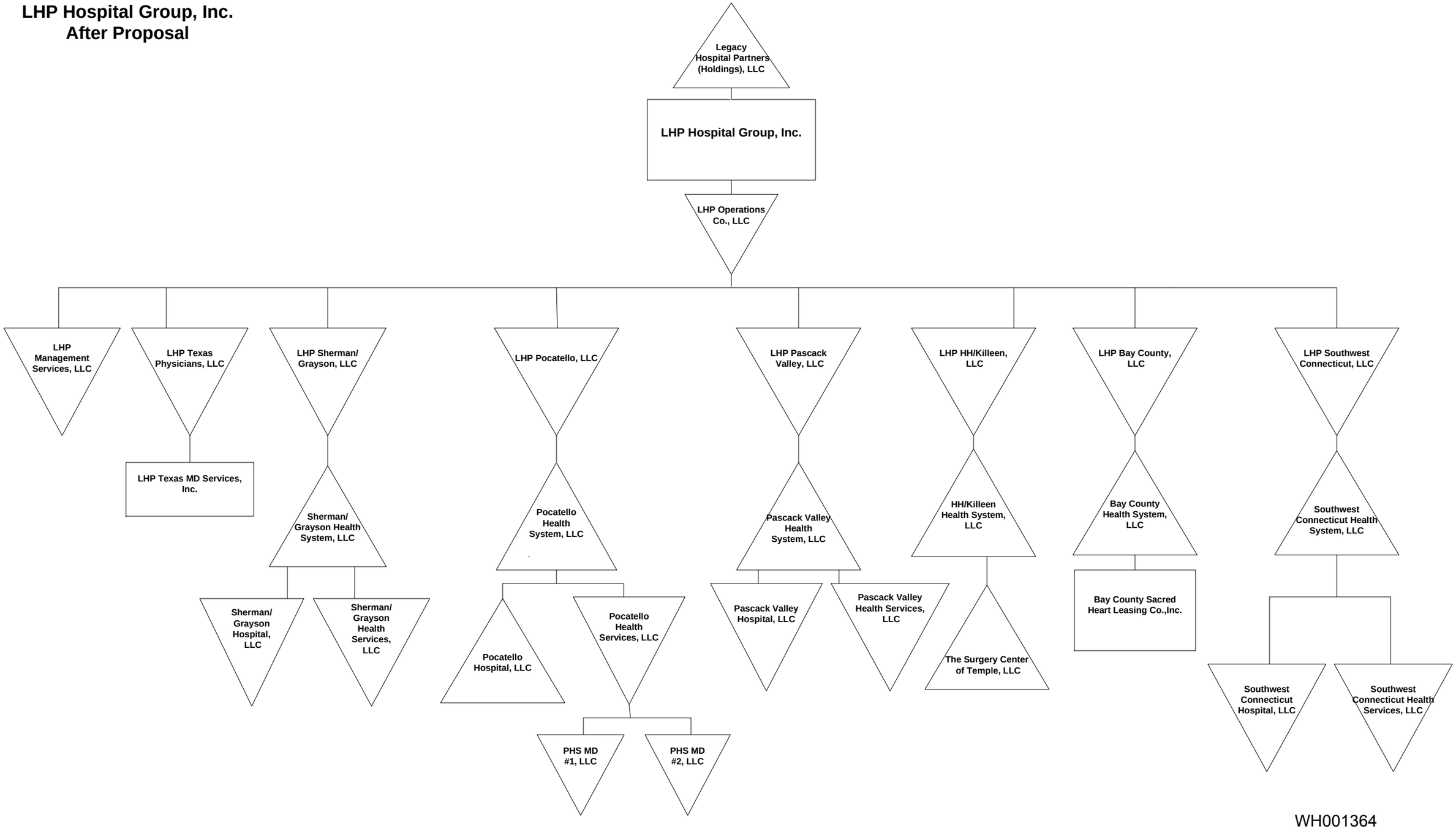
Provide projected inpatient and/or outpatient statistics for any new services and provide actual and projected inpatient and/or outpatient statistics for any existing services which will change due to the proposal.

# EXHIBIT 18: ORGANIZATIONAL CHARTS

# GWHN PRIOR TO JOINT VENTURE

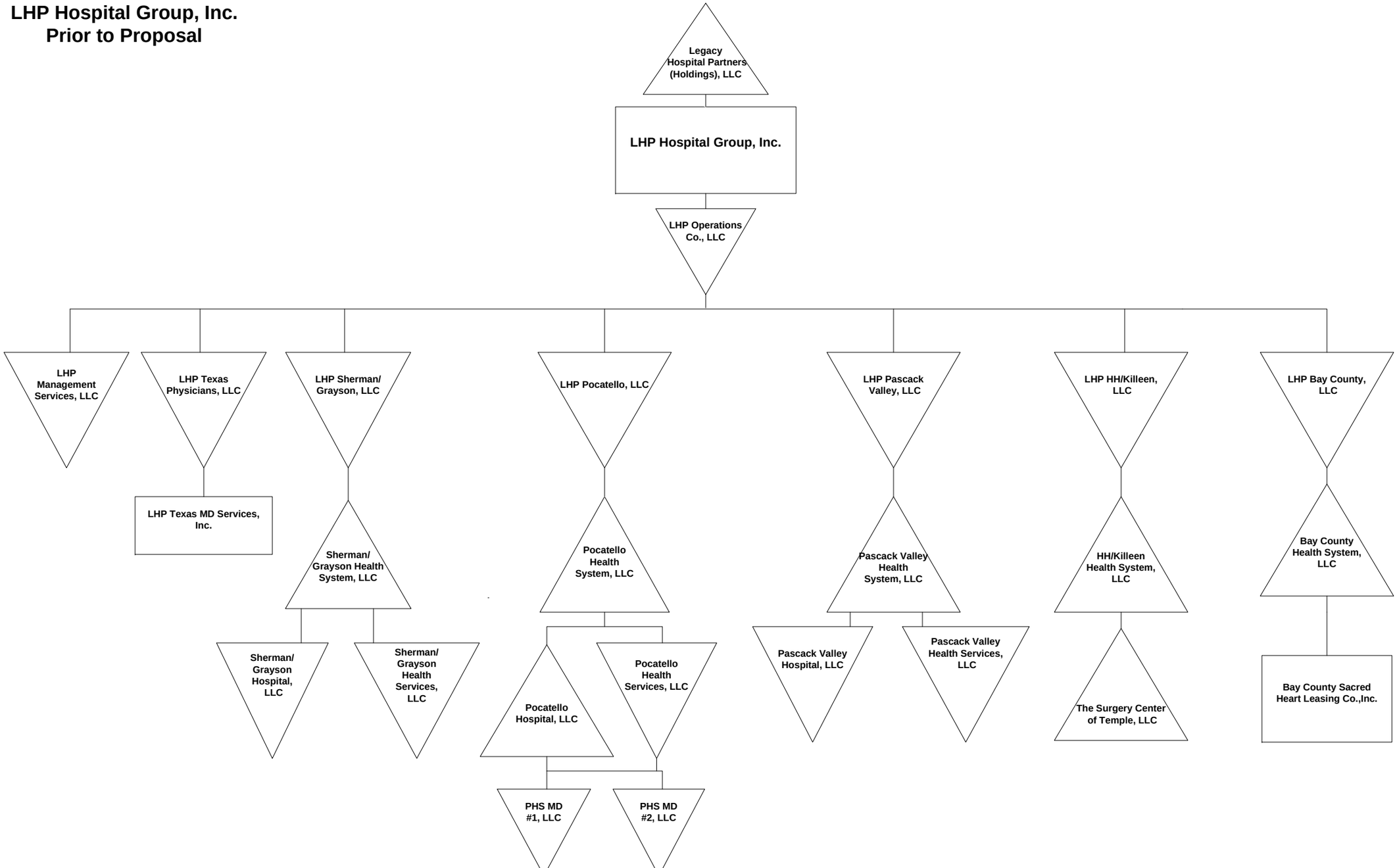


**4-19-12**
**LHP Hospital Group, Inc.**
**After Proposal**




WH001364

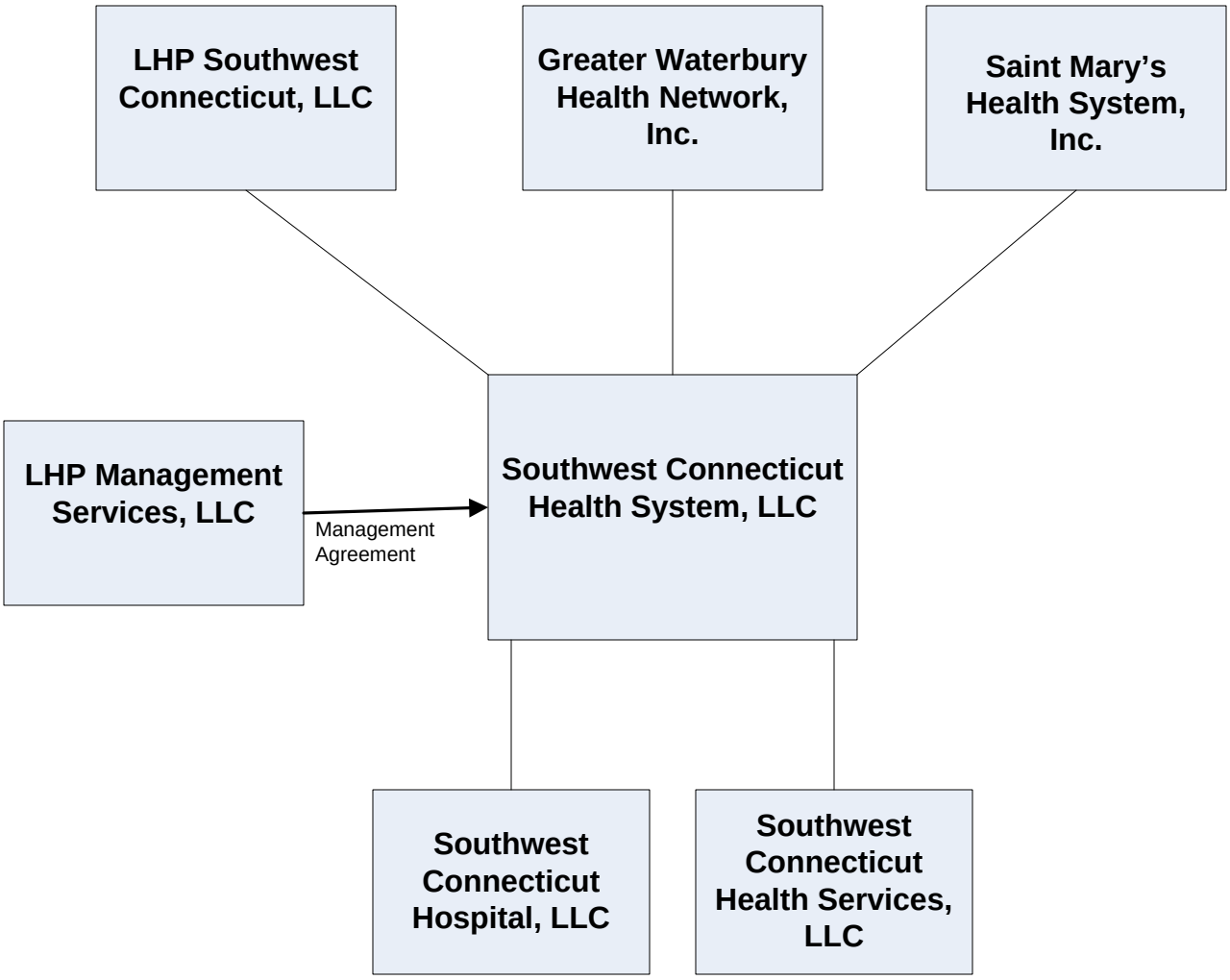
**4-19-12**
**LHP Hospital Group, Inc.**
**Prior to Proposal**




WH001365

April 19, 2012

# ORGANIZATIONAL STRUCTURE
# SOUTHWEST CONNECTICUT HEALTH SYSTEM,LLC



## Trusts and Other Dispositions Benefiting Waterbury Hospital

### A. Waterbury Hospital, Trustee – Not Use Restricted

| | | |
|---|---|---|
| 1. | Charles Brooker | Will extract |
| 2. | Clara A. Forester | Trust u/w dated 5/15/56 |
| 3. | Margaret M. Hallden | Karl W. Hallden Memorial Fund dated 7/25/67 **(Do not have a copy)**<br>Will dated 7/25/67<br>Consent to Distribution letter |
| 4. | George B. Lamb | Extract from Trust dated 7/12/23<br>Trust Agreement between Waterbury Hospital and Colonial Bank Trustee dated 1967 |

7856
1300856

THE WATERBURY HOSPITAL

Endowment or Permanent Room or Bed Fund

Name of Fund Charles F. Brooker Fund

Established by Will of Charles F. Brooker, of Ansonia, Conn.

Condition of Gift.

Paragraphs 25th and 30th of Will and 2nd of Codicil of Charles F. Brooker read as follows:

TWENTY-FIFTH: I give and bequeath to the WATERBURY HOSPITAL of Waterbury, Connecticut, Twenty Thousand dollars ($20,000), in trust for the following purposes, to wit: To be invested in the manner prescribed by law for trust funds, said fund to be known as the "CHARLES F. BROOKER FUND" and held in trust as a permanent fund, and the income therefrom to be used for the expenses and carrying on of the purposes of said Hospital.

THIRTIETH: I request said * * * WATERBURY HOSPITAL of Waterbury * * * in their respective use of the income from the aforesaid trust funds to give the preference to employees of The American Brass Company and its successors, other considerations being equal.

CODICIL

SECOND. Residue divided among institutions named in will in such proportions as their specific legacy bears to total of such legacies. Thus, The Waterbury Hospital to receive out of said residuary estate the proportion thereof which $20,000 bears to $465,000.

Payments on above by Executor, as per letter of Nov. 14, 1929.

October 8, 1927, $20,000. under the 25th clause of the will.

January 16, 1928, $26,821.92, under the 39th or residuary clause of the will.

December 13, 1929, $2,368.91 in full of balance under 39th clause.

PLEASE RETURN TO

I, CLARA A. FORESTER, of the Town of Waterbury, New Haven County, State of Connecticut, do make and constitute this my Last Will and Testament, hereby revoking all wills and codicils by me heretofore made.

ARTICLE ONE

I direct that all transfer, estate, succession, inheritance and other similar taxes or duties, whether State or Federal, that may be levied or assessed upon or with respect to my estate, or upon or with respect to any property which is included as part of my gross estate for the purpose of any such tax, or upon or with respect to any beneficiary of mine, including all such taxes imposed by reason of any life insurance or other insurance upon my life, shall be paid out of my residuary estate as an expense of administration, and shall not be pro rated or apportioned among or charged against the respective devisees, legatees, beneficiaries, transferrees or other recipients, nor charged against any property passing or which may have passed to any of them.

ARTICLE TWO

I give and bequeath to EILEEN V. RAINONE, (nee Eileen Veronica McCarthy) all of my tangible personal property of every nature and description, to be hers absolutely.

ARTICLE THREE

I give and bequeath to each of the following named persons, if he or she survive me, to be to each absolutely, the sums indicated, to wit:

To WILFRED FISHER, now Superintendent of the Trinity Apartments, the sum of Two Hundred Dollars ($200.00).

To my friend, Mrs WINIFRED HAYWOOD, the sum of Two Thousand Dollars ($2,000.00).

To my friend, Mrs ANN HAYWOOD DOHERTY, the sum of Two Thousand Dollars, ($2,000.00).

To MOLLIE LYNCH, formerly employed at Forester, Inc., the sum of One Thousand Dollars ($1,000.00).

ARTICLE FOUR

Whereas under the will of my late son, Richard Argenbright Forester, a Trust Fund is created for my benefit and for the benefit of Eileen Veronica McCarthy; and whereas no disposition is made of so much of the principal thereof as may remain upon the death of the life beneficiaries thereof, in consequence of which the same may pass to me by virtue of intestate succession, I do hereby give, devise and bequeath all of my right, title and interest in and to such remainder interest in such Trust Fund as follows:

A.

From said remainder interest in such Trust Fund I give and bequeath to LONG LANE SCHOOL, to be held in perpetual trust by the directors of such institution as provided in Section 2754 of the General Statutes, Revision of 1949, as from time to time amended, the sum of Five Thousand Dollars ($5,000.00), the same to be known as "THE RICHARD A. FORESTER MEMORIAL FUND", and the income only thereof to be expended for the use and benefit of said school.

B.

From the balance in said remainder interest in such trust fund I give and bequeath to each of the following named charitable organizations, to each the sum of Five Thousand Dollars ($5,000.00), to be to each absolutely, namely:

THE AMERICAN NATIONAL RED CROSS, of Washington, D. C.
THE SALVATION ARMY, of New York, N. Y.
THE BERKSHIRE INDUSTRIAL FARM, of Canaan, New York,
THE CONNECTICUT SOCIETY FOR CRIPPLED CHILDREN AND ADULTS, INC., of Hartford, Connecticut.

C.

The remaining balance of said remainder interest I give and bequeath to the charitable organizations hereinafter named and in shares as indicated, to wit:

To THE NATIONAL CANCER FOUNDATION, INC., of New York, New York, a three-ninths (3/9th) share thereof, the principal to be held by it in a perpetual trust to be known as "THE RICHARD A. FORESTER MEMORIAL FUND", and the income only thereof to be used for the general purposes of such organization.

To ST. MARY'S HOSPITAL, of Waterbury, Connecticut, a two-ninths (2/9th) share thereof, the principal to be held by it in a perpetual trust to be known as "THE RICHARD A. FORESTER MEMORIAL FUND", and the income only thereof to be used for the general purposes of such organization.

To THE WATERBURY HOSPITAL, of Waterbury, Connecticut, a two-ninths (2/9th) share thereof, the principal to be held by it in a perpetual trust to be known as "THE RICHARD A. FORESTER MEMORIAL FUND", and the income only thereof to be used for the general purposes of such organization.

To THE AMERICAN HEART ASSOCIATION, INC., of New York, New York, a two-ninths (2/9th) share thereof, the principal to be held by it in a perpetual trust to be known as "THE RICHARD A. FORESTER MEMORIAL FUND", and the income only thereof to be used for the general purposes of said organization.

ARTICLE FIVE

All of the rest, residue and remainder of my property, both real and personal, and wheresoever situated, including any lapsed or void legacy, I give, devise and bequeath to EILEEN V. RAINONE (nee Eileen Veronica McCarthy) should she survive me, to be hers absolutely, to her and her heirs forever. Should she not survive me then I direct that all such rest, residue and remainder shall be divided among and paid over to the charitable organizations and in shares as set forth in Part C of Article Four of my will, to be added to the gifts therein provided for and upon the same terms.

ARTICLE SIX

I appoint THE COLONIAL TRUST COMPANY, of Waterbury, Connecticut, to be Executor of this will and direct that no bond be required of it in such capacity. I give to my said Executor power to sell and convey any and all real estate, without an order of court upon such terms, including the taking of a purchase money mortgage, as it may deem wise, and to execute and deliver such deeds and instruments as may be necessary to pass title thereto. I further authorize my said Executor to retain, sell, exchange, transfer or otherwise dispose of any and all other property, except that

specifically bequeathed, from time to time acquired by it, and to invest and reinvest the proceeds of any property, real and personal, in such securities as it may deem wise, including stocks, bonds or other securities, expressly directing that they shall not be confined to investments permissible by law for trustees. I further authorize my said Executor in its discretion to make distribution of my estate by transferring money, securities or other property as it may deem advisable at the market value thereof as determined by it at the time of such distribution, and its judgment therein shall be binding and conclusive on all parties.

IN WITNESS WHEREOF, I have hereunto set my hand and seal, this 15th day of May, A. D. 1956.

Clara A. Forester (SEAL)

Signed and sealed by the within named Testatrix, CLARA A. FORESTER, and by her declared to be her Last Will and Testament in our presence who have hereunto subscribed our names as witnesses in her presence and in the presence of each other, and at her request, this 15th day of May, A. D. 1956.

Elizabeth A. Macdonald
Caroline M. Accuosti
William W. Gager
} Witnesses.

STATE OF CONNECTICUT )
) SS. Waterbury May 15th, A. D. 1956
COUNTY OF NEW HAVEN )

Then and there personally appeared the undersigned, who being duly sworn, depose and say that they witnessed the execution of the within will of the within named Testatrix, CLARA A. FORESTER; that the said CLARA A. FORESTER subscribed said will and declared the same to be her Last Will and Testament in their presence; and in the presence of William W. Gager; that they and the said William W. Gager thereafter subscribed the same as witnesses in the presence of said Testatrix; and in the presence of each other and at the request of said Testatrix; that the said Testatrix at the time of the execution of said will appeared to them to be of full age and of sound mind and memory and competent in every respect to make a will; and that they make this affidavit at the request of said Testatrix.

Elizabeth A. Macdonald of Watertown

Caroline M. Accuosti of Waterbury

Subscribed and sworn to before me,
the day and year above written,

William W. Gager
Notary Public

We hereby certify that the within and foregoing is a true and correct copy of the original instrument on file in the Probate Court for the District of Waterbury.

The Colonial Bank and Trust Co.
Waterbury, Conn.
By: Donald O. Woodruff
Authorized Signature

Colonial Bank
81 WEST MAIN STREET
WATERBURY, CONNECTICUT 06702

Reg
File K. Hallden - Wmbl

RECEIVED
DEC 24 1985
PRESIDENT'S OFFICE

December 20, 1985

RECEIVED
DEC 26 1985
DIRECTOR OF FINANCE

Mr. Richard A. Derr
Executive Administrator
The Waterbury Hospital
64 Robbins Street
Waterbury, CT 06708

Re: Trust u/w/o Karl W. Hallden f/b/o Margaret Hallden
Distribution of Remainder Interest
Account Nos. 30-06997-000 and -001

Dear Mr. Derr:

Please find enclosed a Receipt, Release and Refunding and Indemnity Agreement that we are submitting for the approval of The Waterbury Hospital; this agreement is being submitted in connection with the termination of the testamentary trust of Karl W. Hallden, who died a resident of Thomaston, Connecticut on February 7, 1970. In the trust (hereinafter referred to as "Testamentary Trust"), a copy of which is enclosed, Mr. Hallden made provisions for his wife, Margaret, during her lifetime, and upon her death, provided that the property was to pass to such persons or entities as she should appoint during her lifetime or by will. If Mrs. Hallden did not exercise her general power of appointment,

> "the principal thus undisposed of [was to] be paid over to THE COLONIAL BANK AND TRUST COMPANY, TRUSTEE, of . . . [The Karl and Margaret Hallden Memorial Fund.]"

Margaret M. Hallden died September 28, 1982, without having exercised her general testamentary power of appointment over the Testamentary Trust.

The Karl and Margaret Hallden Memorial Fund (hereinafter "Fund") was a revocable trust established by Karl Hallden on July 25, 1967, the date on which he executed his will. It provided that upon his death, the income from 25% of the Fund (designated "The Trinity College Educational Fund for Science

and Engineering," hereinafter, "Trinity College Fund") should be paid to Trinity College for "the expansion, development and promotion of engineering and science in the college as [the college] may deem wise." The income from the other 75% of the Fund (designated the "Charity Fund") was to be distributed to tax-qualified organizations for charitable and certain educational purposes. In each case, discretionary advancements of principal were permitted from the Trinity College Fund and the Charity Fund.

In anticipation of possible changes in the federal tax laws, Karl Hallden authorized the Trust Committee of Colonial Bank to terminate the Fund because of "unforseen and unusual circumstances." Pursuant to this authorization and because of the enactment of federal excise taxes on excess business holdings by private foundations, the Trust Committee of Colonial Bank in the mid-1970's voted unanimously to terminate the Fund. The trust creating the Fund provided that upon such termination, the Trinity College Fund was to be paid to Trinity College, to be held and used as a restricted endowment known as "The Karl and Margaret Hallden Memorial Fund." The Charity Fund was to be

> "divided among such qualified charities which have been receiving distributions under this agreement as may be selected by the Trust Committee, and in such amounts as the Trust Committee shall direct, same to be held by each as an endowment fund and the income only to be used for the general purposes of such charities."

The distributees of the Charity Fund were also to denominate their endowment "The Karl and Margaret Hallden Memorial Fund."

In selecting the distributees of the Fund following termination, the Trust Committee sought out and was guided by the expressed wishes of Mrs. Hallden. After conferring with the Internal Revenue Service concerning its proposed plan of distribution, the Committee resolved, in accordance with Mrs. Hallden's wishes, to divide the fund as follows: 25% to the Trinity College Education Fund; 37.5% to The Waterbury Hospital; 26% to St. Margaret's McTernan School, Inc.; and 11.5% to The West Coast Hospital Association, for the use and benefit of Morton F. Plant Hospital, Clearwater, Florida.

After taxes and other liabilities were satisifed, distribution of the assets in the possession of the Fund's Trustee was completed in the 1970s pursuant to the Trust Committee's direction.

Counsel for the Bank have advised us that the remainder interest in the Testamentary Trust should be distributed to the organizations and in the shares specified by the Bank's Trust Committee. The Trust Committee this month has confirmed the earlier division of the principal; and the Fund's Trustee has agreed to assign the Fund's interest in the Testamentary Trust directly to the four charities listed above.

A final accounting for the Testamentary Trust will be submitted to the Thomaston Probate Court in January. However, in order to take advantage of favorable income tax elections for the Testamentary Trust, we are prepared to make a modest preliminary distribution to your organization by December 31. If your organization finds the enclosed agreement to be in order, please have it executed, acknowledged and returned to me in the enclosed envelope. Upon receipt, we shall send to your organization a check for $30,000.00.

If you have any questions, please do not hesitate to contact me.

Sincerely yours,

Brian R. Flynn
Vice President - Trust

161Q

AGREEMENT made by and between The Waterbury Hospital, Inc. of 64 Robbins Street, Waterbury, Connecticut, hereinafter referred to as the Owner, and COLONIAL BANK, a banking corporation of the State of Connecticut, hereinafter referred to as Colonial, concerning assets known as:

**The Karl and Margaret Hallden Memorial Fund**

**W I T N E S S E T H :**

1. The Owner hereby appoints Colonial as its Agent to have custody of and to manage all securities, cash or other property from time to time transferred to Colonial hereunder, and Colonial accepts such appointment, subject to all of the terms and conditions of this Agreement. Attached hereto marked Schedule A is a list of all property transferred by the Owner to Colonial hereunder simultaneously with the execution of this Agreement.

2. Colonial shall hold all of such property in a separate account and shall be responsible for the safe custody thereof.

3. At reasonable intervals Colonial shall examine the list of securities held by it in the account and shall make changes thereof, as Colonial shall in its absolute discretion determine appropriate.

4. Colonial shall collect the income on all such property, shall render a statement of income so collected to the Owner at such periods as may be agreed upon, and, after retaining a reasonable sum for its services in managing said account, shall pay the net income to the Owner in such manner as the Owner may direct, or shall use the same in accordance with the instructions of the Owner, or shall apply any income or other funds in its hands in making payments customarily made by the Owner, as and when in the exercise of its own judgment it shall deem it to be wise or necessary.

5. It is understood that the title to all property shall remain in the Owner, and that all stock certificates shall be issued, and registered bonds, if any, shall be registered, in the name of the Owner; provided, however, that Colonial if it so elects may hold title to any stock or registered bonds in the name of its nominee. Colonial may accept further property from the Owner at any time hereafter to be held in accordance with the terms of this Agreement, and the Owner may withdraw any and all property held under this Agreement, at any time upon reasonable notice to Colonial.

6. This instrument may be revoked by either party thereto by giving reasonable notice in writing to the other party or may be amended at any time by an instrument executed in like manner by both parties hereto.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals this _____ day of September, 1986

THE WATERBURY HOSPITAL, INC.

By: _____ (L.S.)
John H. Tobin, President

COLONIAL BANK

By: _____
Brian R. Flynn
Its: Vice President - Trust

I, KARL W. HALLDEN, of the Town of Thomaston, County of Litchfield State of Connecticut, do make and constitute this my Last Will and Testament, hereby revoking all wills by me heretofore made.

## ARTICLE FIRST

I direct that all estate, inheritance, succession and like taxes, whether state or federal, that may be levied upon or with respect to my estate or upon or with respect to any property which is included as part of my gross estate for the purpose of any such tax or upon or with respect to any beneficiary of mine, including all such taxes imposed by reason of any life insurance or other insurance upon my life, shall be paid out of my residuary estate passing under this will and such taxes shall not be pro rated or apportioned among or charged against the respective devisees, legatees, beneficiaries, or other recipients, nor charged against any property passing or which may have passed to any of them.

## ARTICLE SECOND

If my sister, JOSEPHINE HAM, shall survive me, I give, devise and bequeath the sum of Fifty Thousand Dollars ($50,000.00) to my Trustee hereinafter named, to be held in a separate trust for and during my sister's lifetime. During the continuation of this trust the Trustee shall pay to or for my sister the sum of Thirteen Hundred Dollars ($1,300.00) per year, payable weekly or at other mutually convenient intervals. If my sister shall be in need, whether for her support or for hospital or medical care, the Trustee may pay to or for my sister so much additional as it shall deem

wise for such purposes. At my sister's death this trust for her shall terminate and the trust income and principal then on hand paid over to the Trustee of the Marital Trust hereinafter created for the benefit of my wife, MARGARET M. HALLDEN, to be held as an asset of such trust and dealt with in accordance with its terms, or if my said wife is not then living to THE COLONIAL BANK AND TRUST COMPANY as Trustee of "THE KARL AND MARGARET HALLDEN MEMORIAL FUND", under Trust Agreement dated July 25 1967 which I executed as Donor with The Colonial Bank and Trust Company as Trustee, to be held as an asset of "The Karl and Margaret Hallden Memorial Fund" and dealt with in accordance with its terms.

ARTICLE THIRD

Should my wife, MARGARET M. HALLDEN, survive me, then I give, devise and bequeath all of the rest, residue and remainder of my property, of whatsoever kind, including any lapsed bequest, but excluding that held by The Colonial Bank and Trust Company as Trustee of "The Karl and Margaret Hallden Memorial Fund" hereinabove referred to, as follows:

A.

I give, devise and bequeath outright to my wife, MARGARET M. HALLDEN, all of my interest in real property, wherever located. I also give and bequeath my tangible personal property outright to my said wife,

B.

All the rest of my property, after payment of the taxes called for under Article First of this will, I give, devise and bequeath as a Marital Trust to my Trustee hereinafter named, in trust, however, for the following purposes:

Said Trustee shall pay over to my wife, MARGARET M. HALLDEN, quarter-yearly or at more frequent intervals, for and during her lifetime, the income arising from this trust. The Trustee is also empowered to pay to my wife all or so much of the principal of this trust as she shall from time to time in her absolute discretion request. At my wife's death, I give, devise and bequeath the principal of this Marital Trust to such person or persons, both natural and artificial, including the estate of my wife and further including The Colonial Bank and Trust Company, Trustee of said "The Karl and Margaret Hallden Memorial Fund", in such estates, interests and proportions as my said wife shall in and by her Last Will and Testament, by specific reference to this power, appoint. In default of such appointment the principal thus undisposed of shall be paid over to THE COLONIAL BANK AND TRUST COMPANY, TRUSTEE of said "The Karl and Margaret Hallden Memorial Fund".

ARTICLE FOURTH

Should my wife, MARGARET M. HALLDEN, not survive me, then I give, devise and bequeath all of my said residuary estate, including any lapsed legacy or devise to THE COLONIAL BANK AND TRUST COMPANY, TRUSTEE, of said "The Karl and Margaret Hallden Memorial Fund" to be added to such trust and dealt with in accordance with its terms.

ARTICLE FIFTH

I appoint THE COLONIAL BANK AND TRUST COMPANY, of Waterbury, Connecticut, to be Executor of this will and Trustee of all trusts created hereunder, and direct that no bond be required of it in either capacity. I further specifically direct that my Executor and Trustee shall have the power to sell and convey any and all real estate at such price and

on such terms, including the taking of a purchase money mortgage, as it shall determine, without an order of court, and to execute and deliver such instruments as may be necessary to pass title thereto. I further authorize and empower my Executor and Trustee to sell, exchange, convey or otherwise dispose of any and all property, real or personal, from time to time acquired by it in such capacities, and to invest and reinvest the proceeds of any property, real or personal, in such securities as it may deem wise, including stocks, bonds or other securities, or in a common trust fund established by it pursuant to any statutes now or hereafter enacted, expressly directing that it shall not be confined to investments permissible by law for trustees, and I do hereby declare that it shall not be liable because of any investment or reinvestment made or retained or other action taken in good faith, and I specifically empower my Executor and Trustee to retain any stock in The Colonial Bank and Trust Company in my estate. I further authorize my said Executor and Trustee in its discretion to make partial or final distribution of my estate and of the trust funds by transferring money, securities or other property at the market value thereof as determined by it at the time of such distribution.

Notwithstanding anything hereinbefore contained in this will, if any provision thereof might disqualify the trust established for the benefit of my said wife from the marital deduction permitted under the provisions of the Internal Revenue Code, as it may from time to time be amended or construed, such provision shall not apply or relate to such distribution and my Executor hereunder shall have all powers necessary to qualify such trust for the marital deduction, including the ability to enter into any agreement with my wife or others and to file such agreements wherever called for.

IN WITNESS WHEREOF, I have hereunto set my hand and seal, this 25 day of July, A. D., 1967.

Karl W. Hallden (SEAL)

Signed and sealed by the within named Testator, KARL W. HALLDEN, and by him declared to be his Last Will and Testament in our presence who have hereunto subscribed our names as witnesses in his presence and in the presence of each other, and at his request, this 25 thday of July A. D., 1967.

Witnesses.

STATE OF CONNECTICUT )
) SS: Waterbury July 25 A. D., 1967
COUNTY OF NEW HAVEN )

Then and there personally appeared the undersigned, who being duly sworn, depose and say that they witnessed the execution of the within will of the within named Testator, KARL W. HALLDEN; that the said KARL W. HALLDEN subscribed said will and declared the same to be his

Last Will and Testament in their presence and in the presence of Donald W. Henry; that they and the said Donald W. Henry thereafter subscribed the same as witnesses in the presence of said Testator and in the presence of each other and at the request of said Testator; that the said Testator at the time of the execution of said will appeared to them to be of full age and sound mind and memory and competent in every respect to make a will; and that they make this affidavit at the request of said Testator.

[illegible] of [illegible]

[illegible] of [illegible]

Subscribed and sworn to before me,
the day and year above written,

[illegible]
Notary Public

# CONSENT TO DISTRIBUTION

AGREEMENT made as of this first day of June, 1986, between THE WATERBURY HOSPITAL (hereinafter "Distributee"), a corporation organized under the laws of Connecticut, with its principal office in Waterbury, Connecticut; COLONIAL BANK, TRUSTEE (hereinafter "Memorial Fund Trustee") under agreement with Karl W. Hallden as Settlor, dated July 25, 1967 (hereinafter "Memorial Fund"); and COLONIAL BANK, TRUSTEE (hereinafter "Testamentary Trustee") under the will of Karl W. Hallden ("Testamentary Trust").

WHEREAS, the Testamentary Trust, created under the residuary clause of the will of Karl W. Hallden, provided that all principal on hand in the Testamentary Trust upon the death of Margaret M. Hallden would pass to the Memorial Fund, a charitable trust created by Karl W. Hallden on July 25, 1967, to the extent such principal was not disposed of by powers of appointment granted to Margaret M. Hallden;

WHEREAS, Margaret M. Hallden died on September 28, 1982, without having fully exercised her powers of appointment over the Testamentary Trust;

WHEREAS, prior to Margaret Hallden's death, the Trust Committee of Colonial Bank, acting within its authority, unanimously consented to a termination of the Memorial Fund and to the distribution of its assets to the following organizations in the percentages listed below, viz.:

Twenty-five percent to Trinity College Education Fund of Trinity College, Hartford, Connecticut;

Thirty-seven and one-half percent to the Waterbury Hospital, Waterbury, Connecticut;

Twenty-six percent to Saint Margaret's McTernan School, Incorporated, Waterbury, Connecticut; and

Eleven and one-half percent to The West Coast Hospital Association (n/k/a The Morton Plant Hospital Association), a Florida non-profit corporation, for the use and benefit of the Morton F. Plant Hospital, Clearwater, Florida.

WHEREAS, after payment of taxes and other liabilities were satisfied, distribution of the assets in the possession of the Memorial Fund Trustee was completed prior to Margaret Hallden's death;

WHEREAS, in response to the need to distribute the Memorial Fund's vested interest in the Testamentary Trust to proper

beneficiaries, the Trust Committee of Colonial Bank in December, 1985, by unanimous consent, ordered that the Memorial Fund's interest in the Testamentary Trust be distributed to the organizations and in the shares specified above;

WHEREAS, the Distributee requests that the Memorial Fund Trustee authorize, in lieu of an accounting, the distribution of all sums due to the Distributee directly from the principal of the Testamentary Trust and from income of the Testamentary Trust accumulated following the death of Margaret M. Hallden;

WHEREAS, the Distributee has examined and approved the account of the Testamentary Trustee for the period beginning September 28, 1982 and ending November 30, 1985, attached hereto as Exhibit A (the "Final Account"), which account calls for the distribution of the Memorial Fund's interest in the Testamentary Trust directly to the organizations and in the shares specified above;

WHEREAS, the Distributee represents that it (37.5%), Trinity College (25%), Saint Margaret's-McTernan School, Incorporated (26%), and The Morton Plant Hospital Association (11.5%) are proper recipients of the sums to be distributed pursuant to the Final Account, by reason of their interests in the Memorial Fund; and

WHEREAS, upon execution and delivery of this instrument by the Distributee, the Memorial Fund Trustee, without the protection of a court order, is willing to authorize said distribution by the Testamentary Trustee in accordance with the Final Account;

NOW, THEREFORE, in consideration of the premises and the mutual undertakings hereunder, and other good and valuable consideration, receipt of which the Distributee acknowledges, the parties hereby agree as follows:

1. The Distributee hereby releases and forever discharges the Testamentary Trustee and the Memorial Fund Trustee, individually and as Trustees, from any and all liability, responsibility or accountability with respect to any matter reflected in the Final Account and with respect to any distribution contemplated thereunder;

2. To the extent of any property received or to be received from the Testamentary Trustee, the Distributee agrees to indemnify, exonerate, and hold harmless the Testamentary

Trustee and the Memorial Fund Trustee, individually and as Trustees, from any and all claims of any person or organization claiming title to or an interest in the property received by the Distributee from the Testamentary Trust, and from any and all demands, expenses, and liabilities (including, but not limited to, taxes of whatever nature, reasonable trustee's fees, attorneys' fees, and litigation expenses) which the Testamentary Trustee or Memorial Fund Trustee may at any time incur or which may be asserted by anyone against either of said Trustees in connection with the administration of the Testamentary Trust or the Memorial Fund or in connection with any distribution made pursuant to the Final Account.

3. The Memorial Fund Trustee hereby authorizes the Testamentary Trustee to distribute directly to the Distributee from the income and principal of the Testamentary Trust its share of such income and principal as determined in accordance with the Final Account.

4. The Distributee agrees to use all property received from the Testamentary Trustee in accordance with the terms of the Memorial Fund.

5. This Agreement shall become effective upon the approval of the Final Account by the Probate Court, District of Thomaston, Connecticut.

6. This Agreement shall be binding upon the successors and assigns of the Testamentary Trustee, the Memorial Fund Trustee, and Distributee.

IN WITNESS WHEREOF, the parties have hereunto set their hands and to duplicates of like tenor as of the day and year written above.

THE WATERBURY HOSPITAL

Ann C. Hodges
Ann C. Hodges

G. Bradford Palmer, Jr.
G. Bradford Palmer, Jr.

By
John H. Tobin
Its President

COLONIAL BANK, TRUSTEE
u/a/w Karl W. Hallden

Lois A. Muraro
Lois A. Muraro

Alwin H. Manke
Alwin H. Manke

By
Brian R. Flynn
Its Vice President - Trust

COLONIAL BANK, TRUSTEE
u/w/o Karl W. Hallden

Lois A. Muraro

Alwin H. Manke

By Brian R. Flynn
Its Vice President - Trust

STATE OF CONNECTICUT )
) SS: Waterbury,
COUNTY OF NEW HAVEN )

The foregoing instrument was acknowledged before me this 2nd day of July, , 1986 by JOHN H. TOBIN, as President of The Waterbury Hopsital on behalf of said corporation.

(SEAL)

G. Bradford Palmer Jr.
Notary Public

Name: G. Bradford Palmer, Jr.

Commission Expires: 3/31/87

STATE OF CONNECTICUT )
) SS: Waterbury
COUNTY OF NEW HAVEN )

The foregoing instrument was acknowledged before me this 4th day of June, 1986 by Brian R. Flynn, a Vice President-Trust of Colonial Bank on behalf of said Bank as Trustee u/a/w Karl W. Hallden.

(SEAL)

Holly E. Rubbo
Notary Public

HOLLY E. RUBBO
NOTARY PUBLIC
COMM. EXP. 3/31/89

Name:

Commission Expires:

STATE OF CONNECTICUT )
) SS: Waterbury
COUNTY OF NEW HAVEN )

The foregoing instrument was acknowledged before me

this 4th day of June, 1986 by Brian R. Flynn, a Vice President-Trust of Colonial Bank on behalf of said Bank as Trustee u/w/o Karl W. Hallden.

(SEAL)

Holly E. Rubbo
Notary Public

Name: HOLLY E. RUBBO NOTARY PUBLIC COMM. EXP. 3/31/89

Commission Expires:

EXHIBIT A

FINAL ACCOUNT

TO: THE PROBATE COURT, DISTRICT OF THOMASTON District No. 140

TRUST u/w KARL W. HALLDEN f/b/o MARGARET M. HALLDEN

The Subscriber represents that it is the Trustee ("Testamentary Trustee") of the trust created under Article Third, Paragraph B of the Will of Karl W. Hallden, late of Thomaston, deceased ("Testamentary Trust"); that it is also the Trustee ("Memorial Fund Trustee") under agreement of trust with Karl W. Hallden as Settlor dated July 25, 1967 (hereinafter "Memorial Fund"); that the Testamentary Trust provided that the net income of the trust would be paid to Margaret M. Hallden during her lifetime and that all principal on hand in the Testamentary Trust upon her death would pass to the Memorial Fund, a charitable trust, to the extent such principal was not disposed of by powers of appointment granted to Margaret M. Hallden; that Margaret M. Hallden died on September 28, 1982, without having fully exercised her powers of appointment over the Testamentary Trust; and that prior to Margaret Hallden's death, the Trust Committee of Colonial Bank, acting within its authority, unanimously consented to a termination of the Memorial Fund and to the distribution of its assets to the following organizations in the percentages listed below, viz.:

Twenty-five percent to the Trinity College Education Fund of Trinity College, Hartford, Connecticut;

Thirty-seven and one-half percent to the Waterbury Hospital, Waterbury, Connecticut;

Twenty-six percent to Saint Margaret's-McTernan School, Incorporated, Waterbury, Connecticut; and

Eleven and one-half percent to The West Coast Hospital Association (n/k/a Morton Plant Hospital Association) of Clearwater, Florida, a Florida non-profit corporation, for the use and benefit of the Morton F. Plant Hospital of Clearwater, Florida;

that after payment of taxes and other liabilities were satisfied, distribution of the assets in the possession of the Memorial Fund Trustee was completed prior to Margaret Hallden's death; that in response to the need to distribute the Memorial Fund's vested interest in the Testamentary Trust to proper beneficiaries, the Trust Committee of Colonial Bank in December, 1985, by unanimous consent, ordered that the Memorial Fund's interest in the Testamentary Trust be distributed to the organizations and in the shares specified above; and that by

reason of C.G.S. Section 45-93a and the consent of the Memorial Fund Trustee, Trinity College, The Waterbury Hospital, Saint Margaret's-McTernan School, Incorporated, and Morton Plant Hospital Association (f/k/a The West Coast Hospital Association), the interests of the Memorial Fund Trustee in the Testamentary Trust ought to be distributed directly to said organizations in the shares specified above.

The subscriber therefor exhibits the following Final Account for the period beginning September 29, 1982 and ending November 30, 1985 as a true statement of the receipts and disbursements during such period, petitions the Court for its allowance, and makes application for an order to distribute said balance.

COLONIAL BANK

In account with said Trust
(Testamentary Trust)

266Q

SEPTEMBER 29, 1982 TO NOVEMBER 30, 1985

INCOME
DR

| | |
|---|---|
| BALANCE ON HAND SEPTEMBER 28, 1982 | $ 590.50 |
| INCOME RECEIVED | |
| DIVIDENDS | 5,351.84 |
| INTEREST - COLONIAL GOV'T REPO | 35,789.52 |
| INTEREST - SALOMON GOV'T REPO | 3,158.12 |
| INTEREST - MUNICIPAL BONDS | 77,396.97 |
| INTEREST - COMMON TRUST FUND 'D' | 1,796.10 |
| INTEREST - ON INCOME BALANCE | 94.78 |
| | $124,177.83 |

CR

| | |
|---|---|
| COLONIAL BANK - FEE 10/2/82 to 11/30/85 | $ 11,166.66 |
| POSTAGE | 4.33 |
| ESTATE OF MARGARET HALLDEN | 590.50 |
| TO BE DISTRIBUTED PER SCHEDULE "A": | |
| CASH BALANCE ON HAND NOVEMBER 30, 1985 | 326.73 |
| BALANCE INVESTED IN COGO - NOVEMBER 30, 1985 | 112,089.61 |
| | $124,177.83 |

PRINCIPAL

| | | | |
|---|---|---|---|
| BALANCE ON HAND SEPTEMBER 28, 1982 | | | $378,737.56 |
| ADD: GAIN RE SALE OF SECURITIES: | PROCEEDS | INV. VALUE | |
| 17,293 UNITS COMMON TRUST FUND D | $ 97,732.26 | $ 61,673.26 | |
| .510 BANK OF BOSTON PFD | 25.70 | 18.32 | |
| $70,000 ANNISTON IND DEV REV SR | | | |
| [illegible] | 65,536.14 | 57,400.00 | |

SCHEDULE A
BALANCE ON HAND TO BE DISTRIBUTED

| | MARKET VAL. | INV. VAL |
|---|---|---|
| STOCKS | | |
| 1,231 SHS BANK OF BOSTON, PFD, SER B | $ 61,857.75 | $ 44,231 |
| CASH - ON HAND - PRINCIPAL (INVESTED IN COGO) | 376,944.05 | 376,944 |
| CASH - ON HAND - INCOME (INVESTED IN COGO) | $438,801.80 | $421,175 |
| ON HAND | 112,089.61 | 112,089 |
| | 326.73 | 326 |
| | $551,218.14 | $533,592. |
| 25% TO: TRINITY COLLEGE EDUCATION FUND<br>300 SUMMIT SCHOOL ST., HARTFORD, CT. 06106 | | |
| 308 SHS BANK OF BOSTON PFD SER B | $ 15,477.00 | $ 11,066. |
| CASH | 122,340.10 | 122,340. |
| | $137,817.10 | $133,407. |
| 37 1/2% TO: THE WATERBURY HOSPITAL<br>64 ROBBINS ST., WATERBURY, CT 06708 | | |
| 461 SHS BANK OF BOSTON PFD, SER B | $ 23,165.25 | $ 16,564.4 |
| CASH | 183,510.15 | 183,510.1 |
| | $206,675.40 | $200,074.5 |
| 26% TO: SAINT MARGARET'S-MCTERNAN SCHOOL, INC.<br>565 CHASE PARKWAY, WATERBURY, CT 06708 | | |
| 320 SHS BANK OF BOSTON PFD, SER B | $ 16,080.00 | $ 11,498.0 |
| CASH | 127,233.70 | 127,233.7 |
| | $143,313.70 | $138,731.7 |
| 11 1/2% TO: MORTON PLANT HOSPITAL ASSOC.<br>1200 DREUID ROAD-SOUTH<br>CLEARWATER, FLA. 33516 | | |
| 142 SHS BANK OF BOSTON, PFD B | $ 7,135.50 | $ 5,102.27 |
| CASH | 56,276.44 | 56,276.44 |
| | $ 63,411.94 | $ 61,378.71 |
| | $551,218.14 | $533,592.07 |

Lamb

Creation of trust and conveyance of principal

Upon the death of such wife surviving me, or, in the event that I shall leave no wife surviving me, then upon my decease, this Trust shall determine and end, and as soon as practicable the Trustee shall, after paying any taxes and other charges that may be properly chargeable to the Trust Estate, assign, transfer, convey, deliver and set over to WATERBURY HOSPITAL, located at the City of Waterbury, Connecticut, or to the Board of Directors of said Hospital, all stocks, bonds, securities and other assets and property then constituting the Trust Fund, the same to become and be a part of the permanent endowment of the Hospital, to be known as THE GEORGE E. LAMB AND EDITH HARRIET PRATSON LAMB MEMORIAL FUND, in memory of my father and mother, the principal of said fund to be kept intact, and to be invested and reinvested as the Board of Directors of the Hospital may from time to time deem wise, and only the income therefrom used as the Board of Directors may determine for promoting and maintaining the Hospital and its work, and the Trustee shall require said Waterbury Hospital through appropriate action of its Board of Directors, to accept said fund upon the above mentioned condition that the principal thereof shall be kept intact as a part of the permanent endowment fund of the Hospital, and the income only used as above provided.

In case for any reason said Waterbury Hospital shall fail or refuse to accept said fund upon the conditions above stated, the Trustee shall assign, transfer, convey, deliver and set over all of the securities and assets then belonging to the Trust Fund to such person, persons or corporations as shall have been named or designated by me in my last will and testament to receive the residuum of my estate, or, in case I shall have died intestate, to such person or persons as would, under the statutes of descent and distribution of the State of Ohio then in force, be entitled to succeed to my personal estate.

Trustee shall pay any Inheritance taxes from trust fund.

In the event that upon my death, and/or if I shall leave a wife surviving me, upon the death of such surviving wife, any estate, inheritance, succession, transfer or other similar tax or charge of any kind or nature, or in respect of, or in any way connected with, the Trust Fund, shall be payable either to the United States or to any State or other taxing subdivision whatsoever, whether by the Trustee or by the estate or beneficiaries of the estate of myself or my wife, as the case may be, may and all such taxes

RICHARD A. DERR
ADMINISTRATOR

# WATERBURY HOSPITAL

64 ROBBINS STREET · WATERBURY, CONNECTICUT 06720 · TELEPHONE: 203 756-4421

April 24, 1967

Mr. Charles Hall
The Colonial Bank and Trust Company
81 West Main Street
Waterbury, Connecticut 06720

Dear Sir:

It may be that the Bank has not been notified of the following Resolution concerning the George B. Lamb and the Harriet Welton Lamb Endowment Fund.

I quote from the minutes of the Board of Trustees meeting convened according to the By-Laws at 4:00 P.M., March 16, 1967, at The Waterbury Hospital, with a quorum present.

"On motion duly made and seconded, it was

"RESOLVED, That the Board of Trustees (Board of Directors) of The Waterbury Hospital does hereby accept with thanks all stocks, bonds, securities and other assets and property constituting the Trust Fund under a certain Trust Agreement dated July 12, 1923, by and between George R. Lamb and The Colonial Trust Company (now The Colonial Bank and Trust Company), the same to become and be a part of the permanent endowment of the Hospital, to be known as The George B. Lamb and the Harriet Welton Lamb Endowment Fund in memory of the father and mother of Mr. George R. Lamb, the principal of said fund to be kept intact, and to be invested and reinvested as the Board of Trustees (Board of Directors) of the Hospital may from time to time deem wise, and only the income therefrom used as the Board of Trustees (Board of Directors) may determine for promoting and maintaining the Hospital and its work."

If there is any other information you would like, or if you would like a photostated copy of the above Resolution, please let me know.

Sincerely yours,

Richard A. Derr
Administrator

RAD/ik

THIS AGREEMENT made by and between THE WATERBURY HOSPITAL, of Waterbury, Connecticut (hereinafter referred to as "Hospital") and THE COLONIAL BANK AND TRUST COMPANY, a banking corporation having its principal office in the Town of Waterbury, County of New Haven, State of Connecticut (hereinafter referred to as "Trustee"),

W I T N E S S E T H :

THAT WHEREAS, the Hospital has accepted the assets and property constituting the Trust Fund under a certain Trust Agreement dated July 12, 1923, by and between George R. Lamb and the Trustee, the same to become and be a part of the permanent endowment of the Hospital and to be known as THE GEORGE B. LAMB AND THE HARRIET WELTON LAMB ENDOWMENT FUND in memory of the father and mother of Mr. George R. Lamb, the principal of said fund to be kept intact, and to be invested and reinvested as the Board of Trustees of the Hospital may from time to time deem wise, and only the income therefrom used as the Board of Trustees may determine for promoting and maintaining the Hospital and its work; and

WHEREAS, the Hospital desires to place all the assets and property constituting such Trust Fund into a Trust with the Trustee to be managed, invested and reinvested by the latter; and

WHEREAS, the Hospital has delivered to the Trustee all such assets and property being enumerated in Schedule A attached hereto and made a part hereof;

NOW, THEREFORE, all said assets and property delivered to the Trustee and all other property of every kind and nature which may at any time hereafter be held by the Trustee hereunder (all of said assets and property and other property being herinafter referred to as the "Fund") shall be held by the Trustee in trust and the Fund and the income thereof shall be managed, invested and reinvested by it and disposed of as follows:

1. The Trustee shall pay, transfer and deliver to the Hospital all of the net income of the Fund at least quarterly or at such other times as may be mutually agreed upon between them.

2. The Trustee, in addition to any inherent or implied or statutory powers it may have, now or hereafter, shall have full discretionary power and authority to do everything that it may deem advisable, without order or authorization of any court, even though such action would not otherwise be authorized or appropriate for fiduciaries under any statutory or other rule of law, including, but without limiting the generality of the foregoing:

The power to retain and continue in the form in which it is received for as long as it may deem advisable any of the property, real or personal, transferred or distributed to the Fund by the Hospital; to invest and reinvest the Fund in any real or personal property or securities, common or other corporate stocks, mutual funds and common trust funds, including those established

and managed by the Trustee, without diversification as to kind or amount; to sell and resell, lease or mortgage or otherwise dispose of the whole or any part of the Fund, real or personal, for cash or upon such terms as it may deem advisable, and to execute and deliver any deed, bill of sale, or other document necessary or convenient to effect such a disposition; to borrow sums of money from its commercial banking department or from others and to secure, upon such terms and conditions as it may deem advisable, the payment of any such loan by the pledge or mortgage of the whole or any part of the property of the Fund; to determine all doubtful questions as to the construction of this Agreement; to compromise, settle or arbitrate any claims, suits, demands, actions or controversies involving or relating to the Fund or any of the assets thereof or any of the provisions of this Agreement; to hold securities in the name of a nominee; to vote by proxy, general or otherwise; to enter into and to extend voting trust agreements or voting agreements with regard to any securities held in the Fund and to insure against insurable risks.

3. If any corporate Trustee hereunder is hereafter consolidated, merged or combined with any other institution, such consolidated corporation or the corporation with which it is consolidated, merged or combined, if such latter corporation is qualified to act as Trustee hereunder, shall immediately succeed to the

title and powers hereby conferred and the duties imposed upon the Trustee designated herein. All authority, discretionary or otherwise, vested by the provisions hereof in the Trustee herein designated, shall be deemed vested in any and all of its substitutes and successors, and neither the Trustee designated herein nor any substitute or successor Trustee hereunder shall be held liable for any error of judgment made in good faith, without negligence.

4. The Hospital directs that no bond or security of any kind be required in any jurisdiction of the Trustee, or any substitute or successor Trustee, for the faithful performance of their duties, including the proper application, administration or accounting of any monies, avails or other property received by them.

5. The Trustee shall pay, out of the Fund, all taxes, assessments, repairs, fees and other expenses and charges levied upon the Fund or reasonably incurred by it in handling and caring for the Fund and shall retain a reasonable sum as compensation for its services.

6. The Hospital may amend or revoke this Agreement or withdraw all or any part of the Fund by means of a written instrument executed by it and delivered to the Trustee, provided, however, that neither the duties, powers nor liabilities of the Trustee shall be substantially increased without its written consent.

7. The Trustee herein designated hereby accepts the Trust herein set forth and agrees to comply with the provisions thereof.

8. This Agreement shall be interpreted under the laws of the State of Connecticut.

IN WITNESS WHEREOF, the parties hereto have hereunto caused their corporate names to be subscribed and their corporate seals to be hereunto affixed, and to a duplicate original of the same, this day of , 1967.

Signed, sealed and delivered
in the presence of:

THE WATERBURY HOSPITAL

_____ By_____

_____ Its

(Corporate Seal)

THE COLONIAL BANK AND TRUST COMPANY

_____ By_____

_____ Its

(Corporate Seal)

STATE OF CONNECTICUT )
) ss: Waterbury
COUNTY OF NEW HAVEN )

On this the day of , 1967, before me, , the undersigned officer, personally appeared , who acknowledged to be the of THE WATERBURY HOSPITAL, a corporation, and that he, as such being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as .

In witness whereof, I hereunto set my hand and official seal.

---

STATE OF CONNECTICUT )
) ss: Waterbury
COUNTY OF NEW HAVEN )

On this the day of , 1967, before me, , the undersigned officer, personally appeared , who acknowledged himself to be the of THE COLONIAL BANK AND TRUST COMPANY, a corporation, and that he, as such , being authorized so to do, executed the foregoing

instrument for the purposes therein contained by signing the name of the corporation by himself as .

In witness whereof, I hereunto set my hand and official seal.

_____

## A. Waterbury Hospital, Trustee – Use Restricted

| | | |
|---|---|---|
| 1. | Hattie Schlegel Anderson | Proposed language re Distribution and Custodial Agreement dated 7/21/1986 |
| 2. | At Risk Kids | Resolution |
| 3. | Theodore Bevans | Instrument of gift dated 10/16/63 |
| 4. | Edith M. Chase | Will dated 01/24/72 |
| 5. | Mildred Crozier | Instrument of Gift dated 12/28/88 |
| 6. | Marguerite B. Fulling | Instrument of Gift dated 3/21/66<br>Waterbury Hospital Receipt and Release dated 6/19/96 |
| 7. | Grad Nurse | Memorandum dated 1/30/79 |
| 8. | Margery K. Hayden<br>Elizabeth K. Hayden Fund | Will dated 02/03/75 |
| 9. | Merrit Heminway | Instrument of gift – Addition to Bed Fund |
| 10. | Junior League Fund | Instrument of Gift |
| 11. | Sarann B. Kazanjian | Will dated 10/17/74 – Memorial Fund<br>Instrument of Gift 0 Student Scholarship Fund |
| 12. | Scovill Kingsbury | Acknowledgment of $5,000 gift by Hospital |
| 13. | Mayo, LJ | Scholarship for nursing students |
| 14. | Mary L. Meigs | Trust u/w dated 7/17/52 |
| 15. | Dr. M.H. Merriman | Draft memorandum 9/22/1964 |
| 16. | Edith F. Poole | Will dated 4/11/28 |
| 17. | Ruth Sperry/Mr. & Mrs. Mark Sperry | See Bed Fund Binder |
| 18. | Dwight and Martha Terry | Trust u/w Dwight dated 3/08/19<br>Trust u/w Martha dated 11/21/18 |
| 19. | Olive Warner | Trust u/w dated 4/22/1926 |

PROPOSED LANGUAGE RE DISTRIBUTION TO

THE WATERBURY HOSPITAL FROM THE

IRREVOCABLE TRUST BETWEEN THE

COLONIAL BANK AND HATTIE SCHLEGEL ANDERSON

DATED August 15, 1947, AS CLARIFIED BY AGREEMENT DATED May 16, 1949

...distribute to The Waterbury Hospital the Escrow Account held by the Trustee in said Hospital's name, consisting of $67,631.59 in principal and $3,940.96 in income, together with any increments thereon since December 31, 1985, the date of the Trustee's Final Account, together with one of the six equal shares shown thereon as being held for distribution to the charitable beneficiaries; with all said assets to be held by The Waterbury Hospital in a restricted fund, in trust, with the income therefrom to be used to provide for the ongoing education of nurses at the Hospital through in-service programs, outside speakers, conference fees and expenses, tuition assistance in obtaining advanced degrees, or for other employees to become Registered Nurses, and books, periodicals and other educational support systems; all such expenditures shall be in addition to any authorized for such purposes for the period or periods in question in The Waterbury Hospital's applicable budget as approved by its governing body and any Federal or State regulatory bodies having budgetary jurisdiction.

FILE COPY
/22/86 -
: J. Tobin
Orig & 1
copy to
Bryan Flynn -
Colonial Bank

AGREEMENT made by and between The Waterbury Hospital of 64 Robbins Street, Waterbury, Connecticut, hereinafter referred to as the Owner, and COLONIAL BANK, a banking corporation of the State of Connecticut, hereinafter referred to as Colonial, concerning assets known as:

**The Hattie Schlegel Anderson Fund**

**W I T N E S S E T H :**

1. The Owner hereby appoints Colonial as its Agent to have custody of and to manage all securities, cash or other property from time to time transferred to Colonial hereunder, and Colonial accepts such appointment, subject to all of the terms and conditions of this Agreement. Attached hereto marked Schedule A is a list of all property transferred by the Owner to Colonial hereunder simultaneously with the execution of this Agreement.

2. Colonial shall hold all of such property in a separate account and shall be responsible for the safe custody thereof.

3. At reasonable intervals Colonial shall examine the list of securities held by it in the account and shall make changes thereof, as Colonial shall in its absolute discretion determine appropriate.

4. Colonial shall collect the income on all such property, shall render a statement of income so collected to the Owner at such periods as may be agreed upon, and, after retaining a reasonable sum for its services in managing said account, shall pay the net income to the Owner in such manner as the Owner may direct, or shall use the same in accordance with the instructions of the Owner, or shall apply any income or other funds in its hands in making payments customarily made by the Owner, as and when in the exercise of its own judgment it shall deem it to be wise or necessary.

5. It is understood that the title to all property shall remain in the Owner, and that all stock certificates shall be issued, and registered bonds, if any, shall be registered, in the name of the Owner; provided, however, that Colonial if it so elects may hold title to any stock or registered bonds in the name of its nominee. Colonial may accept further property from the Owner at any time hereafter to be held in accordance with the terms of this Agreement, and the Owner may withdraw any and all property held under this Agreement, at any time upon reasonable notice to Colonial.

6. This instrument may be revoked by either party thereto by giving reasonable notice in writing to the other party or may be amended at any time by an instrument executed in like manner by both parties hereto.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals this 21st day of July, 1986

THE WATERBURY HOSPITAL

(L.S.)

# RESOLUTION

**At Risk Kids (ARK) an Endowment for Behavioral Health of Waterbury Hospital**

**WHEREAS**, in _____, 1999, the Waterbury Hospital established a fund known as "At Risk Kids (ARK)," an endowment for Behavioral Health of Waterbury Hospital.

**WHEREAS**, The Waterbury Hospital desires to establish an endowment, herein called "At Risk Kids (ARK)". This endowment through Behavioral Health of Waterbury Hospital is dedicated to underwriting behavioral health services at Waterbury Hospital for children in need throughout the Greater Waterbury and Northwest areas of Connecticut.

**WHEREAS**, the funds collected, donated and provided to ARK will be co-mingled with the Waterbury Hospital Endowment and invested by the agent appointed by the Waterbury Hospital Pension and Investment Committee.

**NOW THEREFORE**, be it resolved that:

1: ARK will underwrite operations, after grant income has been exhausted, for programs that focus on preventative strategies designed to decrease serious emotional and behavioral problems.
2. Services that ARK can help fund will include, but not be limited to, behavioral health services for children and their families, as well as prevention strategies.

3. The endowment will be used to pay for services provided by the Waterbury Hospital Behavioral Health Services Department. As the service and demands for health care change, however, the types of programs including the location, needed may change. Therefore, if, at any time, the restrictions listed in this resolution can not be fulfilled, the Waterbury Hospital Board of Trustees will be permitted to designate the funds to another service within the Waterbury Hospital, preferably within Behavioral Health, but not limited to Behavioral Health.
4. In each individual fiscal year, after allocating grant income and operational revenue, there is an excess of revenue over the Behavioral Health Services budget, the Board of Trustees may use the income from ARK to underwrite a department within the Hospital where the funds are needed.
5. All endowment income from ARC will be used for the purposes stated in this resolution and as directed from time-to-time by the Board of Trustees. The Board of Trustees may expend, for the purposes stated herein, so much of the net appreciation, realized and unrealized, in the fair value of the ARK endowment assets over the historic dollar value of said endowment fund, provided that no more than 5% of the endowment principal may be removed in any one year for the purposes stated or otherwise ordered by the Board of Trustees at Waterbury Hospital.
6. This Resolution shall take effect immediately.

WATERBURY HOSPITAL
Waterbury, Connecticut

October 16, 1963

To:--
Mr. Raymond O. Hotchkiss
Business Manager

We shall be receiving contributions to The Theodore F. Bevans Fund which will be used for the benefit of children hospitalized in The Waterbury Hospital. Put these in a separate account in the ledger for this purpose and from time to time, preferably on a quarterly basis, tell me how much there is and I will tell you what it is to be used for.

The first such contribution for $10.00 is attached. It is from Mrs. Leo J. Byrnes, 94 Arden Rd., Waterbury.

Charles V. Wynne
Administrator

CVW/ik

Original in our vault.
Conformed copy delivered to
E.H.C. January 24, 1972.
Work Copy re INCOME TAX QUESTIONS!

1/24/71

I, EDITH MORTON CHASE, of the Town of Waterbury, County of New Haven, State of Connecticut, make, publish and declare the following as and for my last Will and Testament hereby revoking any other Wills and Codicils by me heretofore made.

FIRST

I direct that my funeral expenses and all my just debts be duly paid.

SECOND

I hereby make the following gifts and bequests:

1. Ten Thousand Dollars ($10,000.00) to my goddaughter, ANN TWITCHELL, now of New Haven, Connecticut, if she survives me.

2. Ten Thousand Dollars ($10,000.00) to my godson, THOMAS HART, now of Ross, California, if he survives me.

3. Ten Thousand Dollars ($10,000.00) to my godson, RUFUS STILLMAN, now of Litchfield, Connecticut, if he survives me.

4. Ten Thousand Dollars ($10,000.00) to RICHARD D. ELY (for whom I would have been godmother if it had been the custom of the Congregational Church), now of Woodbury, Connecticut, if he survives me.

5. Two Hundred Thousand Dollars ($200,000.00) to FLORENCE MARTIN CHASE, now of Watertown, Connecticut, if she survives me.

6. Fifty Thousand Dollars ($50,000.00) to JOHN ORINTAS, now of Waterbury, Connecticut, if he survives me, and if he does not survive me, to his wife, ISABELLE ORINTAS, if she survives me.

7. Twenty-Five Thousand Dollars ($25,000.00) to BERNARD STAIRS, now of Litchfield, Connecticut, if he survives me, and if he does not survive me to his wife, NORMA STAIRS, if she survives me.

8. Twenty-Five Thousand Dollars ($25,000.00) to NORMA STAIRS, now of Litchfield, Connecticut, if she survives me, and if she does not survive me to her husband, BERNARD STAIRS, if he survives me.

9. Ten Thousand Dollars ($10,000.00) to KENNETH MOORE, now of Litchfield, Connecticut, if he survives me, and if he does not survive me to his wife, BONNIE MOORE, if she survives me.

10. Ten Thousand Dollars ($10,000.00) to ALMA ANDERSON, now of Waterbury, Connecticut, if she survives me.

11. Ten Thousand Dollars ($10,000.00) to WALTER LIGNOR, now of Litchfield, Connecticut, if he survives me, and if he does not survive me to his wife, MARY LIGNOR, if she survives me.

12. Ten Thousand Dollars ($10,000.00) to ROSE MIKUTAVCH, now of Waterbury, Connecticut, if she survives me.

13. Ten Thousand Dollars ($10,000.00) to ROY LOCKARD, now of Waterbury, Connecticut, if he survives me.

14. Ten Thousand Dollars ($10,000.00) to IRMA LOCKARD, now of Waterbury, Connecticut, if she survives me.

15. I give and bequeath to THE ABBOTT COIN COUNTER COMPANY any shares of the stock of said company owned by me at the time of my death.

THIRD

1. I hereby make the following gifts and bequests:

A. Three Hundred Thousand Dollars ($300,000.00) to ST. JOHN'S PARISH, of Waterbury, Connecticut, the proceeds of

this bequest to be added to the principal of the fund known as the "Mary Frances Burrall Upkeep Fund."

B. Three Hundred Thousand Dollars ($300,000.00) to THE WATERBURY FOUNDATION, of Waterbury, Connecticut, if at the time of my death the same is a tax exempt organization within the meaning of Section 501(c)(3) of the Internal Revenue Code in effect at such time and if this bequest shall qualify, in its entirety, for a charitable deduction as allowed by the Federal Estate Tax Laws applicable to my estate, to be used by it for its general purposes.

C. Three Hundred Thousand Dollars ($300,000.00) to UNITED COUNCIL AND FUND OF GREATER WATERBURY, INC., of Waterbury, Connecticut, to be used by it for its general purposes.

D. Two Hundred Thousand Dollars ($200,000.00) to THE WATERBURY VISITING NURSES ASSOCIATION, INC., of Waterbury, Connecticut, this bequest to be maintained intact as a fund to be known as "The Jennie Hall Morton Memorial Nurse Fund", (which fund was originally established by her daughter, my mother, Alice Morton Chase) and the income therefrom and to the extent necessary, the principal, to be used to pay the salary of one member of the nursing staff of said Association.

E. One Hundred Thousand Dollars ($100,000.00) to MISS PORTER'S SCHOOL, INCORPORATED, of Farmington, Connecticut, to be used for its general purposes.

F. Ten Thousand Dollars ($10,000.00) to the RIVERSIDE CEMETERY ASSOCIATION, of Waterbury, Connecticut, to be used for its general purposes.

G. Three Hundred Thousand Dollars ($300,000.00) to THE WATERBURY HOSPITAL, of Waterbury, Connecticut, to establish

and maintain a dispensary under the name, "The Henry Sabin Chase Memorial Dispensary."

2. I am aware of the fact that due to the fluctuating values of my stocks and bonds, the intangible personal property of my estate, when liquidated, may not be sufficient to pay the bequests contained in the foregoing provisions of this Article THIRD and in Articles SECOND, TENTH and ELEVENTH of this Will and the taxes, administration costs and other expenses and claims necessary to settle my estate. In the event that my intangible personal property is insufficient to pay the same, I hereby direct that the foregoing bequests contained in this Article THIRD be abated proportionately, one as to the other, before other bequests, cash or otherwise, contained in this Will are so abated even though it may be necessary to abate the foregoing bequests in this Article THIRD in their entirety in order to leave all other bequests contained in this Will intact.

FOURTH

1. I give and bequeath to FLORENCE MARTIN CHASE, now of Watertown, Connecticut, my opal pin and my three-prong ring, and I also give and bequeath to said FLORENCE MARTIN CHASE, any personalty located in my summer residence known as "Topsmead" which she may choose, with the request, but not the direction, that she choose such personalty as is set forth in the letter accompanying this Will and dispose of the same in accordance with my desires as set forth in said letter.

2. I give and bequeath the portrait of my father, Henry S. Chase, to HENRY CHASE ELY, now of Palo Alto, California, if he desires it, and if he declines to accept the same, I give

and bequeath said portrait to THE MATTATUCK HISTORICAL SOCIETY, of Waterbury, Connecticut.

3. I give and bequeath to said FLORENCE MARTIN CHASE, such of the contents, as she may choose, of the house known as 33 Church Street, Waterbury, Connecticut, if said house belongs to me at the time of my death, with the request, but not the direction, that she dispose of certain of such contents in accordance with my desires as set forth in my letter to her accompanying this Will. Any of such contents of such house as are not so chosen by said FLORENCE MARTIN CHASE, I direct my Executors hereinafter named to sell, either at public or private sale, and I give and bequeath the proceeds thereof to said THE MATTATUCK HISTORICAL SOCIETY.

4. I give and bequeath to my namesake, EDITH CHASE ELY PETERSON, now of Stowe, Vermont, my necklace of pearls.

5. I give and bequeath my Packard automobile to JOHN ORINTAS, if he survives me and if he notifies my Executors that he desires to have the same, and if he does not survive me or so indicates that he does not desire to take the same, I give and bequeath said automobile to my nephew, JOHN HAMILTON CHASE, of Ross, California.

FIFTH

I give and bequeath to BERNARD STAIRS, if he shall survive me, all my beef cattle, the hand tools located in the barn and workshop located on the property owned by me in Litchfield, Connecticut known as "Topsmead", the gasoline powered lawn mower used in the maintenance of said Topsmead, the Ford 3000 tractor, together with all attachments thereto, including without limitation, mower, land plow, harrow, post hole digger,

snow plow and scraper or grader, all maple syrup equipment located on said property at the time of my death, and all the furniture and furnishings owned by me and located in the house on my said property which is occupied by BERNARD STAIRS at the time of my death if the same are owned by me at the time of my death. In the event said BERNARD STAIRS does not so survive me, I give and bequeath the same to the STATE OF CONNECTICUT, under the management of the Department of Environmental Protection with the exception of said furniture and furnishings which I give and bequeath to NORMA STAIRS, if she survives me and is occupying said house at the time of my death, and if she does not survive me or if not so occupying said house at said time, I give and bequeath the same to the STATE OF CONNECTICUT, under the management of the Department of Environmental Protection.

SIXTH

1. I give and bequeath, all the books, paintings, furniture, furnishings and objects of art, not disposed of by Paragraph 1 of Article FOURTH hereof, situated in my summer residence, also known as "Topsmead", located on the real property referred to in Article NINTH hereof to LUCY BEACH BURRALL, for the term of her life. I direct that Lucy Beach Burrall shall not in any way be accountable for waste, damage or other loss of any kind to any of said books, paintings, furniture and furnishings and objects of art during the term of the life use hereinbefore granted to her.

2. Subject to the life use granted in Paragraph 1 of this Article SIXTH, I give and bequeath to the aforesaid FLORENCE MARTIN CHASE such of said books, paintings, furniture, furnishings and objects of art as she may choose (which choice must be made within one year from the date of my death by writing deposited with my Executors) with the request, but not the direction, that she dispose of certain of the same in accordance with my desires as

set forth in my letter to her accompanying this Will, and all such books, paintings, furniture, furnishings and objects of art not so chosen by FLORENCE MARTIN CHASE, I give and bequeath to the STATE OF CONNECTICUT, under the management of the Department of Environmental Protection.

SEVENTH

1. I give and bequeath to JOHN ORINTAS, all the furniture and furnishings owned by me and located in the living quarters occupied by him at the time of my death, as a summer residence, on my said property in Litchfield, Connecticut, if he survives me. If he does not so survive me, I give and bequeath the same to his wife, ISABELLE ORINTAS, if she survives me and is occupying, as a summer residence, said living quarters at the time of my death, and if she fails to survive me or is not so occupying said living quarters at such time, I give and bequeath the same to the STATE OF CONNECTICUT, under the management of the Department of Environmental Protection.

2. I give and bequeath:

A. To KENNETH MOORE and his wife, BONNIE, for the period set forth in Paragraph 4 of Article NINTH hereof, the use of the furniture and furnishings located in the house occupied by them, or either of them, on my said property in Litchfield, Connecticut. I direct that neither of them shall in any way be accountable for waste, damage or other loss of any kind to any of said furniture or furnishings during the term of the use hereinbefore granted to them.

B. To WALTER LIGNOR and his wife, MARY, for the period set forth in Paragraph 5 of Article NINTH hereof, the use of the furniture and furnishings located in the house occupied by them, or either of them, on my said property in Litchfield, Connecticut. I direct that neither of them shall in any way be accountable for waste, damage or other loss of any kind to any of said furniture or furnishings during the term of the use herein-

before granted to them.

C. To WILLIAM STAIRS and his wife during the term that they or either of them lease the house referred to in Paragraph 6(e) of Article NINTH hereof, the use of the furniture and furnishings located in said house. I direct that neither of them shall in any way be accountable for waste, damage or other loss of any kind to any of said furniture or furnishings during the term of the use hereinbefore granted to them.

D. Subject to the uses granted in subparagraphs A, B and C of this Paragraph 2, I give and bequeath said furniture and furnishings to the STATE OF CONNECTICUT, under the management of the Department of Environmental Protection.

EIGHTH

I give and bequeath to the STATE OF CONNECTICUT, under the management of the Department of Environmental Protection, all my farm equipment of every type and nature, other than that referred to in Article FIFTH hereof, pertaining to the operation of my farm located on the real property owned by me and located in Litchfield, Connecticut, to be used by it in the operation and maintenance of Topsmead State Forest established by Paragraph 6 of Article NINTH of this Will.

NINTH

1. I give and devise to LUCY BEACH BURRALL, to have and to hold during the term of her natural life the use of my aforesaid summer residence known as "Topsmead", together with the right to use, in common with the STATE OF CONNECTICUT, and the other tenants named in this Article NINTH, all driveways over and along the real property located in Litchfield, Connecticut, owned by me at the date of my death, existing at the time of my death and the right to draw water from the wells or springs and to use the septic system or systems serving the same at the time of my death, and to maintain the same, all without liability to said

life tenant for any damage, loss or waste to or of the same arising during the term of such use.

2. I give and devise to BERNARD STAIRS and his wife, NORMA, for their natural lives and the natural life of the survivor of them, if at the time of my death they are or either of them is occupying the house located on my said property in Litchfield, Connecticut, which they are occupying at the date hereof, the use of that certain piece or parcel of land, containing 16.85 acres, located in said Litchfield, together with the buildings thereon, said piece or parcel being more particularly described as follows:

> "Beginning at a 1/2" solid iron pin at the intersection of the centerline of the stonewall on the west line of Buell Road and the north line of a wall on the south line of Farm Road so-called, thence along the centerline of the stonewall on the west line of Buell Road S. 9 deg. 47 minutes E. 750.61 feet to a 1/2" solid iron pin, thence along a wire fence N. 87 deg. 01 minutes W. 1062.21 feet to a 1" pipe at the corner of another wire fence, thence along this fence N. 1 deg. 30 minutes W. 382.63 feet to a 1" pipe, thence S 88 deg. 26 minutes W. 75.92 feet to a 1" pipe, thence N. 1 deg. 01 minutes, W. 120.61 feet to a 1/2" pipe, thence No. 60 deg. 34 minutes E. 94.51 feet to a three-quarter inch pipe, thence N. 2 deg. 09 minutes E. 136.30 feet to an iron pin at corner of a stonewall on the south line of Farm Road so-called, thence along the north edge of said stonewall on the south line of Farm Road S. 89 deg. 43 minutes E. 271.97 feet to a 1/4" iron pin, thence S. 89 deg. 55 minutes E. 660.95 feet to the 1/2" solid iron pin at the point and place of beginning."

together with the right to use, in common with the STATE OF CONNECTICUT and the other tenants named in this Article NINTH, all driveways and roads over and along said real property existing at the time of my death, and the right to cut wood in Topsmead State Forest for his (Bernard Stairs') own use, to draw water from the wells or springs, and to use the septic system or systems serving the buildings located on said land at the time of my death and to maintain the same, all without liability for any damage, loss or

waste to or of the same arising during the term of such use; provided that their life use of said real property, and the other rights hereby granted to them shall cease and terminate if, at any time prior to the death of both of them, they, or either of them, shall cease to use said real property for their own permanent residence or use, the house located thereon shall be destroyed by fire or other casualty, or they, or either of them, shall lease, mortgage, sell or otherwise attempt to convey their interest in all or any part thereof to any third party.

3. I give and devise to JOHN ORINTAS and his wife, ISABELLE, for their natural lives and the natural life of the survivor of them, the use of the living quarters located on my said property in Litchfield, Connecticut, occupied, as a summer residence, by them, or either of them, at the time of my death, together with the right to use in common with the STATE OF CONNECTICUT and the other tenants named in this Article NINTH all driveways and roads over and along said real property existing at the time of my death and the right to draw water from the wells or springs and to use the septic system or systems serving said livin quarters at the time of my death and to maintain the same, all without liability for any damage, loss or waste to or of the same arising during the term of such use; provided that their life use of said living quarters and the other rights hereby granted to them shall cease and terminate, if at any time prior to the death of both of them, they, or either of them, shall cease to use said living quarters as their permanent residence, the same shall be destroyed by fire or other casualty or they or either of them shall lease, mortgage, sell or otherwise attempt to convey their interest in the same or any part thereof.

4. I give and devise to KENNETH MOORE and his wife,

BONNIE, for a period of three years after the date of my death, the use of the house located on my said property in Litchfield, Connecticut, occupied by them, or either of them, at the time of my death, together with the right to use, in common with the STATE OF CONNECTICUT and the other tenants named in this Article NINTH, all driveways and roads over and along said real property existing at the time of my death and the right to draw water from the wells or springs and to use the septic system or systems serving said house at such time and to maintain the same, all without liability for any damage, loss or waste to or of the same arising during the term of such use; provided that their right to such use of said house and the other rights hereby granted to them shall cease and terminate if, at any time prior to the expiration of such three year period, they, or either of them, shall cease to use said house as a permanent residence, said house shall be destroyed by fire or other casualty, or they, or either of them, shall lease, mortgage, sell or otherwise attempt to convey their interest in the same or any part thereof.

5. I give and devise to WALTER LIGNOR, and his wife, MARY, for a period of three years after the date of my death, the use of the house located on my said property in Litchfield, Connecticut, occupied by them, or either of them, at the time of my death, together with the right to use, in common with the STATE OF CONNECTICUT and the other tenants named in this Article NINTH, all driveways and roads over and along said real property existing at the time of my death and the right to draw water from the wells or springs and to use the septic system or systems serving such house and to maintain the same, all without liability for any damage, loss or waste to or of the same arising during the term of such use; provided that their right to such use of said house, and the other rights hereby granted to them shall

cease and terminate if, at any time prior to the expiration of such three year period, they, or either of them, shall cease to use said house as a permanent residence, said house shall be destroyed by fire or other casualty, or they, or either of them, shall lease, mortgage, sell or otherwise attempt to convey their interest in the same or any part thereof.

6. Subject to the uses granted in Paragraphs 1 through 5 of this Article NINTH, I give and devise, absolutely and in perpetuity, to the STATE OF CONNECTICUT, under the management of the Department of Environmental Protection, all my said real property located in the Town of Litchfield, County of Litchfield, State of Connecticut, with all buildings and improvements thereon to be used and maintained by said devisee as a State Forest and to be known as "Topsmead State Forest" (by which name said real property is sometimes herein referred to).

Such devise of said real property is made with the following requests but not directions:

(a) That Topsmead State Forest, other than a reasonable area around the house used by me as my summer residenc and referred to in (c) below, not exceeding four acres, be kept in a state of natural beauty and that nothing be built or created thereon for public recreation including but not limited to, golf courses, tennis courts, swimming pools and ski areas;

(b) That no part of Topsmead State Forest be used by snowmobiles, motorcycles, facilities for the landing of aircraft or by automobiles (except such as may be used by said devisee, its servants and agents for maintenance and other offic purposes and the tenants named in Paragraphs 1 through 5 of this Article NINTH), or for the purpose of parking automobiles, excep if said devisee deems it necessary, in one area designated by

said devisee, not exceeding one acre, for the parking of the vehicles of its servants and agents working in Topsmead State Forest, although it is my desire that no such parking area be established or maintained. The parking of trucks, tractors and other vehicles and machinery, used by said devisee in the maintenance of Topsmead State Forest, inside or outside of sheds or buildings located on Topsmead State Forest shall not be deemed within the scope of this restrictive request;

(c) That the house occupied by me for many years as a summer residence, to the full extent practicable, be maintained in the same condition and furnished in the same manner as it is when it first comes within the jurisdiction and control of said devisee, that said house not become or be used for an office or place of administration or record storage but be used as a place for meetings of the Department of Environmental Protection and be open to the general public for orderly and quiet visiting on such days as said devisee determines;

(d) That the State of Connecticut, Department of Environmental Protection, retain the services of the aforesaid BERNARD STAIRS for Topsmead State Forest because of his special, pertinent skills and thorough knowledge of Topsmead State Forest, and the services of his wife, NORMA STAIRS, because of her thorough knowledge of and long experience in the upkeep and maintenance of my aforesaid summer residence, "Topsmead";

(e) That the State of Connecticut rent to WILLIAM STAIRS, or his wife, now of Litchfield, Connecticut, the house, if any, which they, or either of them, are occupying on said real estate at the time of my death for a period of three years after the date of my death, if they desire to rent the same, upon the same terms and conditions and at the same rental as obtaining at the time of my death.

TENTH

I give and bequeath to THE CITY NATIONAL BANK OF CONNECTICUT, having an office in Waterbury, Connecticut, IN TRUST, the sum of Two Hundred Thousand Dollars ($200,000.00), to be invested and reinvested by it and disposed of as follows:

1. I direct my said Trustee to pay so much or all of the income or principal, or both, of said Trust as is necessary to pay any and all real property taxes assessed upon such of the real property referred to in Paragraphs 1 through 5 of Article NINTH of this Will as is subject to a tenancy created by said Paragraphs 1 through 5 and only to the extent it, or a part thereof, is subject to a tenancy, and to pay the cost of maintaining fire and extended coverage insurance on the furniture and furnishings bequeathed by me to Bernard and Norma Stairs and to John and Isabelle Orintas during the term of the tenancy granted to them by Paragraphs 2 and 3 of Article NINTH and to pay the cost of the heating of, maintaining fire and extended coverage insurance on (to the extent the same is available for the benefit of and payable to the tenants thereof), and the electricity consumed in the homes occupied by the tenants named in said Paragraphs 1 through 5 as are subject to a tenancy, and only to the extent they, or any of them, are subject to a tenancy created by said Paragraphs 1 through 5.

2. Upon the termination of all the tenancies established pursuant to Paragraphs 1 through 5 of Article NINTH of this Will, I direct my said Trustee to pay, transfer and deliver the then remaining principal of said Trust, together with any interest accrued or accumulated thereon, absolutely and free of trust to the STATE OF CONNECTICUT, under the management of the Department of Environmental Protection, to be added to the fund established pursuant to the provisions of Article ELEVENTH of this Will and to be disposed of in accordance therewith.

ELEVENTH

I give and bequeath the sum of Three Hundred Thousand Dollars ($300,000.00) to the STATE OF CONNECTICUT, under the management of the Department of Environmental Protection, to be held by it in a separate fund, and the income therefrom, and the principal thereof (to the extent said STATE OF CONNECTICUT deems it necessary or desirable) to be used, first, to defray or help to defray any and all expenses incurred for maintenance of my summer residence, "Topsmead", and, second, to defray or help to defray the expenses of maintaining and operating Topsmead State Forest.

TWELFTH

I direct that my said Executors divide all the rest, residue and remainder of my estate, including lapsed legacies and devises, into equal parts so that there shall be one part for my sister, ANNE CHASE MOTT, if she is living at the time of my death, and one part for each of my deceased sisters (including Anne Chase Mott, if she is not then living) who has issue living at the time of my death, and one part in representation of my deceased brother, Rodney Chase, if FLORENCE MARTIN CHASE is livin at the time of my death or if he has issue living at the time of my death, and I give, devise and bequeath said equal parts as follows:

1. I give and bequeath to my said sister, ANNE CHASE MOTT, the part so set aside for her if she shall survive me and if she does not so survive me, I give and bequeath the same to the issue, per stirpes, of my said sister who survive me.

2. I give and bequeath to FLORENCE MARTIN CHASE the

part so set aside in representation of my deceased brother if she survives me and if she does not survive me, I give and bequeath the same to the issue, per stirpes, of my said deceased brother who survive me.

3. Each such part as shall have been set aside in representation of a sister of mine who is now deceased, I give and bequeath to the issue, per stirpes, of such sister, who survive me.

THIRTEENTH

I hereby direct that all legacy, succession, inheritance transfer and estate taxes, levied or assessed upon or with respect to any property (including, without limiting the foregoing, insurance, jointly owned property, bonds, and any and all other kinds of personal and real property) which is included as part of my gross estate for the purpose of any such tax, shall be paid by my Executors out of my estate in the same manner as an expense of administration and shall not be prorated or apportioned among or charged against the respective devisees, legatees, beneficiaries, transferees or other recipients nor charged against any property passing or which may have passed to any of them, and that my Executors shall not be entitled to reimbursement for any portion of any such tax from any such person.

FOURTEENTH

I hereby appoint FLORENCE MARTIN CHASE, of Watertown, Connecticut, EDWARD T. CARMODY, of Middlebury, Connecticut, and THE CITY NATIONAL BANK OF CONNECTICUT, a banking corporation having an office in Waterbury, Connecticut, as Co-Executors of this my last Will and Testament and as Trustees of any trust

created hereunder, other than the Trust created under Article TENTH hereof with respect to which THE CITY NATIONAL BANK OF CONNECTICUT shall act as sole Trustee, and direct that no bond be required of them. In the event of the death or inability to act, of either Florence Martin Chase or Edward T. Carmody, either before or after qualifying as Executors, or Trustees, or in the event either of them fails to qualify or resigns, as such Executors or Trustees, the remaining Executors or Executor or Trustees or Trustee shall serve alone. I request my Executors to give careful attention to the contents of a letter to me from my corporate Executor and corporate Trustee dated January 20, 1972, which accompanies this Will.

FIFTEENTH

I hereby grant to my Executors and Trustees named herein or any successor Executor or Trustee, in addition to and not in limitation of the powers elsewhere herein granted, or those conferred by law, the following powers:

1. At any time and from time to time to sell at public or private sale, to convey, lease, mortgage or exchange at such price or prices and on such terms as they or it may deem advisable any real or personal property which becomes a part of my estate, all without appropriate court order;

2. To retain temporarily or permanently any and all such real or personal property which constitutes a part of my estate at the time of my death;

3. To invest and reinvest in any real or personal property, including securities, common or other corporate stocks, mutual funds and common trust funds including those established or managed by the corporate Executor and regardless of diversi-

fication as to kind or amount;

4. To hold securities in the name of a nominee; provided they shall be responsible for the actions of their nominees;

5. To borrow for the benefit or preservation of my estate or for farm purposes, and to pledge, mortgage or grant security interests in any or all of said estate as collateral;

6. To compromise, settle or arbitrate any claims, suits, demands, actions or controversies involving or relating to my estate or any of the assets thereof or any of the provisions of this Will;

7. To vote by proxy, general or otherwise;

8. To insure against insurable risks;

9. To make distribution, partial or final, in cash or in kind, at the fair market value thereof at the time of such distribution, as determined by them in their sole discretion;

10. To retain the services of attorneys, accountants, investment advisors, brokers, real estate agents, surveyors and others, and to employ clerical and other assistance, all as the same may be needed;

11. To conduct the farm, if any, conducted by me at the time of my death at my property located in Litchfield, Connecticut, to do any and all things concerning the production and marketing of crops and dairy, poultry, livestock, orchards and forest products, to operate said farm with hired labor, tenants or sharecroppers, to lease or rent the farm for cash or for share of the crops, to purchase or otherwise acquire farm machinery and equipment and livestock, to undertake the construction, repair and improvement of farm buildings of all kinds needed in my Executors' judgment for the operation of said farm, to engage in the production of livestock, poultry or dairy products and to construct such fences and buildings and plant such pastures and

crops as may be necessary to carry on such operations, to market the products of said farm and in general to employ good husbandry in the operation of said farm;

12. To execute and deliver any and all instruments necessary and proper to carry out any of the foregoing powers and any of the provisions of this Will.

All the above powers may be exercised, except as otherwise specifically indicated to the contrary, without court order and without obligation or requirement on the part of any of said Executors to give bond for the proper application, administration or accounting of any monies, avails or other property received as a result of the exercise of the above powers.

I direct my Executors to purchase a separate headstone for or near my grave in the family plot at Riverside Cemetery Association, Waterbury, Connecticut, which is to have engraved thereon my three initials, together with the dates of my birth and death, and I further direct my Executors to have engraved on the flat "Henry Sabin Chase" stone located in said family plot the names of all five of his children, or such of them as have not been engraved thereon as of the date of my death.

SIXTEENTH

The term "issue" as used in this Will shall be deemed to include legally adopted as well as natural born children or issue, respectively, whether born or adopted before or after the execution of this Will.

IN WITNESS WHEREOF, I have hereunto set my hand and

seal this 24th day of January , 1972.

/s/ EDITH MORTON CHASE (SEAL)

Signed, sealed, published and declared as and for her last Will and Testament by the Testatrix, EDITH MORTON CHASE, in our presence, who, in her presence, in the presence of one another and at her request, have hereunto subscribed our names as witnesses, this 24th day of January , 1972.

/s/ VERONICA M. FOODY

/s/ SALLY A. HEBERT

STATE OF CONNECTICUT )
) ss: Waterbury
COUNTY OF NEW HAVEN )

We, the undersigned, being duly sworn, depose and say that on the 24th day of January , 1972, the above named Testatrix, EDITH MORTON CHASE, signed the foregoing Will in our presence as witnesses; that we thereupon subscribed our names thereto as witnesses, in her presence and at her request, and in the presence of one another; that at the time of the execution of said Will, said EDITH MORTON CHASE appeared to be of full age and of sound and disposing mind and memory; and that this affidavit is made at her request.

/s/ VERONICA M. FOODY

/s/ SALLY A. HEBERT

STATE OF CONNECTICUT )
) ss: Waterbury January 24 , 1972
COUNTY OF NEW HAVEN )

Personally appeared Veronica M. Foody

and Sally A. Hebert, who subscribed the foregoing affidavit and made solemn oath to the truth of the same, before me.

/s/ EDWARD T. CARMODY
Commissioner of the Superior Court

INSTRUMENT OF GIFT

TO

THE WATERBURY HOSPITAL

EMMET AND MILDRED CROZIER SCHOLARSHIP FUND

On behalf of my late husband and myself, I am by this instrument establishing the EMMET AND MILDRED CROZIER SCHOLARSHIP FUND ("Fund") as part of the restricted endowment of The Waterbury Hospital ("Hospital"). My initial contribution is in the form of the assets listed on Exhibit A attached, and I anticipate making additional irrevocable gifts to the Fund in the Future.

It is my wish that the income of the Fund, and such amount of the net appreciation (realized and unrealized) thereof, as the Committee created below may appropriate ~~from time to time~~, be used to carry out the purposes of the Fund. However, it is my desire that no part of the value of any contribution made by me now, or in the future, calculated as of the time the gift is made, be so expended.

The purpose of the Fund is to provide scholarship assistance to children of Hospital employees so as to enable them to pursue their professional education in medicine and related fields of caring. A dedicated commitment to pursue a professional career shall be required of all applicants. It is not my intent to limit this to potential doctors and registered nurses, but other health care practioners and technologists should be eligible whose professional education requires at least two years.

Scholarships shall be awarded by a Committee of five (5) individuals composed as follows:

1. Chief of Staff of the Hospital
2. Vice President, Patient Care Services of the Hospital
3. A member of the Attending Staff of the Hospital
4. A member who shall be a past or present Trustee or Corporator of the Hospital, or a past or present Trustee or Corporator of Greater Waterbury Health Network, Inc. ("Network")
5. A member who is an employee of the Hospital who has demonstrated an interest and ability to be a productive, contributing member of the Committee.

Initial members shall include Dr. Marc J. Taylor as the Medical Staff representative and myself as a former

Corporator of the Hospital and present Corporator of the Network. The President of the Hospital shall make all other initial and all future appointments, including successors to Dr. Taylor and myself. In the event the titles of any of the above positions, or the corporate structure of the Hospital and its parent corporation the Network, are changed, the President of the Hospital (or its successor) shall determine the then nearest equivalent to those provided above.

The Committee shall serve without compensation, but shall be reimbursed from the Fund for its reasonable expenses in administering the program, including assistance in determining needs of applicants. Scholarships should be based upon academic performance and need, and sufficiently large so as to make a significant impact upon the applicant's ability to pursue the proposed course of study. The Committee shall adopt its own rules and criteria. Awards should, to the extent possible, be for a period not to exceed one year, but may be renewed. An award shall not be terminated because the parent has ceased to be an employee of the Hospital. The program should be as broad based as possible, and children of all employees should be encouraged to apply. It is my intent to give the Committe wide flesibility and discretion in carrying out my wishes.

Dated at Waterbury, Connecticut, this 28th day of December, 1988.

Mildred Crozier

EXHIBIT A.

Initial Contribution to Emmet and Mildred Crozier Scholarship Fund on December 28, 1988:

One Hundred Thousand Dollars ($100,000.00) Cash.

Lewis R. Whitehead
Attorney-at-Law
Pomperaug Office Park, Bldg. Two
P.O. Box 629
Southbury, Connecticut 06488

TEL: (203) 264-9677
FAX: (203) 262-6415

March 21, 1996

cc Cecil Collen for any follow-up

Waterbury Hospital
64 Robbins Street
Waterbury, CT 06708

Office of the Administrator

Re: Estate of Marguerite B. Fulling

Dear Sir:

As you may know, Marguerite Fulling died on the 18th of January, 1996. Prior to her death she had established an inter vivos trust with the Bank of New York, dated November 25, 1981 and amended to December 22, 1995. In Article 4G of the trust she directed that the trustee pay the hospital the sum of $50,000.00 for the purpose of providing a research fund "to be known as the Marguerite B. Fulling Research Fund, only the income from which is to be used for research of breast cancer."

Her nephew, Richard Weisfelder, of Toledo, Ohio, has been appointed by the Southbury Probate Court as executor of Marguerite's estate. Both the Bank of New York and Mr. Weisfelder have agreed to delay actual payment of this gift to the hospital until both the federal and state death taxes are paid. I estimate that to be some time in the late summer or early fall.

I am writing this letter as a courtesy to you, to let you know that the gift is coming so you may make plans accordingly. If you have any questions, feel free to get in touch with the undersigned.

Very truly yours,

Lewis R. Whitehead

LRW:br
pc: Richard Weisfelder
The Bank of New York

PROBATE COURT, DISTRICT OF SOUTHBURY

----------x

In the Matter of the Estate of

**MARGUERITE B. FULLING,**

Deceased.

----------x

**RECEIPT AND RELEASE**

of WATERBURY HOSPITAL, 64 Robbins Street, Waterbury, CT 06708, does hereby acknowledge and declare that he/she has received, on behalf of WATERBURY HOSPITAL, from THE BANK OF NEW YORK and RICHARD F. WEISFELDER, Trustees of the trust created for the benefit of Marguerite B. Fulling and others, dated November 25, 1981 and amended to December 22, 1995, the sum of FIFTY THOUSAND DOLLARS ($50,000.00) in satisfaction of a gift to it in paragraph 4G of said trust. warrants that WATERBURY HOSPITAL is the beneficiary of the aforesaid trust pursuant to paragraph 4G of said trust and further warrants that WATERBURY HOSPITAL has not assigned or otherwise encumbered any part or all of its interest in said Estate.

In consideration of the aforesaid gift, the receipt of which is hereby acknowledged,

hereby forever releases and discharges the said THE BANK OF

EWIS R. WHITEHEAD

ATTORNEY AT LAW

LAW OFFICES
Pomperaug Office Park
Building Two
PO Box 629
Southbury, CT 06488
(203) 264-9677

NEW YORK and RICHARD F. WEISFELDER, as co-trustees of the said trust, of and from any and every claim and demand whatsoever as beneficiary under paragraph 4G of said trust.

DATED:

June 19, 1996

WATERBURY HOSPITAL

By _____ (title)

PRESIDENT

STATE OF CONNECTICUT

COUNTY OF New Haven ss: Waterbury

On this the 19th day of June 1996, before me, the undersigned officer, personally appeared John H. Tobin who acknowledged himself/~~herself~~ to be the President of WATERBURY HOSPITAL, a corporation, and that he/~~she~~ as such President, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself/~~herself~~ as President.

In witness whereof I hereunto set my hand.

Elizabeth S. Rendeiro
Notary Public

ELIZABETH S. RENDEIRO
NOTARY PUBLIC
MY COMMISSION EXPIRES AUGUST 31, 1999

LEWIS R. WHITEHEAD
ATTORNEY AT LAW
LAW OFFICES
Pomperaug Office Park
Building Two
PO Box 629
Southbury, CT 06488
(203) 264-9677

file RECEIVED
JAN 31 1979
NURSING ADMINISTRATION

THE WATERBURY HOSPITAL
Waterbury, Connecticut

M E M O R A N D U M

To: Denise Shanahan, Assistant Administrator, Nursing Service

From: R. O. Hotchkiss, Controller

Date: January 30, 1979

Subject: Graduate Nurse Educational Fund

This is to follow up on our conversation in reference to the Graduate Nurses Educational Fund. These funds are to be used for the education of graduate nurses of the Waterbury Hospital.

Please review and if there are expenses that fall into this category, kindly submit a memo to me so that the funds may be withdrawn.

Thank you.

ROH:mbh

| SOURCE | NAME OF FUND | ESTABLISHED BY | MEMORY OF | AMOUNT | DESIGNATES BENEFICIARY | PURPOSE, SPECIAL RESTRICTIONS, COMMENTS | CLASS |
|---|---|---|---|---|---|---|---|
| (1) | Graduate Nurses Education Fund | Nursing School Alumnae Association | | Varies | Alumnae Assoc | Special Fund - To provide loans to graduate nurses for further education - not a Hospital Fund. | |
| Endowment Book Will Folder | Walter W. Holmes Fund | Gift: 12/26/23 | Margaret Torrance Holmes | $ 145,000.00 $45,000 to be used as noted the remainder apparently unrestricted. | H | Special Fund - Originally to be used to finance a recreation hall. After 11/39 Hospital free to use principal and income for general purpose. If hospital ever builds recreation hall, Mr. Holmes or his executor may, if stocks are still unsold, require hospital to sell stocks and apply proceeds of sale plus income, or an equivalent amount, to the cost of constructing the recreation hall. | P/UR - H<br>I/UR - H<br>SP |
| Endowment Book | "The Hopkins Memorial" (Abbie C. Hopkins Trust) | Estate: Abbie C. Hopkins Died: 12/28/39 | | 1,051,000.00<br>Assets 6/30/74 | Per Will | Special Fund - Set up to endow a hospital in Naugatuck. Income accrued for 20 yrs. (until 1959). If Naugatuck Hospital Corp. did not build hospital, income goes to Waterbury Hospital to benefit poor of Naugatuck, within unexpended money going to general fund. If Naugatuck Hospital Corp. ever builds, Hospital Fund reverts to Naugatuck Hospital. However, Naug. Hosp. Corp. dissolved in 1951. | P/R - B<br>I/R - B<br>SP<br>Colonial |
| Will Folder | Anne Kaye Memorial Fund | Subscription | Anne Kaye | 210.00 Rec'd by 8/29/72 | H | Special Fund - To support or partially support a fellowship in medical oncology. | P/R - H<br>I/R - H<br>SP |
| (2) | Lewis J. Mayo Memorial Fund | Gift: Lewis J. Mayo and subscription | | 2,815.92 | H | Special Fund - Scholarships for nursing students. In savings account and seldom used. | P/R - H<br>I/R - H |
| | | | | | | | |

KNOW ALL MEN BY THESE PRESENTS:

THAT I, MARGERY K. HAYDEN, of the Town of Waterbury, County of New Haven, State of Connecticut, being of sound and disposing mind and memory, do hereby make, publish and declare the following as and for my last will and testament, hereby revoking and annulling any and all former wills and codicils by me heretofore made, in manner and form as follows:

ARTICLE FIRST

I hereby direct that all legacy, succession, inheritance, transfer and estate taxes, together with interest and penalties in respect thereof, levied or assessed upon or with respect to any property which is included as part of my gross estate for the purposes of any such tax, shall be paid by my Executors out of my residuary estate and shall not be prorated or apportioned among or charged against the respective devisees, legatees, beneficiaries, transferees or other recipients, nor charged against any property passing or which may have passed by this will or otherwise to any of them, and that my Executors shall not be entitled to reimbursement for any portion of any such tax from any such person. * * * * * * * * * * * * * * * * * * *

ARTICLE SECOND

I give and bequeath all of my tangible personal property, including any and all furniture, furnishings, china, silverware, jewelry, ornaments, works of art, automobiles, books, pictures and other articles of similar nature, to WILLIAM ROGER PITKIN, JR., of Guilford, Connecticut, EDWARD HAYDEN PITKIN, of said Guilford, PAULINE PITKIN HARRINGTON, of Lakewood, Ohio, and ELIZABETH FULTON GUNTER HUSBAND, of Cochise, Arizona, and in the

event that any such beneficiary shall predecease me leaving issue me surviving, I give and bequeath the share of such deceased beneficiary to his or her issue per stirpes.

However, if I leave a memorandum addressed to said beneficiaries suggesting a disposition of any of said property, it is my hope and expectation that such suggestion will be accepted and followed by them. * * * * * * * * * * * * * * * *

ARTICLE THIRD

I give and bequeath the sum of Thirty Thousand Dollars ($30,000.00) to each of the following beneficiaries: said ELIZABETH FULTON GUNTER HUSBAND, said WILLIAM ROGER PITKIN, JR., said EDWARD HAYDEN PITKIN, and said PAULINE PITKIN HARRINGTON In the event that any such beneficiary shall predecease me leaving issue me surviving, I give and bequeath the share of such deceased beneficiary to his or her issue per stirpes.

ARTICLE FOURTH

I give and bequeath the sum of Twenty-five Thousand Dollars ($25,000.00) to NANCY FULTON BRIGGS, of Tucson, Arizona, and the sum of Fifteen Thousand Dollars ($15,000.00) to WILLIAM DUNCAN FULTON, of said Tucson. In the event that either of such beneficiaries shall predecease me leaving issue me surviving, I give and bequeath the share of such deceased beneficiary to his or her issue per stirpes. * * * * * * * * *

ARTICLE FIFTH

I give and bequeath the sum of Five Thousand Dollars ($5,000.00) to each of the following beneficiaries: ELIZABETH DUNCAN FULTON, of said Tucson, GERALDINE RUSSELL PITKIN, of said Guilford, PATRICIA GROVES PITKIN, of said Guilford, and THOMAS HUSBAND, of said Cochise. * * * * * * * * * * * * *

ARTICLE SIXTH

I give and bequeath to said WILLIAM ROGER PITKIN, JR. the sum of Twenty-five Thousand Dollars ($25,000.00). While this bequest is absolute, it is my wish that said WILLIAM ROGER PITKIN, JR. distribute said sum to the persons and in the amounts which shall be set forth by me in a memorandum which I shall leave with my will. * * * * * * * * * * * * * * * * * *

ARTICLE SEVENTH

In the event that RUTH E. EARLEY, of said Waterbury, shall survive me, I give and bequeath the sum of Thirty Thousand Dollars ($30,000.00) to my Trustee hereinafter named, IN TRUST NEVERTHELESS, for the following uses and purposes, and with the powers and duties hereinafter set forth:

During the lifetime of said RUTH E. EARLEY, my Trustee shall pay over to or use for the benefit of said RUTH E. EARLEY from the net income derived from said trust the sum of Fifteen Hundred Dollars ($1,500.00) per year, quarterly or more often as it, in its sole discretion, shall deem advisable, and in the event that the net income shall be insufficient in any twelve months period following the date of my death to provide payments to said RUTH E. EARLEY at the rate of Fifteen Hundred Dollars ($1,500.00) per year, my Trustee shall pay over to her such amount or amounts from the principal of this trust as shall be necessary to provide payments to her at such annual rate. In the event that the net income in any twelve months period following the date of my death shall exceed the sum of Fifteen Hundred Dollars ($1,500.00), such excess shall be accumulated by my Trustee and added to the principal of the trust.

On the death of said RUTH E. EARLEY, my Trustee shall divide the undistributed income and principal then remaining in said trust into as many equal shares as I shall have nephews and nieces then living and nephews and nieces then deceased leaving issue then living, and I direct that my Trustee shall pay one such share to each such nephew and niece then living and one such share to the issue of any deceased nephew or niece, the issue of any deceased nephew or niece to take per stirpes.

ARTICLE EIGHTH

If I am survived by CATHERINE KEIPER, of Prospect, Connecticut, I give and bequeath to her the sum of Two Thousand Five Hundred Dollars ($2,500.00), the same to be to her absolutely. * * * * * * * * * * * * * * * * * * * * * * * * * * *

ARTICLE NINTH

If I am survived by EMMA KIESSLING, of said Waterbury, I give and bequeath to her the sum of Two Thousand Five Hundred Dollars ($2,500.00), the same to be to her absolutely. * * * *

ARTICLE TENTH

I give and bequeath to THE AMERIND FOUNDATION, INCORPORATED, located in Dragoon, Arizona, the sum of Twenty-five Thousand Dollars ($25,000.00), to be used for its general purposes. * *

ARTICLE ELEVENTH

I give and bequeath to THE YOUNG WOMEN'S CHRISTIAN ASSOCIATION, located in said Waterbury, the sum of Thirty Thousand Dollars ($30,000.00), to be used for its general purposes. * * * * * * * * * * * * * * * * * * * * * * * * * * *

ARTICLE TWELFTH

I give and bequeath to THE MATTATUCK HISTORICAL SOCIETY, located in said Waterbury, the sum of Seventy Thousand Dollars ($70,000.00), to be used for its general purposes. * * * * * *

ARTICLE THIRTEENTH

I give and bequeath to THE WATERBURY VISITING NURSES ASSOCIATION, INCORPORATED, located in said Waterbury, the sum of Fifteen Thousand Dollars ($15,000.00), to be used for its general purposes. * * * * * * * * * * * * * * * * * * * * * * * * * *

ARTICLE FOURTEENTH

I give and bequeath to WATERBURY GIRL'S CLUB, INCORPORATED, located in said Waterbury, the sum of Fifteen Thousand Dollars ($15,000.00), to be used for its general purposes. * * * * * *

ARTICLE FIFTEENTH

I give and bequeath to THE CONNECTICUT JUNIOR REPUBLIC located in Litchfield, Connecticut, the sum of Ten Thousand Dollars ($10,000.00), to be used for its general purposes. * *

ARTICLE SIXTEENTH

I give and bequeath to THE WATERBURY HOSPITAL, located in said Waterbury, the sum of Twenty Thousand Dollars ($20,000.00) to be known as "The Elizabeth K. Hayden Fund", to establish a bed fund, the income from which shall be used for the purpose of providing free bed and medical care to patients of Southmayd Home, Incorporated, of said Waterbury, who shall be designated by the Board of Directors of said Southmayd Home, Incorporated, as being eligible to receive said free bed and medical care. In the event that all or any portion of said income in any consecutive twelve months period (said period to be determined

by said Hospital, in its sole discretion) shall not be needed for the purpose of providing free bed and medical care, the same may be used by said Hospital for its general purposes.

ARTICLE SEVENTEENTH

I give and devise to CHILD GUIDANCE CLINIC OF WATERBURY, INC., a non-profit organization located in said Waterbury, all of my real estate located on Pine Street and Glenridge Street, in said Waterbury, for as long as said property shall be used by said corporation for the purposes for which said corporation was organized. In the event that said corporation shall take title to said property, it is my wish and desire that the buildings on said property as of the date of my death be retained by said corporation, to be used for the purposes for which said corporation was organized, and that no new buildings or structures be erected on said property. In the event that said corporation shall fail to accept this devise within a period of two (2) years from the date of my death, or in the event that at any time after acceptance, said corporation shall fail to use said real estate for such purposes, then the title and interest of said corporation in and to said real estate shall cease and terminate, and I give and devise said real estate to the CITY OF WATERBURY, to be added to and become a part of the property known as "Hayden Homestead Park", for as long as said property shall be used by said City for park purposes only. In the event that said City shall take title to the aforesaid property, it is my wish and desire that, with the exception of the three car garage in the rear of #52 Pine Street, in said Waterbury, all other houses or buildings located on such property shall be removed or razed by said City, and said

three car garage shall be used by the City for purposes directly connected with the maintenance, care, supervision and operation of said real estate as a public park. In the event that said City shall fail to accept this devise within a period of two (2) years from the date of the failure of the aforesaid corporation to accept said devise, or in the event that at any time after acceptance, said City shall fail to use said real estate for park purposes only, then the title and interest of said City in and to said real estate shall cease and terminate, and I give and devise said real estate, in equal shares, to said THE WATERBURY VISITING NURSES ASSOCIATION, INCORPORATED and said THE MATTATUCK HISTORICAL SOCIETY, to be used by each for its general purposes. * * * * * * * * * * * * * * * * * * *

ARTICLE EIGHTEENTH

I give and bequeath the sum of Twenty-five Thousand Dollars ($25,000.00) to my Trustee hereinafter named, IN TRUST NEVERTHELESS, with the powers and duties hereinafter set forth for the following uses and purposes:

1. For as long as said City of Waterbury shall maintain the property known as "Hayden Homestead Park" for park purposes only, my Trustee shall pay to said City of Waterbury the net income derived from said trust quarterly or more often as my Trustee, in its sole discretion, shall deem advisable, said net income to be used by said City for the maintenance of said park.

2. In the event that said City of Waterbury shall fail to maintain said real estate for park purposes only, then the title and interest of said City in and to the principal and undistributed income of this trust shall cease and terminate, and I give and bequeath said principal and any undistributed

income in equal shares to said THE WATERBURY VISITING NURSES ASSOCIATION, INCORPORATED, said THE MATTATUCK HISTORICAL SOCIETY, and said THE YOUNG WOMEN'S CHRISTIAN ASSOCIATION, to be used by each for its general purposes. * * * * * * * * * * * * * * *

ARTICLE NINETEENTH

I give and bequeath the sum of Twenty Thousand Dollars ($20,000.00) to said SOUTHMAYD HOME, INCORPORATED, to be used for its general purposes. * * * * * * * * * * * * * * * * * * *

ARTICLE TWENTIETH

I give and bequeath the sum of Ten Thousand Dollars ($10,000.00), to PEARL STREET NEIGHBORHOOD HOUSE, located in said Waterbury, to be used for its general purposes. * * * * * *

ARTICLE TWENTY-FIRST

I give and bequeath the sum of Fifteen Thousand Dollars ($15,000.00) to WATERBURY DAY NURSERY, located in said Waterbury, to be used for its general purposes. * * * * * * * * * * * * * * *

ARTICLE TWENTY-SECOND

I give and bequeath the sum of Ten Thousand Dollars ($10,000.00) to BOYS CLUB, INC. OF WATERBURY, located in said Waterbury, to be used for its general purposes. * * * * * * * *

ARTICLE TWENTY-THIRD

I give and bequeath the sum of Ten Thousand Dollars ($10,000.00) to THE YOUNG MEN'S CHRISTIAN ASSOCIATION, located in said Waterbury, to be used for its general purposes. * * * * *

ARTICLE TWENTY-FOURTH

I direct that my Executors shall divide all the rest, residue and remainder of my property, both real and personal,

and wheresoever situate, into as many equal shares as I shall have nephews and nieces living on the date of my death and nephews and nieces then deceased leaving issue then living, and I direct that my Executors shall pay one such share to each such nephew and niece then living and one such share to the issue of any deceased nephew and niece, the issue of any deceased nephew or niece to take per stirpes. * * * * * * * *

ARTICLE TWENTY-FIFTH

In addition to the powers by law conferred upon Executors, I hereby authorize and empower my Executors hereinafter named, and any successors to said Executors, in their absolute and uncontrolled discretion, to retain any and all property, real or personal, of which my estate may be composed at the time of my death; to sell and convey any or all of the property, real or personal, of which my estate may at any time be comprised; to invest and reinvest any money in my estate at any time in any property, real or personal, including common stocks, common trust funds and mutual funds, at their discretion, without being limited by any statute or rule of law; to join in any reorganizati merger, consolidation or exchange of any securities held by them, and to exercise rights to subscribe to or receive any new securities; to borrow money from themselves or any one of them, and encumber any or all of the property of my estate for such purposes to control, operate and manage any or all property now or hereafter constituting a part of my estate, and to carry on any business enterprise as a partner or otherwise in which I may be interested in my lifetime; to compromise and settle any claim belonging to or against my estate or the property in my estate; except as otherwise provided, to make division and distribution of my estate in securities, property or cash, as my Executors

may deem proper, and in making distribution of my residuary estate in kind, my Executors, in their sole discretion, need not make a pro rata allocation of each asset so distributed; to determine whether to claim deductions available to me or my estate on estate tax or income tax returns, and to determine the date upon which to value my estate for estate tax purposes, all in such manner as they may deem advisable and without thereafter making any adjustment between income and principal or making any adjustment between beneficiaries on account of any such determination; to execute and deliver good and sufficient assignments, contracts, agreements, deeds, mortgages, leases, receipts, releases and such other instruments as may be required to effectuate any of the powers set forth herein. All powers herein granted my Executors may be exercised without obtaining probate order or approval. * * * * * * * * * * * * * * * * * * *

ARTICLE TWENTY-SIXTH

I give to my Trustee hereinafter named, and any successor to said Trustee, the same authority, power and discretion as set forth in Article Twenty-fifth hereof for my Executors with reference to any property, real or personal, which shall at any time constitute a part of the trusts hereinbefore created, and I further authorize and empower my Trustee to make such expenditures as may be necessary and proper in administering such trusts, including the hiring of agents and attorneys; to hold any part of the trusts in cash or uninvested for any period deemed advisable.

LAST ARTICLE

I name, nominate and appoint WILLIAM J. SECOR, JR. of Middlebury, Connecticut, and THE COLONIAL BANK AND TRUST COMPAN a duly organized banking corporation located in said Waterbury, or any successor thereto, Executors of this my last will and testament, to serve without bond. In the event that said WILLIAM J. SECOR, JR. shall fail to qualify or to complete his duties as such Executor, I direct that said THE COLONIAL BANK AND TRUST COMPANY, or its successor, shall act as sole Executor.

I name, nominate and appoint said THE COLONIAL BANK AND TRUST COMPANY, or its successor, Trustee of the trusts herein created, to serve without bond. * * * * * * * * * * * *

IN WITNESS WHEREOF, I have hereunto set my hand and seal, at said Waterbury, this 3rd day of FEB. A.D. one thousand nine hundred seventy-five.

Margery K. Hayden (L.S.)

Signed, sealed, published and declared by the said testatrix, MARGERY K. HAYDEN, as her last will and testament in the presence of us, the subscribing witnesses, who, in her presence and in the presence of each other, have hereunto at her request subscribed our names as such witnesses, at said Waterbury, on the 3rd day of FEB, A.D. one thousand nine hundred seventy-five.

WITNESSES

STATE OF CONNECTICUT
ss. Waterbury, 2/3/75
COUNTY OF NEW HAVEN

The within named _____ and _____, being each duly and separately sworn, depose and say: that deponent witnessed the instrument purporting to be the last will and testament of MARGERY K. HAYDEN, and bearing date of 2/3/ , 1975, subscribed the same in the presence of the other person whose name appears as witness thereto; that the within named testatrix at the time of the execution of said instrument, was more than eighteen years of age and appeared to such deponent to be of sound mind and memory; that the within named testatrix signed said will and declared the same to be her last will and testament in the presence of both of said witnesses; and that each deponent respectively makes this affidavit at the request of said testatrix.

_____

_____

Subscribed and sworn to, at the request of the within named testatrix, MARGERY K. HAYDEN, the day and year above written, before me.

_____
Commissioner of Superior Court

6 Nova Scotia Hill Rd.
Watertown, Conn.
October 31, 1960

Mr. Donald Henry, President
Waterbury Hospital
Robbins Street
Waterbury, Conn.

Dear Mr. Henry:

Please accept $10,000.00 in memory of Mr. Merrit Heminway, who was born September 10, 1896 in Watertown and died November 13, 1956 in Watertown.

It is the wish of his family that the income from this sum be added to that of the Merritt Heminway Bed Fund and administered as that fund has been administered in the past.

Mr. Wynne was kind enough to send me what he found in the 1915 hospital records which referred to the fund. Some present clarification would be helpful, I believe, in application to the additional money.

We wish that the word "poor" be interpreted to mean anyone whose hospital bills (not being otherwise fully covered) are such that the patient would be burdened thereby so that help in their payment might be considered of curative value.

It is also our wish that any income from this fund left at the end of each hospital fiscal year be turned over to the hospital's general funds.

The Board of the hospital should feel free to request the family of Merrit Heminway to change the above provisos if in their opinion the fund is no longer serving a useful purpose. If the time should arise when there were no family left to confer with, the interest and principal of the fund should be used in such a way as best to serve Watertown patients.

Yours truly,

Katherine H. Heminway

Katherine H. Heminway

THE WATERBURY HOSPITAL

Endowment or Permanent Room or Bed Fund

Name of Fund Merritt Heminway Bed Fund

Established By Mr. and Mrs. Merritt Heminway

Condition of Gift.

[illegible] Executive Committee Report 1914

"Two bed funds have been added to our list during the year: [illegible] the second endowed by Mr. and Mrs. Merritt Heminway, of Watertown, to be named the Merritt Heminway Cot."

[illegible] Report 1915 shows receipt from Merritt Heminway $5,000.

Condition of Gift:
Income to maintain bed for Watertown poor.
(Information from Colonial Trust Company, September 26, 1956)

Copy of Letter from Mrs. Katherine H. Heminway Received in [illegible] Office November 12, 1960:

"6 Nova Scotia Hill Rd.
Watertown, Conn.
October 31, 1960

Waterbury Hospital
[illegible]

Dear Mr. [illegible]:

"Please accept $10,000.00 in memory of Mr. Merritt Heminway, who was born September 10, 1896 in Watertown and died November 13, 1959 in Watertown.

"It is the wish of his family that the income from this sum be added to that of the Merritt Heminway Bed Fund and administered as that fund has been administered in the past.

"Mr. Wynne was kind enough to send me what he found in the 1915 hospital records which referred to the fund. Some present clarification would be helpful, I believe, in application to the additional money.

"We wish that the word 'poor' be interpreted to mean anyone whose hospital bills (not being otherwise fully covered) are such that the patient would be burdened thereby so that help in their payment might be considered of curative value.

"It is also our wish that any income from this fund left at the end of each hospital fiscal year be turned over to the hospital's general funds.

"The Board of the hospital should feel free to request the family of Merritt Heminway to change the above provisos if in their opinion the fund is no longer serving a useful purpose. If the time should arise when there were no family left to confer with, the interest and principal of the fund should be used in such a way as best to serve Watertown patients.

"Yours truly,
Katherine H. Heminway"

A1432

WATERBURY HOSPITAL

JUNIOR LEAGUE FUND

"Special Medical Fund"

Name of Fund The Junior League Fund

Established by The Junior League, of Waterbury, Conn.

Condition of Gift.

To be used as a special Medical Fund

Amount of Gift - $1,500.00

Date - February, 1937

(Colonial Trust Co. Acct. No. A1432 - Special Medical Fund)

Waterbury, Connecticut

January 13, 1938

The Colonial Trust Company

Waterbury, Connecticut

Gentlemen:

At a special meeting of the Directors of The Waterbury Hospital, held at the Waterbury Club January 11, 1938, duly warned and at which a quorum was present, on motion it was voted:

> That the Treasurer be and hereby is authorized to appoint a Bank or Trust Company as his Agent, who, under the direction of the Treasurer of the Finance Committee, shall assume custody of all cash, securities and property of the Hospital except property actually used for Hospital purposes and the Buckingham Building; invest and reinvest the Funds of the Hospital, keep proper books of account, deposit income in approved depositaries, and perform such other duties of the Treasurer as the Treasurer and Finance Committee shall direct. The Treasurer is further authorized to pay to said agent such compensation as he shall consider reasonable and proper.
>
> The authority granted to the Treasurer to appoint an agent by resolution of the Board on December 8, 1935 is hereby revoked.

In accordance with the above vote, I hereby appoint The Colonial Trust Company, of Waterbury, Connecticut, as Agent for the Treasurer of the Waterbury Hospital, the duties of said Agent to be as set forth in said vote; and I hereby approve as depositaries The Colonial Trust Company and The Waterbury Savings Bank.

Very truly yours,

Edwin L. Hostetter Treasurer

The Waterbury Hospital

I, SARANN B. KAZANJIAN, of the Town of Woodbury, County of Litchfield, State of Connecticut, make, publish and declare the following as and for my last Will and Testament, hereby revoking any other Wills by me heretofore made.

ARTICLE I - TANGIBLE PERSONAL PROPERTY

Section 1. I bequeath to my daughter, DOROTHEA K. ELSTON of Woodbridge, Connecticut, if she shall survive me, all of my tangible personal property, to be to her absolutely.

Section 2. If my said daughter shall not survive me, I bequeath said tangible personal property, share and share alike, to my grandchildren who shall be alive at the time of my death, to be to them absolutely. I request that said tangible personal property be divided among my grandchildren as equally as possible and direct that my Executors make the allocation of this property and that their decision shall be conclusive upon all persons interested in my estate.

ARTICLE II - REAL PROPERTY

I devise and bequeath to my daughter, DOROTHEA K. ELSTON, if she shall survive me, all of my real estate together with the improvements thereon and all policies of insurance pertaining thereto, to be to her absolutely. If my said daughter shall not survive me, I direct that said real property and policies of insurance pertaining thereto be added to and administered as a part of my Residuary Trust described in ARTICLE VI hereof.

ARTICLE III - SPECIFIC BEQUESTS

Section 1. I bequeath the sum of FIFTY THOUSAND DOLLARS ($50,000.00) to THE WATERBURY HOSPITAL, Waterbury, Connecticut, and direct that this bequest be held as a separate fund to be known as the "SARANN B. KAZANJIAN MEMORIAL FUND" and that the income from it be used to purchase equipment for medical and surgical purposes.

Section 2. I bequeath the sum of FIVE THOUSAND DOLLARS ($5,000.00) to DONATIONS AND BEQUESTS FOR CHURCH PURPOSES, INCORPORATED, a corporation specially chartered by the General Assembly for the State of Connecticut and having its office and principal place of business at 1335 Asylum Avenue, Hartford, Connecticut and direct that this bequest be held as a separate fund to be known as the "SARANN B. KAZANJIAN MEMORIAL FUND" and that the income from it be used for its general purposes.

Section 3. I bequeath the sum of TEN THOUSAND DOLLARS ($10,000.00) to SAINT PAUL'S PARISH (EPISCOPAL SOCIETY), Woodbury, Connecticut with the request that said sum be used for its general purposes, to be to it absolutely.

Section 4. I bequeath the sum of TEN THOUSAND DOLLARS ($10,000.00) to the CONNECTICUT CHILD WELFARE ASSOCIATION, INC., New Haven, Connecticut, to be to it absolutely.

Section 5. In the event its New Haven unit is in existence at the time of my death, I bequeath the sum of TWENTY-FIVE THOUSAND DOLLARS ($25,000.00) to RECORDING FOR THE BLIND, INCORPORATED, New York, New York, with the request that said

bequest be used exclusively for the purposes of the New Haven unit currently of 133 Church Street, New Haven, Connecticut, to be to it absolutely.

Section 6. I bequeath the sum of TWENTY-FIVE THOUSAND DOLLARS ($25,000.00) to NEWINGTON CHILDREN'S HOSPITAL, Newington, Connecticut, to be to it absolutely.

Section 7. I bequeath the sum of ONE THOUSAND DOLLARS ($1,000.00) to the CONNECTICUT HUMANE SOCIETY, Hartford, Connecticut, to be to it absolutely.

ARTICLE IV - BEQUEST FOR MARGERY M. LANGHAM

I bequeath to my niece, MARGERY M. LANGHAM, currently residing at 4702 San Jacinto Terrace, Fallbrook, California, the sum of TEN THOUSAND DOLLARS ($10,000.00), to be to her absolutely.

ARTICLE V - BEQUESTS AND TRUSTS FOR GRANDCHILDREN

Section 1. I bequeath the sum of ONE HUNDRED THOUSAND DOLLARS ($100,000.00) to each grandchild of mine who is living at the time of my death and who has then attained the age of thirty-five (35) years, to be to him or her absolutely.

Section 2. I bequeath the sum of ONE HUNDRED THOUSAND DOLLARS ($100,000.00) for each grandchild of mine living at the time of my death and who has not then attained the age of thirty-five (35) years to my Trustees hereinafter named, and their successors, IN TRUST, without bond, to hold, manage, invest and reinvest each such ONE HUNDRED THOUSAND DOLLAR ($100,000.00) be-

quest as a separate and distinct trust. The income on each such separate and distinct trust shall be deemed to accrue from and after the date of my death. My Trustees shall hold each such separate and distinct trust for the following uses and purposes:

(a) To retain all of the net income from each such separate and distinct trust and add it to the principal thereof.

(b) To pay, transfer and deliver absolutely and free of trust to each such grandchild for whom a separate and distinct trust is created under this Section 2, ARTICLE V hereof, when he attains the age of thirty-five (35) years, all of the principal of his or her trust as then constituted including all accumulations of income thereon.

(c) If any such grandchild for whom a separate and distinct trust is created under this Section 2, ARTICLE V hereof shall die before attaining the age of thirty-five (35) years, I direct that at his or her death the principal of his or her trust as then constituted including all accumulations of income thereon, be added to and administered as part of the Residuary Trust established by this Will under ARTICLE VI hereof.

## ARTICLE VI - RESIDUARY TRUST

I devise and bequeath all the rest, residue and remainder of my property of every kind and description and wheresoever located, including lapsed legacies (all of which property, together with all increments and additions thereto is hereinafter called the "Residuary Trust") to my Trustees hereinafter named and to

their successors, IN TRUST, without bond, to hold, manage, invest and reinvest (subject to the provisions of ARTICLE IX, Section 4 hereinafter set forth) for the following uses and purposes:

(a) Pay, transfer and deliver during the life of my daughter, DOROTHEA K. ELSTON, so much or all of the net income of the Residuary Trust in such proportions as my Trustees, THE COLONIAL BANK AND TRUST COMPANY and GUERIN B. CARMODY, shall, in their sole discretion, or in the event that said GUERIN B. CARMODY is not acting as a Trustee, as THE COLONIAL BANK AND TRUST COMPANY shall, in its sole discretion, deem equitable and advisable, to or for the benefit of my said daughter and her lawful issue. Any net income not so distributed in any year shall be accumulated and added to the principal of the Residuary Trust. My said daughter shall not have the right as Co-Trustee to exercise any decisions in regard to the disposition of said net income or the proportions or the recipients thereof. If at any time or from time to time THE COLONIAL BANK AND TRUST COMPANY and GUERIN B. CARMODY as Co-Trustees cannot agree on the disposition of said net income or the proportions or the recipients thereof, then the decision of GUERIN B. CARMODY as Co-Trustee shall be final and conclusive thereon and THE COLONIAL BANK AND TRUST COMPANY shall incur no liability as the result of such decision of GUERIN B. CARMODY. In granting my Trustees discretion with respect to income payments as aforesaid, my Trustees shall consider the needs of my said daughter and her lawful issue and their income from other sources, and my Trustees shall be under no duty to maintain

equality in any payments or in total payments to my said daughter and her lawful issue.

(b) Upon the death of my said daughter or upon my death in the event she shall predecease me, I direct that the principal of the Residuary Trust be divided into equal shares in such number that there shall be one share for each grandchild of mine living at the time of such division and one share in representation of each grandchild of mine who may have died leaving issue living at the time of such division, such shares to be held and disposed of as follows:

(1) Any such share established as aforesaid in representation of any deceased grandchild of mine who may have died leaving issue living at the time of such division, shall, subject to the provisions of Paragraph (c) of this ARTICLE VI, be paid, transferred and delivered, absolutely and free of trust, to such issue, share and share alike per stirpes.

(2) Any such share established as aforesaid for a grandchild of mine living at the time of such division shall be held by my Trustees as a separate and distinct trust and I direct my Trustees to pay, transfer and deliver to or for the benefit of such grandchild so much or all of the net income from his or her share as my Trustees in their unlimited discretion deem equitable and advisable after considering the needs and income from other sources of such grandchild. Any net income not so distributed in any year shall be accumulated and added to the principal of the share from which it was derived. Upon the death of each such grandchild, survived by lawful issue, I direct my Trustees to pay,

transfer and deliver, absolutely and free of trust, all of the principal of said deceased grandchild's share as then constituted including all accumulations of income thereon, to said lawful issue, share and share alike, per stirpes, and in default of such issue in equal parts to such of my said grandchildren as are then living and the then living lawful issue of any predeceased grandchildren of mine, said issue to take the portion of said share their parents would have taken if living; the portion of any such share allocated to any of my then living grandchildren shall be added to the share then held in trust for him or her and the portion allocated to any such then living issue of a predeceased grandchild of mine shall be paid, transferred and delivered to such issue, absolutely and free of trust.

(c) Whenever pursuant to the provisions of this ARTICLE VI some or any part of the principal of the Residuary Trust shall become payable or distributable to any person under the age of twenty-one (21) years, title thereof shall vest in such person but the payment thereof shall be deferred until such person attains the age of twenty-one (21) years, or dies, and in the meantime, such distributive part shall be held by my Trustees who may exercise with respect thereto all of the powers conferred upon them by this Will, and my Trustees may in their unlimited discretion pay, transfer and deliver so much or all of the income and principal thereof as they deem equitable and advisable, considering the needs and other sources of income of said person. Upon such person attaing the age of twenty-one (21) years or dying, my

Trustees shall pay, transfer and deliver to such former person or the legal representative thereof, all of the principal of such distributive part then remaining including all accumulations of income thereon. Notwithstanding the foregoing provisions, my Trustees may at any time and from time to time, in their unlimited discretion, deliver so much or all of the principal of such distributive part which shall then be remaining, including all accumulations of income thereon, to the guardian or guardians of such person legally appointed in any jurisdiction.

(d) Any provision of this ARTICLE VI to the contrary notwithstanding, I direct that the trusts established under said ARTICLE VI shall terminate twenty-one (21) years after the death of the last survivor of my said daughter, DOROTHEA K. ELSTON, and my grandchildren living at the time of my death and I direct my Trustees to distribute all of the principal of such trust or trusts as then constituted including all accumulations of income thereon, to the then current income beneficiary or beneficiaries thereof.

(e) If any of the principal or net income of the Residuary Trust shall remain undisposed of after compliance with all of the foregoing provisions of this ARTICLE VI, I direct my then Trustees to pay, transfer and deliver said undistributed portion to THE WATERBURY HOSPITAL, to be to it absolutely.

ARTICLE VII - TAXES

I hereby direct that all legacy, succession, inheritance

transfer and estate taxes, levied or assessed upon or with respect to any property (including, without limiting the foregoing, insurance, jointly owned property, bonds and any and all other kinds of personal and real property), which is included as part of my gross estate for the purpose of any such tax, shall be paid by my Executors out of my Residuary Trust in the same manner as an expense of administration and shall not be prorated or apportioned among or charged against the respective devisees, legatees, beneficiaries, transferees or other recipients nor charged against any property passing or which may have passed to any of them, and that my Executors shall not be entitled to reimbursement for any portion of any such tax from any such person, provided, however, the foregoing provisions shall not apply to the extent that contrary provisions concerning the payment or the apportionment of any such taxes have been or shall be made in any instrument executed by me relating to any insurance, trusts, gifts, or other transfers, jointly owned property or accounts or property subject to powers of appointment.

ARTICLE VIII - POWERS OF EXECUTORS AND TRUSTEES

Without distinguishing between the powers of my Executors and my Trustees, and by way of illustration and not of limitation, and in addition to any inherent or implied or statutory powers they may have now or hereafter in either capacity, I grant the following powers to my Executors and Trustees and their successors, viz:

Section 1. RETAIN ORIGINAL INVESTMENTS. To retain any

of the original property constituting my estate at my death, including any stock that I may own in Peter Paul, Inc., a Delaware corporation having its principal office and place of business at Naugatuck, Connecticut or its successor, regardless of the character of such property or whether it is such as then would be authorized by law for investment by Trustees or whether it leaves a disproportionately large part of my estate invested in one type of property, for such time as to my Executors and Trustees shall seem best, and to dispose of such property by sale, exchange or otherwise as and when they shall deem advisable, subject to the provisions set forth in ARTICLE IX, Section 4.

Section 2. MAKE NEW INVESTMENTS. To invest and reinvest in stocks (common or preferred), in bonds, notes or mortgages on property in or outside the State of Connecticut; in insurance contracts on the life of any beneficiary or annuity contracts for any beneficiary; in real property, whether productive or not at the time of investment; and generally in such property and in such proportions of such property as they shall deem advisable even though such investments are not of the character or proportions approved by the applicable law for the investment of trust funds.

Section 3. SELL PROPERTY GENERALLY. To sell property, real or personal, for cash or on time, without an order of court, at such times and upon such terms and conditions as my Executors or Trustees shall deem best; and the purchaser shall not be under any duty to follow the proceeds of such sale.

Section 4. BORROW GENERALLY. To borrow money for such periods of time and upon such terms and conditions as to rates, maturities, renewals, and security as to them shall seem advisable including the power to borrow from the corporate Executor or corporate Trustee in its capacity of a State banking institution, for any estate or trust purpose, and to mortgage or pledge such portion of my estate or any trust fund as may be required to secure such loan or loans; and as maker or endorser to renew existing loans.

Section 5. EXERCISE RIGHTS, OPTIONS AND PRIVILEGES. To exercise all options, rights and privileges to convert stocks, bonds, notes, mortgages, or other property into other stocks, bonds, notes, mortgages or other property; to subscribe for additional or other stocks, bonds, notes, mortgages or other property; to make such conversions and subscriptions and to make payments thereof; and to hold such stocks, bonds, notes, mortgages or other property so acquired as investments of the estate or trust.

Section 6. PARTICIPATE IN REORGANIZATIONS. To unite with other owners of property similar to any which may be held at any time in my estate or trusts in carrying out any plan for the consolidation or merger, dissolution or liquidation, foreclosure, lease or sale of the property, incorporation or reincorporation, reorganization or readjustment of the capital or financial structure of any corporation, company, or association the securities of which may form a portion of the estate or trusts; to become and serve as a member of any stockholders' or bondholders' protective committee; to present propositions, to oppose propositions presented, to approve or disapprove what is discussed

and to protest against any matter or thing which might be considered contrary to the best interest of my estate or trusts; to deposit securities in accordance with any plan agreed upon; to pay any assessments, expenses and sums of money that may be required for the protection or furtherance of the interest of the distributees of my estate or beneficiaries of my trusts with reference to any such plan; and to receive and retain as investments of my estate or trusts any new securities issued as a result of the execution of such plan, whether or not they would be authorize investments but for this provision of my Will.

Section 7. INSURE PROPERTY. To carry such insurance against such hazards, including public liability, and in such amounts in either stock companies or mutual companies as to my Executors or Trustees shall seem advisable.

Section 8. COLLECT AND RECEIVE INCOME. To collect, receive and receipt for rents, issues, profits and income of my estate or trusts.

Section 9. COMPROMISE, ADJUST OR ABANDON CLAIMS. To compromise, adjust, arbitrate, sue on or defend or otherwise deal with and settle claims in favor of or against my estate or trusts as my Executors or Trustees shall deem best, and their decision shall be conclusive.

Section 10. DISTRIBUTE IN CASH OR IN KIND. To make distributions in cash or in kind or partly in each at valuations to be determined by my Executors or Trustees, whose decision as to value shall be conclusive.

Section 11. ALLOCATE OR APPORTION RECEIPTS AND EXPENSES

To determine what is principal and what is income of my estate or any trust and, in their uncontrolled discretion, to allocate or apportion receipts and expenses as between principal and income, provided that such power shall be exercisable only by GUERIN B. CARMODY and/or THE COLONIAL BANK AND TRUST COMPANY and my said daughter, DOROTHEA K. ELSTON, shall have no right either as Co-Executor or as Co-Trustee to make any decision as to the determination of what is principal and what is income and as to the allocation or apportionment of receipts and expenses as betwee principal and income. By way of illustration, not limitation, of their discretion, my Executors and Trustees are authorized to charge the premiums on securities purchased at a premium either against principal or against income or partly against each and in such proportions as they shall deem advisable; to apply stock dividends and other non-cash dividends to income or principal or apportion them between income and principal as they shall deem advisable; to determine what expenses, costs, taxes (other than estate, inheritance and succession taxes and other governmental charges of that nature) shall be charged against principal or income or apportioned between them and in what proportions; to change its plan of allocation or apportionment of receipts and expenses at any time and from time to time as they shall deem advisable; and their allocation or apportionment shall be conclusive.

ARTICLE IX - APPOINTMENT AND SUCCESSION.

Section 1. I appoint my daughter, DOROTHEA K. ELSTON, and GUERIN B. CARMODY of Heritage Village, Southbury, Connecticut, as Executors of this my Will and direct that no bond be required of them as such Executors. In the event that GUERIN B. CARMODY shall refuse to act, shall die or resign, then I appoint THE COLONIAL BANK AND TRUST COMPANY of Waterbury, Connecticut as Co-Executor with my said daughter. In the event my said daughter, DOROTHEA K. ELSTON, shall refuse to act, shall die or resign, then I appoint GUERIN B. CARMODY as sole Executor hereunder without bond. Upon the refusal to act, death or resignation of both my said daughter, DOROTHEA K. ELSTON and GUERIN B. CARMODY, then I appoint THE COLONIAL BANK AND TRUST COMPANY of Waterbury, Connecticut as Executor hereunder.

Section 2. I appoint my said daughter, DOROTHEA K. ELSTON, GUERIN B. CARMODY and THE COLONIAL BANK AND TRUST COMPANY of Waterbury, Connecticut and the survivor or survivors of them as Co-Trustees of the separate trusts created under this my Will, without bond.

Section 3. If THE COLONIAL BANK AND TRUST COMPANY of Waterbury, Connecticut, either before or during the settlement of my estate or the administration of my trusts (by sale, merger, conversion, consolidation or reorganization) shall be changed into another corporation authorized to engage in the trust business, including a national bank or national banking association, the corporation resulting from such change, although thereafter

bearing a different name, shall succeed to the executorship or trusteeship and shall be clothed with all the powers provided herein for the original Executors and Trustees. This is supplementary to and not in limitation of any law on the subject that now exists or that hereafter may be enacted. Throughout this Will the terms "Executors" or "Trustees" shall include both the original and any successor Executor or Trustee, unless otherwise expressed or implied.

Section 4. Except as otherwise specifically provided in this Will to the contrary, the Trustees shall act and all questions shall be decided by a majority of their number. Provided, however, if at any time when the number of Trustees acting hereunder including the corporate Trustee, shall be reduced to less than three (3) and my daughter shall be one of the remaining two (2) Co-Trustees, there shall be any disagreement relating to the investment or reinvestment of trust funds or the general administration of the various trusts, the decision of my daughter as Co-Trustee shall prevail and the corporate Trustee shall not be liable for any act or default of my daughter as Co-Trustee with reference to such investments or administration of the various trusts; and further provided, however, that after my decease and during the lifetime of my daughter, including the period required for my Executors to fully administer my estate and thereafter whil she acts as a Co-Trustee, she shall possess as Co-Executrix or as Co-Trustee, the sole and exclusive right to make any and all decisions concerning the retention or sale of any and all shares

of Peter Paul, Inc. My other Executor or my other Co-Trustees, as the case may be, shall not be held liable by reason of any decision or decisions made by my said daughter in these matters. I further grant to my said daughter as Co-Executrix during the settlement of my estate and to her as a Co-Trustee of the various trusts established hereunder the sole and exclusive right to vote any and all shares of Peter Paul, Inc. in accordance with her own judgment and my other fiduciaries shall not be held liable by reason of her exercise of this right.

ARTICLE X

If at any time prior to my death or thereafter there shall be a reorganization or change in the corporate structure of Peter Paul, Inc. or an exchange of stock of such company for stock in another company, the stock of said Peter Paul, Inc. as so reorganized or changed or the stock of such other company shall stand in the place of the stock in said Peter Paul, Inc. that constitutes a part of my estate or the various trusts established herein. My daughter shall possess all of the rights, powers and privileges in relation to such stock as has been granted to her in connection with the stock of Peter Paul, Inc. set forth in ARTICLE IX supra.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 17th day of October , 1974.

Sharon B. Fitzgerald (SEAL)

Signed, sealed, published and declared as and for her

last Will and Testament by the Testatrix, SARAH B. KAZANJIAN, in our presence, who in her presence, in the presence of one another, and at her request, have hereunto subscribed our names as witnesses, this 17th day of October, 1974.

Sally A. Hebert

Rita June Race

STATE OF CONNECTICUT)
) ss: Waterbury
COUNTY OF NEW HAVEN )

We, the undersigned, being duly sworn, depose and say that on the 17th day of October, 1974, the above named Testatrix, SARANN B. KAZANJIAN, signed the foregoing Will in our presence as witnesses; that we thereupon subscribed our names thereto as witnesses, in her presence, at her request, and in the presence of one another; that at the time of the execution of said Will, said SARANN B. KAZANJIAN appeared to be of full age and of sound and disposing mind and memory; and that this affidavit is made at her request.

Sally A. Hebert

Rita June Race

STATE OF CONNECTICUT)
) ss: Waterbury October 17, 1974
COUNTY OF NEW HAVEN )

Personally appeared SALLY A. HEBERT and RITA JUNE RACE, who subscribed the foregoing affidavit and made solemn oath to the truth of the same, before me.

Guerin B. Carmody
Commissioner of the Superior Court

1300272

THE WATERBURY HOSPITAL

SARANN B. KAZANJIAN STUDENT SCHOLARSHIP FUND

Established by Sarann B. Kazanjian

Condition of Gift.

$10,000.00 given to Hospital, income to be used to defray expenses of a student nurse or nurses during her or their period of nursing training - see letter dated August 12, 1955 from Waterbury Hospital.

WALTER F. TORRANCE
EDWARD T. CARMODY
TERENCE C. CARMODY
GUERIN B. CARMODY
WALTER F. TORRANCE, JR.
HENRY C. CAMPBELL
DAVID N. TORRANCE
ALBERT B. MANNIX

CARMODY & TORRANCE
ATTORNEYS AT LAW
LILLEY BUILDING
WATERBURY 20, CONNECTICUT

TELEPHONE PLAZA 3-0107

RECEIVED
AUG 12 1955
Administrator's Office

August 11, 1955

The Waterbury Hospital
Waterbury, Connecticut

Attention: Mr. C. V. Wynne
Superintendent

Gentlemen:

I am enclosing herewith check in the sum of $10,000.00 payable to the Waterbury Hospital and representing a gift from Mrs. Saraan B. Kazanjian of Sherman Heights, Woodbury, Connecticut. Mrs. Kazanjian requests that said sum be held as a separate fund to be known as the "Saraan B. Kazanjian Student Nurse Scholarship Fund" and the annual income therefrom be used to defray the expenses of a student nurse or nurses during her or their period of nursing training. She further requests that preference be given to those student nurses residing in Waterbury and the surrounding towns of Naugatuck, Woodbury, Middlebury and Watertown rather than student nurses from other localities.

Mrs. Kazanjian also requests that consideration be given to Miss Rita Fidalgo should she make application for scholarship assistance.

I believe that it would be proper to include this fund as a separate part of the Waterbury Hospital School of Nursing Student Loan Scholarship Fund and be administered in accordance with the second and third purpose clauses of said fund.

Very truly yours,

Guerin B. Carmody

GBC/jg
enclosure

THE WATERBURY HOSPITAL

Endowment or Permanent Room or Bed Fund

Name of Fund Scovill-Kingsbury Bed Fund

Established by Miss Alice Kingsbury

Condition of Gift.

Extract from Report of Executive Committee 1915.

"We acknowledge with sincere appreciation the receipt of five thousand dollars from Miss Alice Kingsbury for endowing a free cot for the benefit of the poor of St. John's Parish Waterbury. This is to be known as the Scovill-Kingsbury Bed, in memory of William Henry Scovill and Eunice Ruth Davies Scovill, their daughter, Althea Ruth Scovill Kingsbury and Frederick John Kingsbury, endowed by their daughter and granddaughter, Alice Eliza Kingsbury."

Treasurer's Report 1916 shows receipt of this fund.

| SOURCE | NAME OF FUND | ESTABLISHED BY | MEMORY OF | AMOUNT | DESIGNATES BENEFICIARY | PURPOSE, SPECIAL RESTRICTIONS, COMMENTS | CLASS |
|---|---|---|---|---|---|---|---|
| (1) | Graduate Nurses Education Fund | Nursing School Alumnae Association | | Varies | Alumnae Assoc | Special Fund - To provide loans to graduate nurses for further education - not a Hospital Fund. | |
| Endowment Book Will Folder | Walter W. Holmes Fund | Gift: 12/26/23 | Margaret Torrance Holmes | $ 145,000.00 $45,000 to be used as noted the remainder apparently unrestricted. | H | Special Fund - Originally to be used to finance a recreation hall. After 11/39 Hospital free to use principal and income for general purpose. If hospital ever builds recreation hall, Mr. Holmes or his executor may, if stocks are still unsold, require hospital to sell stocks and apply proceeds of sale plus income, or an equivalent amount, to the cost of constructing the recreation hall. | P/UR - H<br>I/UR - H<br>SP |
| Endowment Book | "The Hopkins Memorial" (Abbie C. Hopkins Trust) | Estate: Abbie C. Hopkins Died: 12/28/39 | | 1,051,000.00<br><br>Assets 6/30/74 | Per Will | Special Fund - Set up to endow a hospital in Naugatuck. Income accrued for 20 yrs. (until 1959). If Naugatuck Hospital Corp. did not build hospital, income goes to Waterbury Hospital to benefit poor of Naugatuck, within unexpended money going to general fund. If Naugatuck Hospital Corp. ever builds, Hospital Fund reverts to Naugatuck Hospital. However, Naug. Hosp. Corp. dissolved in 1951. | P/R - B<br>I/R - B<br>SP<br>Colonial |
| Will Folder | Anne Kaye Memorial Fund | Subscription | Anne Kaye | 210.00 Rec'd by 8/29/72 | H | Special Fund - To support or partially support a fellowship in medical oncology. | P/R - H<br>I/R - H<br>SP |
| (2) | Lewis J. Mayo Memorial Fund | Gift: Lewis J. Mayo and subscription | | 2,815.92 | H | Special Fund - Scholarships for nursing students. In savings account and seldom used. | P/R - H<br>I/R - H |
| | | | | | | | |

**PLEASE RETURN**
**TO**
**The Colonial Trust Co.**
**TRUST DEPT.**
**WATERBURY 20, CONN.**

I, MARY L. MEIGS, of Waterbury, County of New Haven, State of Connecticut, do make and constitute this my Last Will and Testament, hereby revoking all wills by me heretofore made.

ARTICLE ONE

I direct that my funeral expenses and all my just debts, except such as at my decease shall be secured by mortgage, shall be borne and paid by my Executor out of my general estate. I further direct that all estate, succession or inheritance taxes, whether State or Federal, that may be imposed by reason of my death upon my estate or upon any beneficiary of mine, shall be borne and paid from my general estate and that the same shall not be pro rated or apportioned among or charged against the respective devisees, legatees, beneficiaries, transferees, or other recipients, nor charged against any property passing or which may have passed to any of them.

ARTICLE TWO

I give and bequeath to my cousins, HOBART MONTAGUE and GENIVIEVE MONTAGUE, and to their daughter, NANCY MONTAGUE HOTCHKISS, or to such of them as shall survive me, all of my household furniture, furnishings and supplies, books, pictures, jewelry, wearing apparel, and all other articles of personal and domestic use, to be theirs absolutely.

ARTICLE THREE

I give and bequeath to THE COLONIAL TRUST COMPANY, of Waterbury, Connecticut, the sum of Two Thousand Dollars ($2,000.00), in trust, nevertheless, for the following purposes, to wit:

I direct that so much of the income from said trust fund as may be found necessary shall be expended for the proper care and upkeep of the lots of my father, CHARLES A. MEIGS, my grandfather, SAMUEL MEIGS, and my great-grandfather, DAVID TOMLINSON, located in the north cemetery, known as "Brookside Cemetery", at Quaker Farms, so-called, in the Town of Oxford, County of New Haven, State of Connecticut. I particularly desire that the monuments and markers be kept erect, free from discoloration and clean, the graves properly leveled, and the lawn in good condition, and that the Trustee exercise personal supervision thereof.

Should there be any income remaining after providing for the proper care of said lots as aforesaid, then I request that such remaining income be applied towards the repairs and proper maintenance of the Church building of CHRIST CHURCH PARISH, in said Town of Oxford. Should said Christ Church Parish abandon the maintenance of a church building in said Town of Oxford, then it is my desire that said remainder of the income be paid to THE WATERBURY HOSPITAL, to be added to and used as a part of the income of the "Meigs Fund" hereinafter provided for in Article Twelve of this Will.

ARTICLE FOUR

I give and bequeath to THE COLONIAL TRUST COMPANY, of Waterbury, Connecticut, the sum of One Thousand Dollars ($1,000.00) in trust, neverthe, less, the income only thereof to be used, first, for the care and maintenance of the EBENEZER RIGGS lot, located in the cemetery known as the Episcopal and Congregational Cemetery situated in the center of the Town of Oxford, and, if there be income remaining, for the care and maintenance of the lots of my great grandfather, COLONEL JOHN DAVIS, and of such of his descendants as may be found necessary.

ARTICLE FIVE

I give and bequeath to THE COLONIAL TRUST COMPANY, of Waterbury, Connecticut, in memory of the Meigs and Tomlinson families, the sum of Five Thousand Dollars ($5,000.00), in trust, nevertheless, for the following purposes, to wit:

I direct that the income from said trust fund shall be applied to the maintenance and support of the services conducted in the Town of Oxford by the Christ Church Parish, located in Quaker Farms, so-called, in said Town, so long as said Parish shall continue to maintain a church building in said Town and to conduct services therein.

Should said Christ Church Parish abandon the maintenance of a church building in said Town of Oxford and the conduct of services therein, I direct that this trust shall cease and determine, and the then principal of this fund I give and bequeath to THE WATERBURY HOSPITAL, of Waterbury, Connecticut, to be added to and become a part of the "Meigs Fund" provided for in Article Twelve of this will.

ARTICLE SIX

I give and bequeath to ST. JOHN'S PROTESTANT EPISCOPAL CHURCH, of Waterbury, Connecticut, to be its absolutely, the sum of One Thousand Dollars ($1,000.00).

ARTICLE SEVEN

I give and bequeath to ALL SOULS EPISCOPAL CHURCH, of Waterbury, Connecticut, to be its absolutely, the sum of One Thousand Dollars ($1,000.00).

ARTICLE EIGHT

In memory of MISS ADALINE HAWLEY, I give and bequeath to ST. MARGARET'S SCHOOL FOR GIRLS, located on Chase Parkway, Waterbury, Connecticut, to be a part of its Memorial Building Fund, the sum of One Thousand Dollars ($1,000.00).

ARTICLE NINE

I give and bequeath to the following named persons the sums hereinafter set forth, to be to each of them absolutely:

(a) To HOMER RIGGS, son of my cousin, Clarence Riggs, the sum of Five Thousand Dollars ($5,000.00). Should he predecease me, I give and bequeath said sum in equal shares to his children.

(b) To CLARENCE RIGGS, son of my cousin, Clarence Riggs, the sum of Five Thousand Dollars ($5,000.00). Should he predecease me, I give and bequeath said sum in equal shares to his children.

(c) To my cousins, HOBART MONTAGUE and GENIVIEVE MONTAGUE, or to the survivor if either predecease me, the sum of Twenty Thousand Dollars ($20,000.00).

(d) To MARGARET M. GRANNISS, the sum of Three Thousand Dollars ($3,000.00).

(e) To MRS. LOUISE VAILL, the sum of Two Thousand Dollars ($2,000.00).

(f) To MRS. GERTRUDE SMITH CLARK, the sum of One Thousand Dollars ($1,000.00).

(g) To MRS. FLORENCE SMITH MERRIAM, the sum of One Thousand Dollars ($1,000.00).

ARTICLE TEN

If my cousin, MRS. FRANCES CHURCH STRAPP, shall survive me, then I give and bequeath to THE COLONIAL TRUST COMPANY, of Waterbury, Connecticut, the sum of Ten Thousand Dollars ($10,000.00), in trust, nevertheless, for the following purposes:

Said Trustee shall so long as my cousin, MRS. FRANCES CHURCH STRAPP, shall live, pay over to my said cousin, or apply for her benefit, the net income of said trust fund and so much of the principal as shall, in light of her total income and in the judgment of my Trustee, be necessary to assure her comfortable support and maintenance. Upon her death the remaining principal of said trust fund shall be added to and become a part of the "Meigs Fund" provided for in Article Twelve of this will.

ARTICLE ELEVEN

I give and bequeath to THE COLONIAL TRUST COMPANY, of Waterbury, Connecticut, the sum of Fifty Thousand Dollars ($50,000.00), in trust, nevertheless, for the following purposes, to wit:

From the income thereof the Trustee shall pay the sum of One Hundred Dollars ($100.00) to each, quarterly at the end of each quarter, the first quarter to commence with the date of my death, to my cousins, MRS. FRANCES CHURCH STRAPP and NANCY MONTAGUE HOTCHKISS and to MISS MARGARET M. GRANNISS and MISS NORA PICKETT, so long as Mrs. Frances Church Strapp, Miss Margaret M. Granniss and Miss Nora Pickett, or any one of them shall live. Such annuities shall not be subject to apportionment in the event of death between quarters. Any income not so expended in any year shall be added to the principal, provided, that should the income be insufficient in any year, then the Trustee may use prior income which has been added to principal in order to make up the deficiency. Should there still remain a deficiency, such deficiency shall be pro rated among said beneficiaries.

Upon the death of the last survivor of the above named three beneficiaries this trust shall cease and determine and the principal thereof I give and bequeath as follows:

A. I give and bequeath the sum of Ten Thousand Dollars ($10,000.00), to my cousin, NANCY MONTAGUE HOTCHKISS, if then living, to be hers absolutely. Should my said cousin be not then living, I give and bequeath said sum to her then living issue, if any there be, per stirpes, to be theirs absolutely, but if there be no then living issue of hers, I give and bequeath said sum to THE WATERBURY HOSPITAL, to be added to and become a part of the "Meigs Fund" provided for in Article Twelve of this will.

ARTICLE TWELVE

All of the rest, residue and remainder of my property, both real and personal and wheresoever situated, including lapsed or void bequests, I give, devise and bequeath to THE WATERBURY HOSPITAL, a corporation of said Waterbury, the principal thereof to be held as a perpetual trust to be known as the "Meigs Fund", and the income only thereof to be used for the care at said Hospital of persons in reduced circumstances in such manner as the Board of Directors of said Hospital may determine.

ARTICLE THIRTEEN

I appoint THE COLONIAL TRUST COMPANY, of Waterbury, Connecticut, to be Executor of this will. I further direct that no bonds be required of it in its capacity as Executor or as Trustee of the trusts hereinbefore created. I further give to my said Executor and Trustee in its respective capacities power to sell and convey any and all real estate, without an order of court, and upon such terms, including the taking of a purchase money mortgage, as it may see fit, and to execute and deliver such deeds and instruments as may be necessary to pass title thereto, and I empower my said Executor and Trustee to sell, exchange, transfer, or otherwise dispose of any and all properties, real or personal, from time to time acquired by it in either capacity, and to invest and reinvest the proceeds of any property, real and personal, in such securities as it may deem wise, including stocks, bonds and other securities, or in a common trust fund established by it pursuant to any statutes now or hereafter enacted,

expressly directing that it shall not be confined to investments permissible by law for trustees, and I do hereby declare that it shall not be liable for any loss resulting to my estate or to the trust funds held by it from any investment or reinvestment made or retained by it in good faith. I further direct that said Executor and Trustee need not create a sinking fund from income or otherwise make good to principal any loss on securities purchased when from the falling due of said securities or otherwise the original cost thereof is lost in whole or in part, nor credit income or otherwise make adjustments between income and principal by reason of the fact that securities may be purchased or acquired at a discount, nor shall the income be charged in any form with losses arising from depreciation in the principal of the trust. I further authorize my said Executor and Trustee in its discretion to make payment of any legacies provided for in this will and also partial and final distribution of my estate by transferring money, securities or other property as it may deem advisable at the market value thereof as determined by it at the time of such distribution, and its judgment therein shall be binding and conclusive on all parties. I further direct that all expenses incurred, including Trustee's commission, shall be charged to principal or income as my said Executor and Trustee shall, in its sole discretion, deem fit and proper.

IN WITNESS WHEREOF, I have hereunto set my hand and seal, this 17th day of July, A. D. 1952.

MARY L. MEIGS (L.S.)

Signed and sealed by the within named Testatrix, MARY L. MEIGS, and by her declared to be her Last Will and Testament in our presence who have hereunto subscribed our names as witnesses in her presence and in the presence of each other, and at her request, this 17th day of July, A. D. 1952.

Elizabeth A. Macdonald
Beatrice N. Bowser
William W. Gager
Witnesses.

STATE OF CONNECTICUT )
) SS. Waterbury July 17th, A. D. 1952
COUNTY OF NEW HAVEN )

Then and there personally appeared the undersigned, who being duly sworn, depose and say that they witnessed the execution of the within will of the within named Testatrix, MARY L. MEIGS; that the said MARY L. MEIGS subscribed said will and declared the same to be her Last Will and Testament in their presence and in the presence of William W. Gager; that they and the said William W. Gager thereafter subscribed the same as witnesses in the presence of said Testatrix and in the presence of each other and at the request of said Testatrix; that the said Testatrix at the time of the execution of said will appeared to them to be of full age and of sound mind and memory and competent in every respect to make a will; and that they make this affidavit at the request of said Testatrix.

Elizabeth A. Macdonald of Watertown

Beatrice N. Bowser of 96 Euclid Ave Waterbury

Subscribed and sworn to before me,
the day and year above written,

William W. Gager.
Notary Public.

We hereby certify that the within and foregoing is a true and correct copy of the original instrument on file in the Probate Court for the District of Waterbury, Connecticut.
The Colonial Trust Company
By: Edward C. Atkyn
Authorized Signature

Mary L. Meigs died June 5, 1954. Will was admitted to probate in the Probate Court for the District of Waterbury, Conn., and The Colonial Trust Company of said Waterbury was confirmed as Executor on JUN 21 1954

ROUGH DRAFT 9.22.64

At a meeting of the Hospital Executive Committee held on September 18, 1964, the sum of One Thousand Dollars ($1,000.00) was gratefully acknowledged as being received as contributions in memory of Merrit Heminway Merriman, M.D., a member of the Waterbury Hospital Medical Staff who died on May 28, 1964.

The sum of One Thousand Dollars ($1,000.00) is to be established as a fund, the income of which is to be used to defray the expenses of personnel in The Waterbury Hospital Clinical and Pathological Laboratories in attending scientific meetings.

The disbursements of income from the fund will be handled by a committee composed of the following:

Director of the Laboratories
Chief of Staff
Director, Division of Medicine
Administrator of the Hospital
Henry Merriman, M.D.

I, Edith F. Poole, of Waterbury, County of New Haven, State of Connecticut, do make and constitute this my Last Will and Testament.

1. I direct that all my just debts and funeral expenses be paid by my Executor hereinafter named.

2. I give and bequeath to the Riverside Cemetery Association, of Waterbury, Connecticut, the sum of Five Hundred Dollars ($500.00), to be held as a perpetual fund, and the income only thereof to be used for the care and maintenance of my family lot and the monument and markers thereon, in said cemetery.

3. I give and bequeath to my cousin, George B. C. Rugg, of Arlington, Massachusetts, the sum of Two Thousand Dollars ($2,000.00), to be his absolutely. If my said cousin should predecease me, I direct that this legacy of Two Thousand Dollars be divided equally among his children then living and the issue of any who may then be dead, said issue to take among them the share their parent would have received if living.

4. I give and bequeath to my aunt, Elizabeth B. Heath, if she survives me, the sum of Five Thousand Dollars ($5,000.00). If she should predecease me said sum is to become part of the rest and residue of my estate.

5. I give and bequeath to my aunt, Annie E. Poole, if she survives me, the sum of One Thousand Dollars ($1,000.00). If she should predecease me, I give said sum to my cousins, Ella A. Titus and Annie L. Titus, to be equally divided between them. If either one of my said cousins should also predecease me, I give said sum to the survivor of them. If, however, both of

said cousins should predecease me, the said legacies shall become part of the residue of my estate.

6. I give and bequeath to my cousins, Ella A. Titus and Annie L. Titus, the sum of Two Thousand Dollars ($2,000.00) each. If either one should predecease me, I give and bequeath her legacy to the survivor of them. If, however, both of said cousins should predecease me, the said legacies shall become part of the residue of my estate.

7. All the rest and residue of my estate I give and bequeath to The Colonial Trust Company, of Waterbury, Connecticut, in trust, however, to hold, possess, sell, exchange, invest and reinvest and to distribute the net income thereof as follows:

A. [illegible] shall pay over one-half of said net income, quarterly, to my aunt, Elizabeth W. Heath, of Waterbury, Connecticut, for and during her life. If she should predecease me, or if she should survive me then upon her death, I direct that said share of the net income shall be paid over to my cousins, Ella A. Titus and Annie L. Titus, to be equally divided between them, for and during their lives, or paid over to the survivor of them during her life.

B. The remaining one-half of the net income of said trust fund shall be divided equally between my cousins, Ella A. Titus and Annie L. Titus, both of Somerville, Massachusetts, for and during their lives. If either one should predecease me, or should survive me then upon the death of either one, I direct that said share be paid to the survivor for and during her life. Upon the death of both of said cousins I direct that said share of said income shall be paid to my aunt, Elizabeth W. Heath, if

living, for and during her life.

8. Upon the death of the last survivor of said beneficiaries, said trustee shall pay over, from the principal of said trust fund, the sum of Ten Thousand Dollars ($10,000.00), to the Waterbury Hospital, of Waterbury, Connecticut, to be known as the "Francis A. and Florence A. Poole Fund", in memory of my Father and Mother, and to be held as a permanent fund and invested and reinvested, and the net income thereof applied towards the establishment and maintenance of a free room in said hospital for the use of such person or persons as the minister in charge for the time being, of the Second Congregational Church, of Waterbury, Connecticut, may designate.

9. The remainder of the principal of said trust fund shall continue to be held in trust by the said The Colonial Trust Company, with like power, and the net income thereof shall be divided equally, semi-annually, between the Second Congregational Church, of Waterbury, Connecticut, and The Waterbury Hospital, of Waterbury, Connecticut, the same to be used for the general purposes of said organizations.

10. I direct that all gifts, bequests and legacies herein given shall be paid in full, free from all succession or inheritance taxes, whether state or federal, and that all such taxes shall be borne and paid by my Executor out of my general estate.

11. I appoint The Colonial Trust Company, of Waterbury, Connecticut, Executor of this Will, without bonds.

IN WITNESS WHEREOF, I have hereunto set my hand and

seal, this 11th day of April, 1928.

Edith F. Poole. (SEAL)

Signed and sealed by the within named testatrix, Edith F. Poole, and by her declared to be her last will and testament in our presence who have hereunto subscribed our names as witnesses in her presence and in the presence of each other, and at her request, this 11th day of April, 1928

Gertrude L. Spragg
Lucian D. Warner
Gustave A. Anderson
Witnesses

STATE OF CONNECTICUT
COUNTY OF NEW HAVEN } ss. Waterbury

Be it remembered that on this 11th day of April, 1928, before me, Robert S. Walker, a Notary Public within and for the State of Connecticut, personally appeared the undersigned, who, being duly sworn, severally make oath and say that they witnessed the within will of the within named testatrix, Edith F. Poole, and subscribed the same in her presence and at her request, and in the presence of each other; that the said Edith F. Poole, at the time of the execution of said will, appeared to them to be of full age and of sound mind and memory; that she signed said will and declared the same to be her last will and testament in their presence, and that they make and sign this affidavit at the

request of said testatrix.

Gertrude L. Gragg of Waterbury, Conn.

Lucian A. Grames of Naugatuck, Conn.

Gustav A. Carlson of _____.

Subscribed and sworn to before me,
this 11th day of April, 1928.

Robert Shoaber

Notary Public.

I, Dwight H. Terry, of the Town of Plymouth, County of Litchfield, and State of Connecticut, being of sound and disposing mind and memory, do make, publish and declare the following to be my last will and testament, hereby expressly revoking any and all wills and any and all codicils thereto, by me heretofore made.

1. I order and direct that all my just debts, my funeral expenses and the expenses of settling my estate, be first paid and satisfied out of my personal estate.

2. I give and bequeath to my beloved wife, Martha J. Terry, the brass clock with the long case; also the parchment letters-patent on clocks issued to my grandfather, Eli Terry, and the lacquer-ware lead lined box containing said letters-patent; also the old family Bible used by my father, and containing the family record; also the old account book of my grandfather, Eli Terry, and the oil paintings of my father and mother, and all the rest, residue and remainder of my clocks, wearing [illegible] household furniture, useful and ornamental, [illegible] all articles of every kind, [illegible] and belonging to my residence in Plymouth or elsewhere, to her and her heirs and assigns forever.

3. In the event that my said wife shall decease before me, I give and bequeath all the articles hereinbefore specified in paragraph 2 of my will, to The Colonial Trust Company, of Waterbury, Connecticut, absolutely, and I request said Company to distribute said articles mentioned, to the surviving legatees named herein and so far as practicable to such persons mentioned in a memorandum of even date herewith filed with said Trust Company, surviving at the time of the acceptance of the final administration account of my estate, and I direct that said

Trust Company may pay any expenses incident to the delivery of said articles, and charge the same as an expense against my estate.

4. All the rest, residue and remainder of my estate, both real and personal, of whatever name and nature and wherever situated, I give, devise and bequeath to The Colonial Trust Company, of Waterbury, Connecticut, and its successors, in trust, nevertheless, for the uses and purposes following; that is to say, to hold, possess and manage, invest and reinvest the same, with full power and authority to sell, lease or mortgage the same at pleasure and to execute any deeds or conveyances as may be necessary for that purpose, and generally to execute said trust in accordance with the laws of this State regarding investment of trust funds.

5. I direct my said Trustee to add the net income of said fund to the principal of said fund, and that said fund and all accumulations thereto shall be held by said Trust Company and be disposed of in accordance with the provisions of this will for the distribution of the rest and residue of my estate; provided, however, that if at any time my said wife shall show to the satisfaction of said Trust Company that all her own property has been expended or lost, and that her income from other sources has become insufficient for her comfortable maintenance and support, then, in that event, the said Trust Company is authorized and empowered from time to time, upon her written request, to pay over to her such portions of said income as she may require for her comfortable maintenance and support, and if said income shall be insufficient for her comfortable maintainance and support, then, in that event, said Trust Company is authorized and empowered in like manner to pay over such a portion of the

principal of said trust fund, as may be necessary for her support, and her request and receipt for the same shall be a full discharge to said Trust Company.

6. I also direct my Trustee, upon the death of my said wife, to pay the sum of One Thousand Dollars ($1,000.00) to the Boys' Club of Bridgeport, Connecticut, but upon the express condition that it shall use only the income therefrom for the purposes of said Boys' Club, or by whatsoever name it may be legally known, the same to be to it and its successors forever.

7. I also direct my said Trustee, upon the death of my said wife, to pay the sum of Two Thousand Dollars ($2,000.00) to the Young Men's Christian Association of Bridgeport, Connecticut, upon the express condition that it shall use only the income therefrom for the purposes of said Young Men's Christian Association, the same to be to it and its successors forever.

8. Upon the decease of my said wife, I direct my said Trustee to hold and possess the net income arising from said trust fund for a period of one year, and at the end of that time partition the whole of said net income among the following persons, or the survivors of them at that time, share and share alike, to wit: Laura Arnold, Beryl Arnold, Phyllis Arnold, Catherine Arnold and Seth Arnold, the children of my niece, Gertrude Terry Arnold, all of Arlington, Massachusetts, and to Samuel Fairbank, now or formerly of Minneapolis, Minnesota, Allan Fairbank, now or formerly of South Dakota, and Ruth Fairbank, now or formerly of Glastonbury, Connecticut, the children of my niece, Ruby Harding Fairbank, deceased, and to pay the same in equal monthly payments, but in case either of said persons shall decease before all of said payments have been made, then all future payments payable to such deceased, shall be

withhold by said Trust Company and added to the income on hand. Said Trust Company shall accumulate the income accruing during the second year and make a like division thereof and pay the same in the manner as before provided for the payments during the first year, and so, year by year, until the number of beneficiaries is by death or otherwise reduced to three persons. The Trust Company shall then pay each of the three the sum of One Thousand Dollars ($1,000.00), and the trust, so far as they are concerned, shall cease and terminate.

9. It is my wish and desire that in the final settlement and distribution of my estate by said Trust Company that so far as practicable it will distribute securities at the then market or appraisal value instead of reducing them to cash for the purpose of distribution.

10. I direct that all gifts, bequests and legacies herein given shall be paid in full, free from all succession or inheritance taxes, whether State or Federal, and that all such taxes shall be borne and paid by my executor out of my general estate.

11. Whereas it is the desire of my wife, Martha J. Terry, to establish a hospital in Plymouth, Connecticut, to be known as The Plymouth Memorial Hospital. Now, therefore, if my wife leaves a will providing that a corporation be formed for such purpose, I give, devise and bequeath all the rest and remainder of my estate, after the trust provided for in paragraph 3 of this will is terminated as therein provided, to the corporation in charge of said hospital, in trust, nevertheless, to hold, possess, invest and reinvest in such securities as trust funds in Connecticut may be invested in, and the income only of said fund shall be used for the general purposes of said hospital.

If, however, my said wife should not leave a will providing for the establishment of a hospital in the said Town of Plymouth, or, if she should leave such a will and a corporation should not be formed to take charge of same, as provided in her will, then in such event, I give, devise and bequeath said rest and remainder to The Waterbury Hospital, a corporation chartered by the General Assembly of the State of Connecticut, and located in Waterbury, New Haven County, in said State, as a trust fund. Said fund shall be known as the "Dwight H. and Martha J. Terry Fund", and shall be invested by the Trustees of said hospital in such securities as it may be lawful for trust funds to be invested in, in Connecticut, and only the proceeds thereof shall be used for the purpose of providing free beds and medical care and attention for the poor and needy of the Towns of Plymouth and Thomaston, of Litchfield County, in said State, and that the surplus of said income, if any, may be used for the general uses of said institution.

Should said fund be given to The Waterbury Hospital, it is my desire that a memorial tablet be placed in said hospital, setting forth that said fund was established by Dwight H. Terry and Martha J. Terry, in memory of Mr. Terry's grandfather, Eli Terry, late of Plymouth, Connecticut, deceased, inventor, pioneer clock-maker and founder of clock manufacturing in the State of Connecticut.

12. I appoint The Colonial Trust Company, of Waterbury, Connecticut, Executor of this will, without bonds, and hereby give to The Colonial Trust Company, both in its capacity of Executor and Trustee, power to sell and convey any and all of my real estate, without an order of court, and to execute and

deliver such deeds and instruments as may be necessary to pass title thereto.

IN WITNESS WHEREOF, I have hereunto set my hand and seal, at New Haven, Connecticut, this 8th day of March, 1919.

Dwight H. Terry (SEAL)

Signed and sealed by the within-named testator, Dwight H. Terry, and by him declared to be his last will and testament, in our presence who have hereunto subscribed our names as witnesses in his presence and in the presence of each other, and at his request, this 8th day of March, 1919.

Julia M. Greene )
)
Marion A. Wolcott ) Witnesses
)
Anna Manning )

STATE OF CONNECTICUT )
) SS. New Haven.
COUNTY OF NEW HAVEN )

Be it remembered that on this 8th day of March, 1919, before me, Robert S. Walker, a Notary Public within and for said State, personally appeared the within-named

Julia M. Greene of Bristol, Conn.

Marion A. Wolcott of Terryville, Conn.

Anna Manning of Rockville, Conn.

who, being duly sworn, severally make oath and say that they witnessed the within will of the within-named testator, Dwight H. Terry, and subscribed the same in his presence and at his request, and in the presence of each other, that the said Dwight H. Terry, at the time of the execution of said will, appeared to them to be of full age and of sound mind and memory; that he signed said will and declared the same to be his last will and testament, in their presence; and that they make and sign this affidavit at the request of said testator.

Julia M. Greene

Marion A. Wolcott

Anna Manning

Subscribed and sworn to before me the day and year above written.

Robert S. Walker.

Notary Public.

We hereby certify that the within and foregoing is a true and correct copy of the original instrument on file in the Probate Court for the District of Plymouth, Conn.
The Colonial Trust Company
By: Edward C. Kaye
Asst. Trust Officer

I, MARTHA J. TERRY, wife of DWIGHT H. TERRY, of Plymouth, Litchfield County, State of Connecticut, being of sound and disposing mind and memory and hereby expressly revoking any and all wills and codicils thereto by me heretofore made, do make, publish and declare the following to be my last Will and Testament.

1. I order and direct that my just debts and funeral expenses and the expenses of settling my estate be paid out of my estate by my executor hereinafter named.

2. I give absolutely to my nephew, FRANK POTTER, of Patchogue, Long Island, New York, my deposit in the BRISTOL SAVINGS BANK, of Bristol, Connecticut, with the accumulations thereon at the time this Will takes effect, the same having been received from my mother. If no such deposit exists when this will takes effect, then and in lieu thereof, I give absolutely to said FRANK POTTER the sum of Fifteen Hundred ($1,500) Dollars.

3. I give and devise to THE COLONIAL TRUST COMPANY, of Waterbury, Connecticut, all the land with buildings thereon, which I may own in the first voting district of Plymouth, formerly known as Plymouth Center, in the town of Plymouth, Connecticut, IN TRUST, NEVERTHELESS, for the following purposes, to wit: To hold and to maintain the same as a homestead for the use of my husband, DWIGHT H. TERRY, for and during his life. I also give to said Trust Company the sum of Ten Thousand ($10,000) Dollars, IN TRUST, NEVERTHELESS, for the following purposes, to wit: To hold, possess, invest and reinvest the same in such securities as may be lawful for the investment of trust funds in Connecticut, and to pay over the net income arising therefrom to my husband, DWIGHT H. TERRY, for and during his life.

4. Should my said husband predecease me, or if he survives me, then upon his death, I desire that said homestead and said trust fund of Ten Thousand ($10,000) Dollars be used for the purpose of establishing a hospital in the Town of Plymouth, Connecticut, and I direct THE COLONIAL TRUST COMPANY, as said Trustee, as soon as may be possible after the death of my husband, or the settlement of my estate, to obtain from the Legislature of the State of Connecticut, a charter, or cause a corporation to be formed under the laws of said State, for the purpose of receiving said devise and bequest and establishing a hospital in said Plymouth, to be known as THE PLYMOUTH MEMORIAL HOSPITAL, which shall be open to all people irrespective of considerations of nationality, religion or color. I direct my said Trustees to see that in the charter or certificate of incorporation all the details of organization and management are fully set forth, and that the same be supplemented by appropriate by-laws; and it is my desire that my esteemed friends, DR. R. S. GOODWIN, of Thomaston, Connecticut, CHARLES P. TREADWAY, of Bristol, Connecticut, GEORGE C. CLARK, of Terryville, Connecticut, and HENRY E. STOUGHTON, of Thomaston, Connecticut, if living, and they are willing to accept, shall be included in the Trustees named in the charter of said Hospital.

Upon the establishment of the corporation, I direct my Trustees to convey by deed my said homestead to said corporation and to pay over and transfer to the proper officers thereof, the said trust fund of Ten Thousand Dollars ($10,000) and any accumulations thereof, which fund shall then be released of all trust, and all or any part thereof may be used by said Hospital corporation for the purpose of making necessary alterations and equipping said Hospital for the uses of said institution.

Upon the conveyance and transfer of said trust property my said Trustee shall be released from all further responsibility relative thereto.

It is my desire that a memorial tablet be placed in said Hospital, setting forth that said Hospital was established by Martha J. Terry and Dwight H. Terry, in memory of Mr. Terry's grandfather, Eli Terry, late of Plymouth, Connecticut, deceased, inventor, pioneer clock-maker and founder of clock manufacturing in the State of Connecticut.

I hope and trust that further gifts will be made to said institution, from time to time, in order that the Town of Plymouth may have a hospital suitably equipped to take care of the needs of said community, and that additional tablets may be placed in said Hospital setting forth the names of said donors or in whose memory the gifts are made.

5. If, however, for any reason, my said Trustee should fail to obtain from the Legislature of the State of Connecticut, within five years of the date of the death of my said husband, a charter for the corporation to establish and maintain a hospital in said Plymouth, in accordance with the provisions of the foregoing paragraph, then in such event, I direct that said homestead be sold and the proceeds thereof be added to and become a part of the trust fund of Ten Thousand ($10.000) Dollars held by THE COLONIAL TRUST COMPANY, and I give and bequeath said fund to THE WATERBURY HOSPITAL, a corporation chartered by the General Assembly of the State of Connecticut, and located in Waterbury, New Haven County, in said State. Said fund shall be known as the "Martha J. Terry Fund," and shall be invested by the Trustees of said Hospital in such securities as it may be lawful for trust funds to be invested in, in Connecticut and the proceeds thereof shall be used for the purpose of providing free beds and medical care and attention for the poor and needy of the Towns of Plymouth and Thomaston, of Litchfield County, in said State, and that the surplus of said income, if any, may be used for the general uses of said institution. Should said

fund be given to said Waterbury Hospital, it is my desire that a memorial tablet be placed in said Hospital, setting forth that said fund was established by Martha J. Terry and Dwight H. Terry, in memory of Mr. Terry's grandfather, Eli Terry, late of Plymouth, Connecticut, deceased, inventor, pioneer clock-maker and founder of clock manufacturing in the state of Connecticut.

6. If my husband, DWIGHT H. TERRY, survives me I give all the rest and residue of my estate, real and personal, wherever situated, to him absolutely and in fee simple.

7. Should my said husband predecease me, I give and bequeath absolutely to the said THE COLONIAL TRUST COMPANY, of Waterbury, Connecticut, the brass clock with the long case, which was made by my husband's grandfather, Eli Terry; also the parchment letters-patent on clocks issued to his said grandfather, Eli Terry, and the lacquer-ware, lead lined box containing said letters-patent; also the old family Bible used by my husband's father, containing the family record; also the old account book of his grandfather, Eli Terry, and the oil paintings of his father and mother, and all the rest, residue and remainder of my clocks, wearing apparel, books, household furniture, useful and ornamental, pictures, tools, jewelry, personal ornaments, carpets, stoves, beds and bedding, books, and pamphlets, all crockery, table-ware and linen, cutlery, spoons, knives and forks, silver-ware, and all other household articles of every name, nature and description, now in my residence at Plymouth, Connecticut. And I request said Executor to divide and dispose of all said articles, among the persons named in a memorandum filed herewith, as far as may be found practicable and satisfactory when the time arrives for the distribution of my estate. Said articles not so disposed of may be sold and the proceeds added to my residuary estate. I direct that said Trust Com-

pany may pay any expense incident to the delivery of said articles and charge the same as an expense against my estate.

8. Should my said husband predecease me, I give, and bequeath absolutely Five Hundred ($500) Dollars to each of the children of my nephew, FRANK POTTER, who may be living when this clause of my Will shall take effect, namely: Alice, Leonard and Russell (to be paid in full without deduction for inheritance tax.)

9. Should my said husband predecease me, I give, devise and bequeath all the rest and residue of my estate, real and personal, to THE PLYMOUTH MEMORIAL HOSPITAL, of Plymouth, Connecticut, IN TRUST, NEVERTHELESS, for the following uses and purposes, to wit: To hold, possess, manage, invest and reinvest the principal of said fund in such securities as trust funds in Connecticut may be invested in and to use only the net income arising therefrom for the general uses of said Hospital, but if such a corporation should not be organized in accordance with paragraph four of this Will, then I direct that said rest and residue be given to THE WATERBURY HOSPITAL, IN TRUST, NEVERTHELESS, for the following uses and purposes, to wit: To hold, possess, manage, invest and reinvest the principal of said fund in such securities as trust funds in Connecticut may be invested in, and to use only the net income arising therefrom to provide medical care and attention for the poor and needy of the Towns of Plymouth and Thomaston in said State of Connecticut.

10. I hereby nominate and appoint my said husband Executor of this Will and direct that no bonds be required of him. Should my said husband predecease me, then I nominate and appoint THE COLONIAL TRUST COMPANY, of Waterbury, Connecticut, to be Executor of this Will, without bonds.

IN WITNESS WHEREOF, I have hereunto set my hand and seal, at Waterbury, Connecticut, this 21st day of November, 1918.

MARTHA J. TERRY [L. S.]

Signed and sealed by the within-named Testatrix, MARTHA J. TERRY, and by her declared to be her last will and testament, in our presence, who have hereunto subscribed our names, as witnesses, in her presence, and in the presence of each other, and at her request, this 21st day of November, 1918.

LORENA I. MILLER
ORINDA E. HALL
C. SANFORD BULL

Witnesses.

STATE OF CONNECTICUT }
COUNTY OF NEW HAVEN } ss: Waterbury

Be it remembered that on this 21st day of November, 1918, before me, ROBERT S. WALKER, a Notary Public, within and for said State, personally appeared the within-named LORENA I. MILLER, ORINDA E. HALL and C. SANFORD BULL, all of said Waterbury, who being duly sworn, severally make oath and say that they witnessed the within Will of the within-named testatrix, Martha J. Terry, and subscribed the same in her presence and at her request, and in the presence of each other; that the said MARTHA J. TERRY, at the time of the execution of said Will appeared to them to be of full age and of sound mind and memory; that she signed said Will and declared the same to be her last Will and Testament in their presence, and that they make and sign this affidavit at the request of said testatrix.

LORENA I. MILLER
ORINDA E. HALL
C. SANFORD BULL

Subscribed and sworn to before me the day and year above written.

ROBERT S. WALKER
Notary Public

I, Olive Rogers Warner, of the Town of Naugatuck, County of New Haven, State of Connecticut, do make, publish and declare the following to be my Last Will and Testament, hereby expressly revoking any and all wills by me heretofore made.

1. I direct that all my just debts, funeral expenses, and the expenses of settlement of my estate, be first paid and satisfied out of my personal estate.

2. I give and bequeath to my beloved husband, Oscar L. Warner, all my automobiles, garage equipment, and all other tools and articles pertaining thereto, to be his absolutely.

3. All the rest and residue of my estate, of every kind and nature, I give, devise, and bequeath to The Colonial Trust Company, a corporation chartered by the General Assembly of the State of Connecticut, and located in Waterbury, New Haven County, in said state, IN TRUST, NEVERTHELESS, for the following uses and purposes, to hold, possess, invest and reinvest the same in such securities as trust funds in the State of Connecticut may be invested in, and to pay over the net income accruing therefrom to my husband, Oscar L. Warner, for and during his life.

4. After the death of my husband, Oscar L. Warner, I desire that all my rugs, furniture, pictures, books, jewelry, wearing apparel, and all other articles of personal and domestic use be divided as nearly equally as may be, by my Executor and Trustee, between my nephew and nieces, George A. Warner, Julia Warner, and Sally Warner, son and daughters of Lewis C. Warner and Lucia B. Warner.

5. The remainder of my estate in possession of the Colonial Trust Company after the death of my husband shall be held for the use and benefit of the Naugatuck Hospital Corporation, of said Naugatuck, and if said corporation shall, within ten years after the termination of the life interest as above set forth, establish and maintain a hospital in Naugatuck, I direct my Trustee to assign, transfer, convey and deliver to the proper officers of said corporation all said rest and residue and any accumulation thereof, and upon said transfer, the Colonial Trust Company shall be released from all further responsibility relative thereto.

I direct that said hospital corporation may use one-third of the amount of said fund for the general purposes of said hospital and that the balance of said fund shall be held by said corporation, in trust, as an endowment for said hospital, and shall be known as "The Richard Vincent Warner Memorial Fund", in memory of my son born December 26, 1890, died January 21, 1905. Said corporation shall hold, possess, invest and reinvest said fund in such securities as trust funds in Connecticut may be invested in, and the income only of said fund shall be used for the general purposes of said hospital.

6. If, for any reason, said Naugatuck Hospital Corporation fails, within ten years after the termination of the life interest as above set forth, to establish and maintain a hospital in said Naugatuck, and there should be no

hospital in said Naugatuck which the said trustee should find, after due investigation and in the exercise of its own discretion, suitable to receive said trust fund, then in such event, I give, devise and bequeath said rest, residue and remainder to The Waterbury Hospital, a corporation chartered by the General Assembly of the State of Connecticut, and located in Waterbury, New Haven County, in said State, as a trust fund. Said fund shall be known as "The Richard Vincent Warner Memorial Fund", and shall be invested by the trustees of said hospital in such securities as it may be lawful for trust funds to be invested in, in Connecticut, and only the proceeds thereof shall be used for the purpose of providing accommodations and medical care and attention for the residents of the Borough of Naugatuck, of New Haven County, in said State, and that the surplus of said income, if any, may be used for the general uses of said institution.

7. I appoint the Colonial Trust Company, of Waterbury, Connecticut, Executor of this will, without bonds, and hereby give to The Colonial Trust Company, both in its capacity of Executor and Trustee, power to sell and convey any and all of my real estate, without an order of court, and to execute and deliver such deeds and instruments as may be necessary to pass title thereto.

IN WITNESS WHEREOF, I have hereunto set my hand and seal, at Waterbury, Connecticut, this 10th day of March, 1921.

Olive R. Warner (SEAL)

Signed and sealed by the within named testatrix, Olive Rogers Warner, and by her declared to be her last will and testament in our presence who have hereunto subscribed our names as witnesses in her presence and in the presence of each other, and at her request, this 10th day of March, 1921.

Gertrude L. Snagg
Lorena I. Miller } Witnesses
C. Sanford Bull

STATE OF CONNECTICUT
COUNTY OF NEW HAVEN } SS. Waterbury

Be it remembered that on this 10th day of March, 1921, before me, Robert S. Walker, a Notary Public within and for the State of Connecticut, personally appeared the within named Gertrude L. Snagg, Lorena I. Miller and C. Sanford Bull, all of said Waterbury, who, being duly sworn, severally make oath and say that they witnessed the within will of the within named testatrix, Olive Rogers Warner, and subscribed the same in her presence and at her request, and in the presence of each other; that the said Olive Rogers Warner, at the time of the execution of said will appeared to them to be of full age, and of sound mind and memory; that she signed said will and declared the same to be her last will and testament in their presence; and that they make and sign this affidavit at the request of said testatrix.

Gertrude L. Snagg

Lorena I. Miller

C. Sanford Bull

Subscribed and sworn to before me, the day and year above written.

Robert S. Walker, Notary Public.

T OF CONNECTICUT
TRICT OF NAUGATUCK } SS. Probate Court, April 22, 1926.

The within and foregoing will was this day proved, approved, owed and admitted to probate and the executor named therein was approved.

Attest: Frank W. Eaton, Judge.

##########

MUTUAL DISTRIBUTION

KNOW ALL MEN BY THESE PRESENT, That, whereas the subscribers, Ralph E. th and Frank A. Smith, both of Naugatuck, County of New Haven, and State of nnecticut, are all the persons interested as heirs-at-law and next of kin in e estate of Agnes E. Smith, late of Naugatuck, Connecticut, deceased, who left rtain personal property to be divided among us, and

WHEREAS, after the payment of all claims against the estate of said ceased and the expenses of settlement, there remains the personal property reinafter described, to be divided among us.

NOW, THEREFORE, KNOW YE, that we the subscribers, being legally capable ot, hereby make a division of said property among ourselves in the manner llowing:

Said Ralph E. Smith shall take and have:

| | | |
|---|---|---|
| 5shs. | American Zinc Lead & Smelting Co., Pfd., | $145.00 |
| 3 " | Anaconda Copper Mining Co., | 210.00 |
| 2 " | Conn. Lt. & Power Co., 8% pfd., | 1,652.00 |
| 1 " | Inspiration Consolidated Copper Co., | 140.63 |
| 3 " | Kennecott Copper Co., | 427.00 |
| 8 " | Scovill Mfg. Co., | 1,380.00 |
| 5 " | U. S. Steel Corp., Pfd., | 1,875.00 |
| $2000. | Conn. Ry. & Ltg., 1st & ref., 4½% Bonds, due 1951, | 1,830.00 |
| Undivided | interest in Conn. Ry. & Ltg., 1st & ref., 4½% bond, due 1954, | 457.50 |
| Household | furniture, | 187.50 |
| | | 203.71 |
| | | $8,508.34 |

Said Frank A. Smith shall take and have:

| | | |
|---|---|---|
| 5shs. | American Zinc Lead & Smelting Co., Pfd., | $145.00 |
| 3 " | Anaconda Copper Mining Co., | 210.00 |
| 2 " | Conn. Lt. & Power Co., 8% pfd., | 1,534.00 |
| 1 " | Inspiration Consolidated Copper Co., | 140.62 |

## B. Third Party Trustee

| | | |
|---|---|---|
| 1. | Harriet S. Anderson | Instrument of Gift dated 9/21/43 |
| 2. | Edith A. Blakesley | Trust u/w dated 3/08/61 |
| 3. | Mary Kingsbury Bull | Record of Gift/Trust Agreement with Hospital dated 01/24/51 |
| 4. | Almon B. Dayton | Trust u/w dated 8/23/40 |
| 5. | Natalie M. Dodd f/b/o Heroux | Amended and Restated Agreement dated 5/18/1976 |
| 6. | John P. Elton | Will dated 11/29/46<br>Codicil dated 6/26/47 |
| 7. | J. Lincoln Fenn | Trust u/w dated 10/23/50 |
| 8. | I. Kent Fulton | Trust u/w dated 10/02/39<br>Codicil dated 12/15/39 |
| 9. | Donald F. Gibson | Trust u/w dated 9/24/83 |
| 10. | Charles Hellman | Trust u/w dated 6/13/55 - Sibilla Hellmann Fd |
| 11. | Rhoda M. Hellman | Trust u/w dated 11/11/69 - Sibilla Hellmann Fd |
| 12. | Abbie C. Hopkins | Will dated 4/30/38 |
| 13. | Frank Keeling | Trust u/w dated 12/15/54 |
| 14. | Jacob Keeling | Will dated 6/30/52 |
| 15. | Harriet Kirk | Trust u/w dated 06/15/42 |
| 16 | Henry H. Peck | Will dated 6/12/18 |
| 17. | Edith F. Poole | Will dated 4/11/1928 |
| 18. | Wilma A. Snowden | Trust Agreement dated 10/25/84<br>Trust Amendment dated 12/27/90 |
| 19. | Kenneth T. Stoughton | Will dated 6/13/77 |
| 20. | Oscar L. Warner | Trust u/w dated 02/29/32 |

1903627

831

The Citizens and Manufacturers National Bank
of Waterbury
Waterbury, Connecticut

Dear Sirs:

It is my desire to establish a trust fund for the uses and purposes hereinafter described and to that end I request and direct you to purchase the following securities with funds which I deliver to you herewith, to wit:

50 shares United States Steel Company, preferred
50 " American Sugar Refining Company, preferred
50 " American Telephone and Telegraph Company, common
100 " Connecticut Light and Power Company, common

You shall cause the aforesaid securities to be registered in your name as Trustee under this appointment and you shall hold, manage, and control the same, in trust, accordingly.

You shall have full power and authority to sell, hold, invest and reinvest the assets of this trust fund, in your discretion.

You shall pay the net income of said fund, in convenient installments, to Nancy Holcomb Anderson, my daughter-in-law, for and during the term of her natural life and upon and after her decease, you shall pay the said net income to my son, Ernest A. Anderson, Jr., if living, in convenient payments for and during the term of his lifetime.

Upon the death of the last survivor of my said son and his said wife, you shall thereafter pay the entire net income of this trust fund in convenient installments unto the Waterbury Hospital Corporation, Waterbury, Connecticut, as a memorial to my said son and his said wife, said income to be used by said Waterbury Hospital Corporation to provide or assist in providing hospital care to deserving and needy residents of the City of Waterbury, Connecticut.

This gift in trust shall be irrevocable and the fund hereby created shall be devoted irrevocably and exclusively to the uses and purposes hereinbefore set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 21st day of September, 1943.

HARRIET S. ANDERSON, L.S.

The undersigned Trustee does hereby accept the foregoing appointment and gift in trust and does hereby covenant to perform faithfully its duties thereunder.

The Citizens and Manufacturers National
Bank of Waterbury

by THOMAS F. MOORE
Trust Officer

The undersigned hereby certifies that the forgoing is a true and complete copy of the within trust instrument and all amendments thereto, if any in full force and effect this day of

THE CITIZENS AND MANUFACTURERS
NATIONAL BANK OF WATERBURY

By _____
Assistant Trust Officer

# LAST WILL AND TESTAMENT

## OF

## EDYTH A. BLAKESLEY

DOC. NO. 1
ACCT. NO. C2125

BE IT KNOWN TO ALL PERSONS, THAT I, EDYTH A. BLAKESLEY, OF THE TOWN OF WATERBURY, COUNTY OF NEW HAVEN, AND STATE OF CONNECTICUT, BEING OF LAWFUL AGE, OF SOUND AND DISPOSING MIND, MEMORY AND JUDGMENT, DO HEREBY MAKE, PUBLISH AND DECLARE THIS TO BE MY LAST WILL AND TESTAMENT, HEREBY REVOKING ALL PREVIOUS WILLS AND CODICILS HERETOFORE BY ME MADE.

### ARTICLE FIRST

I direct that all my just debts, (except such as may be secured by Mortgage), funeral charges, and expenses of settling my estate, be paid and discharged by my Executor, hereinafter named. I direct that all legacy, succession, inheritance, transfer and estate taxes, levied or assessed upon or with respect to any property which is included as part of my gross estate for the purpose of any such tax, shall be paid by my Executor out of my estate in the same manner as an expense of administration and shall not be prorated or apportioned among or charged against the respective devisees, legatees, beneficiaries, transferees, or other recipients, nor charged against any property passing or which may have passed to any of them.

### ARTICLE SECOND

I direct that a suitable grave marker be purchased to match the marker on the Albert J. Blakesley Plot now in the Evergreen Cemetery.

### ARTICLE THIRD

I give and bequeath to MRS. ROBERT A. (Rosetta) CURRIE, of Waterbury, Connecticut, all my household furniture and furnishings, books, pictures, jewelry, wearing apparel, and all other articles of a similar and personal nature, to be hers absolutely, and because of my confidence in the said MRS. ROBERT A. (Rosetta) CURRIE, she is to distribute certain articles as I have instructed in my advice to her.

Should the said MRS. ROBERT A. (Rosetta) CURRIE predecease me, then I direct those personal effects I would have given to the said MRS. ROBERT A. (Rosetta) CURRIE, shall become a part of the residue of my Estate.

### ARTICLE FOURTH

I give and devise to the said MRS. ROBERT A (Rosetta) CURRIE, that certain piece or parcel of land, with dwelling house and improvements thereon, situated on the southeasterly side of Pine Street, in the City of Waterbury, County of New Haven, and State of Connecticut, bounded:

| | |
|---|---|
| Northwesterly: | Forty feet, six inches, on Pine Street; |
| Northeasterly: | Sixty-nine feet on land formerly of Burdon P. Hyde; |
| Southeasterly: | Thirty-six and one-half (36-1/2) feet on land formerly of Burdon P. Hyde and on land of Edwin H. Williams (A Passway); |
| Southwesterly: | On land of Ada C. Williams. |

Being the same premises conveyed to me from the Estate of Albert J. Blakesley by Certificate of Devise from the Probate Court for the District of Waterbury, dated October 16, 1931, and recorded November 6, 1931, in Waterbury Land Records, Volume 450, Page 638.

I direct that my Executor shall pay taxes, insurance, and water rents in connection with said property, for a period of one (1) year after my death, provided, however, that Mrs. Robert A. (Rosetta) Currie shall occupy the premises. As of the date, one year after my death, the said items shall be prorated in favor of my estate, or in favor of Mrs. Currie, in the manner customarily followed in connection with land conveyancing in the City of Waterbury.

Should the said MRS. ROBERT A. (Rosetta) CURRIE predecease me, then I direct this Devise I would have given to the said MRS. ROBERT A. (Rosetta) CURRIE, shall become a part of the residue of my Estate.

## ARTICLE FIFTH

I give and bequeath to the said MRS. ROBERT A. (Rosetta) CURRIE, the sum of Ten Thousand ($10,000.00) Dollars, to be hers absolutely and forever.

Should the said MRS. ROBERT A. (Rosetta) CURRIE predecease me, then I direct this legacy I would have given to the said MRS. ROBERT A. (Rosetta) CURRIE, shall become a part of the residue of my Estate.

## ARTICLE SIXTH

I give and bequeath to RUTH B. CLARKE, of Riverside, Connecticut, one hundred fifty (150) shares of the capital stock of The Scovill Manufacturing Company, to be hers absolutely.

Should the said RUTH B. CLARKE predecease me, then I direct the one hundred fifty (150) shares of the capital stock of The Scovill Manufacturing Company shall be distributed to her son, DEFRANCE CLARKE, JR., of Riverside, Connecticut, to be his absolutely.

Should the said RUTH B. CLARKE and DEFRANCE CLARKE, JR., predecease me, then I direct that this legacy be distributed to ELIZABETH JANE CLARKE, of Riverside, Connecticut, to be hers absolutely.

## ARTICLE SEVENTH

I give and bequeath to DEFRANCE CLARKE, JR., of Riverside, Connecticut, one hundred (100) shares of the capital stock of The Torrington Company, a Maine corporation, to be his absolutely.

Should the said DEFRANCE CLARKE, JR., predecease me, then I direct the one hundred (100) shares of the capital stock of The Torrington Company shall be distributed to his mother, RUTH B. CLARKE, to be hers absolutely.

Should the said DEFRANCE CLARKE, JR., and RUTH B. CLARKE, predecease me, then I direct that this legacy be distributed to ELIZABETH JANE CLARKE, of Riverside, Connecticut, to be hers absolutely.

## ARTICLE EIGHTH

I give and bequeath to CARRIE W. WOODRUFF, of Watertown, Connecticut, the sum of Five Thousand ($5,000.00) Dollars, to be hers absolutely.

Should the said CARRIE W. WOODRUFF predecease me, then I direct that this legacy shall become a part of the residue of my Estate.

ARTICLE NINTH

I give and bequeath to PAUL COOPER, of Oakville, Connecticut, the sum of Five Hundred ($500.00) Dollars, to be his absolutely.

Should the said PAUL COOPER predecease me, then I direct that this legacy shall become a part of the residue of my Estate.

ARTICLE TENTH

I give and bequeath to MARION COOPER, of Oakville, Connecticut, the sum of Five Thousand ($5,000.00) Dollars, to be hers absolutely.

Should the said MARION COOPER predecease me, then I direct that this legacy shall become a part of the residue of my Estate.

ARTICLE ELEVENTH

I give and bequeath to GRACE HALLOWELL COOPER, of Floral Park, Long Island, New York, the sum of Five Thousand ($5,000.00) Dollars, to be hers absolutely.

Should the said GRACE HALLOWELL COOPER predecease me, then I direct that this legacy shall become a part of the residue of my Estate.

ARTICLE TWELFTH

I give and bequeath to EDWARD C. WOODRUFF, JR., of Hazardville, Connecticut, the sum of Five Hundred ($500.00) Dollars, to be his absolutely.

Should the said EDWARD C. WOODRUFF, JR., predecease me, than I direct that the sum which he would otherwise have taken shall become a part of the residue of my Estate.

ARTICLE THIRTEENTH

I give and bequeath to ELSIE W. ROBERTS, of Thomaston, Connecticut, the sum of Five Hundred ($500.00) Dollars, to be hers absolutely.

Should the said ELSIE W. ROBERTS predecease me, then I direct that this legacy shall be distributed to CARRIE W. WOODRUFF, to be hers absolutely.

Should the said ELSIE W. ROBERTS and CARRIE W. WOODRUFF both predecease me, then I direct that this legacy shall become a part of the residue of my Estate.

ARTICLE FOURTEENTH

I give and bequeath to HELEN G. BANGS, of Waterbury, Connecticut, the sum of One Thousand ($1,000.00) Dollars, to be hers absolutely.

Should the said HELEN G. BANGS predecease me, then I direct that this legacy shall be distributed to her sister, GRACE E. BANGS, of Waterbury, Connecticut, to be hers absolutely.

Should the said HELEN G. BANGS and the said GRACE E. BANGS predecease me, then I direct that this legacy shall become a part of the residue of my estate.

ARTICLE FIFTEENTH

I give and bequeath to RICHARD W. COER, of Prospect, Connecticut, the sum of Five Hundred ($500.00) Dollars, to be his absolutely.

Should the said RICHARD W. COER predecease me, then I direct that this legacy shall become a part of the residue of my Estate.

ARTICLE SIXTEENTH

I give and bequeath to ROBERT CURRIE, of Waterbury, Connecticut, husband of MRS. ROBERT A. (Rosetta) CURRIE, the sum of One Thousand ($1,000.00) Dollars, to be his absolutely.

Should the said ROBERT CURRIE predecease me, then I direct that this legacy shall become a part of the residue of my Estate.

ARTICLE SEVENTEENTH

I give and bequeath to the WATERBURY DAY NURSERY ASSOCIATION, of Waterbury, Connecticut, the sum of One Thousand ($1,000.00) Dollars, to be used by the Trustees as they may so determine.

ARTICLE EIGHTEENTH

I give and bequeath to THE VISITING NURSES' ASSOCIATION, of Waterbury, Connecticut, the sum of One Thousand ($1,000.00) Dollars, to be used by the Trustees as they may so determine.

ARTICLE NINETEENTH

I give and bequeath to THE BUNKER HILL CONGREGATIONAL CHURCH, of Waterbury, Connecticut, the sum of One Thousand ($1,000.00) Dollars, to be used by the Trustees of said Church for the upkeep and benefit of the Church, as they may so determine.

ARTICLE TWENTIETH

I give and bequeath to THE EVERGREEN CEMETERY ASSOCIATION, of Watertown, Connecticut, the sum of Five Hundred ($500,00) Dollars, to be used by the Trustees of said Association for the general upkeep of the Cemetery.

ARTICLE TWENTY-FIRST

I give and bequeath to the SOUTHMAYD HOME, INC., of Waterbury, Connecticut, the sum of Five Thousand ($5,000.00) Dollars, to be used by the Trustees as they may so determine.

ARTICLE TWENTY-SECOND

I give and bequeath to THE WATERBURY BRANCH, CANCER SOCIETY, of Waterbury, Connecticut, the sum of Two Thousand ($2,000.00) Dollars, to be used by the Trustees thereof as they may so determine.

ARTICLE TWENTY-THIRD

I give and bequeath to the SHRINE HOME FOR CRIPPLED CHILDREN, of Springfield, Massachusetts, the sum of One Thousand ($1,000.00) Dollars, to be used by the Trustees as they may so determine.

ARTICLE TWENTY-FOURTH (a)

I give and bequeath to the UPLAND SANATORIUM, of Pleasant Hill, Tennessee, the sum of Two Thousand ($2,000.00) Dollars, to be used by the Trustees for the care of needy patients.

ARTICLE TWENTY-FOURTH (b)

I give and bequeath to the AMERICAN BIBLE SOCIETY, of 450 Park Avenue, New York, New York, the sum of One Thousand ($1,000.00) Dollars, to be used by the Trustees as they may so determine.

ARTICLE TWENTY-FIFTH

I give and bequeath to THE WATERBURY NATIONAL BANK, a Federal Banking Corporation, of Waterbury, Connecticut, the sum of Ten Thousand ($10,000.00) Dollars, IN TRUST, HOWEVER, for the following uses and purposes:

(a) To invest and reinvest the same, and to collect and receive the interest, income and profits therefrom, and, after paying all taxes and other expenses incident to the operation of said Trust or Trust Fund, to pay the net income therefrom to the WATERBURY GILR'S CLUB, of Waterbury, Connecticut, in installments, as shall be mutually agreed upon. In the event that the WATERBURY GIRL'S CLUB shall be terminated for any reason, the principal and any unexpended income shall be transferred to the ELISHA LEAVENWORTH FOUNDATION, of Waterbury, Connecticut, and this Trust shall thereupon terminate.

ARTICLE TWENTY-SIXTH

All the rest, residue and remainder of my Estate, of every kind and description, both real and personal, of whatsoever the same may consist, and wheresoever the same may be situated, of which I may die seized and possessed, or to which I may be entitled at the time of my death, I give, devise and bequeath the same to THE WATERBURY NATIONAL BANK, a Federal Banking Corporation, of Waterbury, Connecticut, IN TRUST, HOWEVER, and to be held in perpetuity for the charitable uses and purposes hereinafter expressed, that is to say:

(a) To invest and reinvest the same, and to collect and receive the interest, income, and profits therefrom, and, after paying all taxes and other expenses incident to the operation of said Trust Fund, which shall be known as the AUGUSTUS M. AND ALBERT J. BLAKESLEY FUND, to disburse the income thereof as hereinafter provided.

(b) To pay the net income of the Trust Fund to THE WATERBURY HOSPITAL, of Waterbury, Connecticut, to be used by it as a Free Bed Fund for the benefit of members of The Second Congregational Church of Waterbury, Inc., who are considered by the Trustees of The Second Congregational Church of Waterbury, Inc., as worthy ill cases requiring financial assistance. In such cases, it is my intention that The Waterbury Hospital shall use said Free Bed Fund to pay all hospital expenses incurred by such members of The Second Congregational Church of Waterbury, Inc., while patients therein.

(c) In the event that said The Waterbury Hospital shall be merged into or taken over by another private, nonprofit hospital, the said Trustee shall make payment to the successor corporation. In the event that the said The Waterbury Hospital shall terminate its existence the said Trustee shall have the power to send such income to such hospital, operating in the City of Waterbury, or serving the public of the City of Waterbury, as it may, in its judgment, select.

ARTICLE TWENTY-SEVENTH

I direct that all cash bequests be paid either in cash or in securities having an equivalent value, to be determined as my Executor may so desire.

ARTICLE TWENTY-EIGHTH

I do hereby authorize and empower my said Executor and Trustee, in its respective capacities, if, in its discretion it shall deem it expedient, to sell, either at public or private sale, and at such time and in such manner, and upon such terms and conditions as it may deem most advantageous and for the best interest of my Estate or Trusts, the whole or any part or interest in any stocks, bonds, mortgages, real estate (except such stocks specifically bequeathed above, and except such real estate specifically devised above), or other evidence of indebtedness belonging to my Estate or Trusts, and to execute and deliver any and all conveyances, deeds, mortgages, satisfactions, releases, assignments, or other instruments that may be necessary or proper to transfer said property or to carry out the intention of this provision and to give effect to the provisions contained in this, my Last Will and Testament.

ARTICLE TWENTY-NINTH

The Trustee shall not be limited or restricted by law relating to the investment of Trust Funds, but shall have authority to invest and reinvest the Trust Fund in securities deemed advisable by it, without liability for loss of, or on, such investments as are made by it in the exercise of honest judgment and good faith.

ARTICLE THIRTIETH

I hereby nominate, constitute and appoint THE WATERBURY NATIONAL BANK, a Federal Banking Corporation, of Waterbury, Connecticut, Executor of this, my Last Will and Testament, without bonds, and authorize it to sell and convey any or all of the property of my Estate, except as specifically bequeathed and devised above, without an Order of Court, and upon such terms and conditions as it may deem advisable.

IN WITNESS WHEREOF, I have hereunto set my hand and seal, at Waterbury, Connecticut, this 8th day of March, 1961.

EDYTH A. BLAKESLEY (L.S.)
Edyth A. Blakesley

Signed, sealed, published and declared as and for her Last Will and Testament by the Testatrix, EDYTH A. BLAKESLEY, in our presence, who, in her presence, and in the presence of each other, and at her request, have hereunto subscribed our names as witnesses, this 8th day of March, 1961.

HARRIET B. ANDERSON )
)
LILLIAN F. ABEL ) WITNESSES
)
EARL AVERY )

STATE OF CONNECTICUT)
)
COUNTY OF NEW HAVEN ) ss: Waterbury, March 8, 1961

We, the attesting witnesses to the foregoing Will of EDYTH A. BLAKESLEY, make affidavit and say: That we attested the within and foregoing Will and subscribed the same in the presence of and at the request of the Testatrix and in the presence of each other; that the said Testatrix signed, sealed, published and declared the said instrument as and for her Last Will and Testament, in our presence, on the 8th day of March, 1961; and at the time of the execution of said Will and Testament, said Testatrix appeared to be of full age, of sound and disposing mind, memory and judgment, and under no improper influence or restraint, to the best of our knowledge and belief, and we further depose and say that this affidavit is made at the request of said Testatrix, EDYTH A. BLAKESLEY.

HARRIET B. ANDERSON

LILLIAN F. ABEL

EARL AVERY

STATE OF CONNECTICUT)
COUNTY OF NEW HAVEN ) ss: Waterbury, March 8, 1961

Then personally appeared HARRIET B. ANDERSON, LILLIAN F. ABEL, and EARL AVERY, who subscribed the foregoing affidavit and made solemn oath to the truth of the same, before me,

MAX R. TRAURIG
Max R. Traurig
~~Notary Public~~
Commissioner of the Superior Court

Endowment Fund
3374-313

#23-02301-000
M. K. Bull Fund TR Y/AGREEMENT
TRUST WITH WATERBURY HOSPITAL.

The Waterbury Hospital

THE WATERBURY HOSPITAL

Endowment or Permanent Room or Bed Fund

Name of Fund Mary Kingsbury Bull Fund

Established by Miss Edith Kingsbury, of Waterbury, Conn.

Condition of Gift.

Memorandum made by Mr. Otis S. Northrop in regard to the fund reads as follows,

100 U. S. Govt. Bonds presented to The Waterbury Hospital by Miss Edith Kingsbury for the furnishing, and providing an endowment of the Children's Ward in The Waterbury Hospital.

When the furnishing is completed enough of the bonds are to be sold for payment to the Hospital and the balance to be carried in separate account with int. accruing against future withdrawal for replenishment.

Mentioned in Report of Executive Committee 1919

Treasurer's Report 1920 shows this fund.

Condition of Gift:
Endowment of Children's Ward.
(Information from Colonial Trust Co., Sept. 26, 1956)

[illegible] the Trustee hereby [illegible] conditions above set forth, and agrees that it will faithfully [illegible] the duties of its office as such Trustee.

In witness whereof, the parties hereto have duly executed this instrument this 24th day of January, 1951.

THE WATERBURY HOSPITAL

BY Irvin C. Northrop (SEAL)

Treasurer

Mary K Bull Fund

The Waterbury Hospital #2301-2306

AGREEMENT made by and between THE WATERBURY HOSPITAL, a corporation specially chartered by the General Assembly of the State of Connecticut, and located in the City of Waterbury, County of New Haven, in said State, hereinafter referred to as the "Hospital", and THE COLONIAL TRUST COMPANY, a corporation specially chartered by the General Assembly of the State of Connecticut and located in said Waterbury, hereinafter referred to as the "Trustee",

W I T N E S S E T H :

WHEREAS, the Hospital has transferred and delivered to the Trustee the cash, securities and other property comprising the separate funds as more particularly described in Schedule A hereto attached, which cash, securities and other property (hereinafter collectively referred to as the property), together with such other property in the same or other funds as may from time to time be added hereto, the Hospital desires to be held IN TRUST for the purposes and upon the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the premises, the Hospital hereby grants said property to the Trustee, IN TRUST NEVERTHELESS, for the following uses and purposes and subject to the following terms and conditions:

FIRST: The Trustee shall invest and reinvest said property and any property added hereafter in such investments, including stocks both common and preferred, bonds or other securities, mortgages and in any common trust fund established by the Trustee pursuant to Connecticut General Statutes, Revision of 1949, Section 5205 or any amendments to or replacements of said section which may be hereafter enacted, as the Trustee may in its sole discretion deem advisable.

The Trustee is authorized and empowered to sell, exchange or transfer any and all of the property received hereunder or purchased by it in pursuance hereof; to collect and receive the income arising from the trust property, and generally to manage said trust property, all as it in its sole discretion deems advisable for the interest of the Hospital.

It is understood and agreed that for investment purposes the various funds held from time to time under this agreement may be commingled with each other and may be commingled in any common trust fund established by the Trustee as here provided. For accounting purposes only, the Trustee will maintain separate accounts for each of the funds held hereunder and will render to the Treasurer of the Hospital separate statements of account for each of said funds.

SECOND: The Trustee shall retain out of income a reasonable sum for its services as Trustee hereunder, and for all proper expenses incurred hereunder, and shall pay over to the Treasurer of the Hospital the balance of net income at quarterly intervals or at such other periods as the Treasurer of the Hospital and the Trustee may agree upon, designating the fund from which said income was derived.

THIRD: The Hospital reserves to itself the right to add additional property from time to time to any of the funds specified in Schedule A hereto attached, or to establish additional funds under this Agreement. All such additional property or new funds shall be specified in additional Schedules to be attached to this Agreement, and shall be held in accordance with the terms of this Agreement.

FOURTH: The Hospital reserves the right to withdraw any and all property held under this Agreement at any time upon reasonable notice to the Trustee.

---

FIFTH: This Agreement may be revoked by either party by giving reasonable notice in writing to the other party, or may be amended at any time by an instrument executed by both parties hereto.

Not add'l auth

SIXTH: The Trustee hereby accepts this trust upon the terms and conditions above set forth, and agrees that it will faithfully discharge all the duties of its office as such Trustee.

IN WITNESS WHEREOF, the parties hereto have duly executed this instrument this 24th day of January, 1951.

THE WATERBURY HOSPITAL

BY Kevin C. Mortimer (SEAL)

Treasurer

LAST WILL AND TESTAMENT OF ALMON B. DAYTON

Be it known to all persons, that I, ALMON B. DAYTON, of the City of Waterbury, County of New Haven and State of Connecticut, being of lawful age, of sound and disposing mind, memory and judgement, do hereby make, publish and declare this to be my Last Will and Testament, hereby revoking all previous wills and codicils by me made.

ARTICLE FIRST

I direct that all my just debts and funeral expenses be paid by my Executor hereinafter named.

ARTICLE SECOND

I give and bequeath to my wife, MABEL B. DAYTON, the diamond which was formerly owned by my uncle, CHARLES B. MATTOON, and which is now set in a pin which she wears, and I desire that at her death she leave this diamond to my niece, MARJORIE D. HITCHCOCK ELLER, of Pasadena, California. I also give and bequeath to my said wife the sum of TEN THOUSAND ($10,000) DOLLARS, and all of my household, furniture, furnishings, books, pictures, clothing, jewelry and other articles of personal use, together with such automobiles, tools, accessories and other articles pertaining thereto, as I may own at my death, to be hers absolutely.

ARTICLE THIRD

I give and bequeath to my niece, EDNA WOOLSON BEAN, of Santa Barbara, California, the sum of TWO HUNDRED ($200.) DOLLARS to be hers absolutely.

ARTICLE FOURTH

I give and bequeath to my niece, MARJORIE D. HITCHCOCK ELLER, of Pasadena, California, the sum of TWO HUNDRED ($200.) DOLLARS to be hers absolutely.

ARTICLE FIFTH

I give and bequeath to my nephew, GREGORY D. HITCHCOCK, of Pasadena, California, the sum of TWO HUNDRED ($200.) DOLLARS to be his absolutely.

ARTICLE SIXTH

I give and bequeath the sum of ONE THOUSAND ($1,000) DOLLARS to my mother, ANNA W. DAYTON, of Watertown, Connecticut, if living.

ARTICLE SEVENTH

I give and bequeath the sum of ONE THOUSAND ($1,000) DOLLARS unto my sister-in-law, EDNA L. FOSTER, if living, otherwise unto her issue surviving me.

ARTICLE EIGHTH

Unto each of the children of Stephen B. Boyd, deceased, formerly of Lexington, Massachusetts, who may be living at my death, I give and bequeath the sum of ONE HUNDRED ($100.) DOLLARS, to be to each of them absolutely.

ARTICLE NINTH

Unto each of the children of Clara H. B. Jameson, of Saugus, Massachusetts, who may be living at the time of my death, I give and bequeath the sum of ONE HUNDRED ($100.) DOLLARS, to be to each of them absolutely.

ARTICLE TENTH

I direct that all inheritance estate and succession taxes on any bequest hereinbefore made shall be paid from the residue of my estate, in order that said payments may be made in full.

ARTICLE ELEVENTH

All of the rest, residue and remainder of my estate, real and personal, wheresoever situated, I give, devise and bequeath unto my trustee hereinafter named, in trust nevertheless, to hold, manage, control, invest and reinvest in the manner by law provided, to collect the income and increment thereof, and to disburse the income and principal of said trust estate in the manner and form following, to-wit:

A. To pay the entire net income of said trust estate unto my wife, MABEL B. DAYTON, for and during the term of her natural life;
B. Should it be necessary to assure the comfortable maintenance of my said wife and to meet the expenses of any emergency which may arise, I authorize my trustee, in its discretion, to use so much of the principal of said trust estate as it shall consider necessary to provide for and assure the said comfort and maintenance of my said wife;
C. Upon the death of my said wife or if she shall have predeceased me, the net income of said trust shall thereafter be distributed as follows:

1) One-fifth of the net annual income of said trust shall be paid unto my niece, MARJORIE D. HITCHCOCK ELLER, if living, for and during the term of her natural life and upon her death, or if she shall have deceased, said share of said net income shall be paid annually in equal shares unto THE WATERBURY HOSPITAL of Waterbury, Connecticut, THE WATERBURY ANTI-TUBERCULOSIS LEAGUE OF WATERBURY, INCORPORATED, of said Waterbury and THE GAYLORD FARM SANITORIUM of Wallingford, Connecticut, in perpetuity.
2) One-fifth of the net annual income of said trust estate shall be paid unto my nephew, GREGORY D. HITCHCOCK, if living, for and during the term of his life, and upon his death, or if he shall have deceased, said share of said income shall be paid equally unto THE WATERBURY VISITING NURSE ASSOCIATION, THE LINCOLN HOUSE ASSOCIATION and THE SALVATION ARMY CORPS OF WATERBURY, in perpetuity.
3) One-fifth of the net annual income of said trust estate shall be paid unto my niece, EDNA WOOLSON BEAN, if living, for and during the term of her life, and upon her decease or if she shall have predeceased me, said share of said income shall be paid equally unto THE WATERBURY BOYS'CLUB, THE WATERBURY COUNCIL OF BOY SCOUTS, THE WATERBURY COUNCIL OF GIRL SCOUTS and THE EVERGREEN CEMETERY ASSOCIATION, INCORPORATED OF WATERTOWN, CONNECTICUT, all in perpetuity.
4) One-fifth of said net annual income shall be paid to THE YOUNG MEN'S CHRISTIAN ASSOCIATION, INCORPORATED OF WATERBURY, in perpetuity.
5) One-fifth of said net annual income shall be paid unto THE SECOND ECCLESIASTICAL SOCIETY OF WATERBURY, in perpetuity, to be used for the needy poor of the SECOND CONGREGATIONAL CHURCH OF WATERBURY.

If any one or more of the aforesaid religious and philanthropic organizations named as beneficiaries herein shall cease to exist or shall relinquish its corporate charter, or shall fail for any reason to function in the territory in which it is now located, its share of the income as hereinbefore determined shall be paid by my said trustee to THE WATERBURY FOUNDATION INCORPORATED OF WATERBURY, CONNECTICUT, to be used by the directors of said Foundation for religious or charitable purposes, preferably for some use similar to that performed by the corporation previously receiving said income.

ARTICLE TWELFTH

I hereby nominate, constitute and appoint The Citizens and Manufacturers National Bank of Waterbury as the Executor of and Trustee under this my Last Will and Testament to act in those capacities without furnishing any bond or other security whatsoever.

IN WITNESS WHEREOF, I have signed, sealed, published and declared this instrument as my Last Will and Testament, dated at said Waterbury on the 23rd day of August, A.D. One Thousand Nine Hundred and Forty.

ALMON B. DAYTON (L.S.)

Signed, sealed, published and declared by the said ALMON B. DAYTON as and for his Last Will and Testament, in the presence of us, who, at his request, in his presence, and in the presence of each other have hereunto subscribed our names as witnesses, on the 23rd, day of August, 1940.

WALTER L. ANGLE
ROBERT H. LEACH WITNESSES
THOMAS F. MOORE

STATE OF CONNECTICUT )
) SS. Waterbury, August 23, 1940
COUNTY OF NEW HAVEN )

We, the attesting witnesses to the foregoing Will of Almon B. Dayton, make affidavit and say: That we attested the within and foregoing Will and subscribed the same in the presence of and at the request of the Testator and in the presence of each other; that the said Testator signed, sealed, published and declared the said instrument as and for his Last Will and Testament, in our presence on the 23rd day of August, 1940; and that at the time of executing of said Will said Testator was of sound mind, memory and judgment and under no improper influence or restraint to the best of our knowledge and belief.

IN WITNESS WHEREOF, we have hereunto set our hands this 23rd day of August, A.D. 1940.

WALTER L. ANGLE
ROBERT H. LEACH
THOMAS F. MOORE

STATE OF CONNECTICUT )
) SS. Waterbury, August 23, 1940.
COUNTY OF NEW HAVEN )

Then personally appeared before me, WALTER L. ANGLE ROBERT H. LEACH and THOMAS F. MOORE and made oath to the truth of the foregoing affidavit.

ROBERT H. LEACH,
Notary Public.

Account # P 168 6/000
Doc. Code 20
Effective Date 6/19/07
Comments Recording Document

PV8465

KNOW ALL MEN BY THESE PRESENTS THAT:

WHEREAS:

1. By agreement bearing date September 12, 1944 between Natalie M. Dodd, as the Settlor, and Guaranty Trust Company of New York (now Morgan Guaranty Trust Company of New York) as the Trustee, a trust was created in respect of certain property therein referred to;

2. Under Clause 5 of said agreement the Settlor reserved and retained the right at any time and from time to time by a notice in writing signed and acknowledged by her and filed with the Trustee to alter, amend or modify said agreement in any and every respect;

3. Pursuant to the right reserved and retained as aforesaid, the Settlor altered, amended and modified said agreement by notices in writing signed and acknowledged by her and filed with the Trustee bearing dates April 26, 1950, November 17, 1958, September 1, 1959, May 22, 1967, September 28, 1970, December 3, 1973, and May 21, 1975 respectively; and

4. Pursuant to the right reserved and retained, as aforesaid, (now under Article Fourth of said agreement, as amended) the Settlor wishes to further modify said agreement;

NOW, THEREFORE, I, the undersigned, Natalie M. Dodd, the Settlor aforesaid, pursuant to the right reserved and retained in said agreement, as modified,

as aforesaid, do hereby alter, amend and modify said agreement so that said agreement and the whole thereof, excepting only the formal descriptive and signatory clauses at the beginning and at the end thereof shall, as now altered, amended and modified, read as follows:

"W I T N E S S E T H:

That the Settlor in consideration of One Dollar to her in hand paid by the Trustee, the receipt of which is hereby acknowledged, and of the covenants hereinafter contained, has simultaneously with the execution of this agreement, assigned, transferred, delivered and set over and by these presents doth assign, transfer, deliver and set over unto the Trustee the property listed in Schedules "A" and "B" hereto annexed, the receipt of which is hereby acknowledged by the Trustee:

TO HAVE AND TO HOLD said property in trust for the purposes and subject to the terms and conditions of this agreement:

First: To collect the income, interest and dividends of the trust and after deducting all proper charges and expenses, to pay or apply the net income therefrom to or for the use and benefit of the Settlor during her life-time.

The Trustee shall treat as income all rents, interest and income accrued and dividends declared but unpaid on the date of this agreement or on the transfer or delivery of property or securities to the Trustee, except that any interest accrued and past

due on bonds at the time such bonds are purchased or otherwise acquired by the Trustee shall be added to principal. The Trustee shall furnish income statements quarterly to the Settlor.

At any time and from time to time during the Settlor's lifetime, the Trustee, in its absolute judgment and discretion as to the necessity therefor in properly maintaining the Settlor, may pay or apply to or for the use and benefit of the Settlor any part or all of the principal of the trust and in exercising its judgment and discretion it shall not have any duty to take into consideration the interest of other persons who have or may have an interest in the trust assets, or to take into consideration the income of the Settlor from other sources or other property that she may own. In order to carry into effect this power and authority, the Trustee for this purpose shall have an unlimited power of sale. In making application of funds (principal or income) for the use and benefit of the Settlor the Trustee may pay such funds to such person or persons as the Trustee may see fit, without any duty to see to their proper application.

The Settlor hereby expressly reserves and retains the right at any time and from time to time during her lifetime by a notice in writing, signed by her and filed with the Trustee, to withdraw any or all of the property subject to the trust hereby created and to take possession of the same, after provision has been made for

the payment of the Trustee's compensation and other expenses of administration.

It is hereby expressly understood and agreed that the Settlor or any other person or corporation shall have the right, with the consent of the Trustee, at any time and from time to time during the Settlor's lifetime to assign, transfer, deliver or deposit with the Trustee additional securities or property which thereupon shall become a part of the trust and subject in every respect to the terms and conditions of this agreement.

The Settlor specifically reserves the right to give, bequeath or devise by her will to this trust or the Trustee hereunder a legacy or legacies or a part of her residuary estate or proceeds of life insurance or otherwise (provided such property is acceptable to the Trustee) to be held in trust as an addition to and part of the trust estate hereby created and the Trustee upon receiving such legacy or part of such residuary estate shall administer and dispose of the same as part of the trust estate as herein directed.

Second: (a) The Trustee is authorized and empowered to retain any property at any time received by it with full power and authority to change investments and to sell, invest and reinvest the principal in such stocks (common and preferred), bonds and property as it in its discretion may determine and whether or not the same be authorized by law for the investment of trust funds; provided, however, that during the time the Settlor is not under any disability or incapacity, the Trustee

shall sell, invest and reinvest the said principal only with the written consent of the Settlor. The Trustee shall make recommendations to the Settlor from time to time in respect of sales and investments but the Trustee shall not be liable or responsible in any way for any depreciation or loss incurred by reason of the Settlor having failed to give her consent to any sales, investments or reinvestments or other action recommended by the Trustee, or for making sales or investments or reinvestments or exercising other powers directed by the Settlor which are not approved in writing by it prior to the giving of such direction. The Trustee shall furnish proxies (as to either discretionary or ministerial matters) in respect of any shares of stock at any time forming a portion of the principal in its absolute discretion; provided, however, that during the period when the Settlor is not under any disability or incapacity the Trustee shall furnish such proxies, only with her written consent.

(b) The Trustee shall make such sales, investments or reinvestments and exercise such other powers conferred in this Article Second as may be directed by the Settlor during the time she is not under any disability or incapacity.

(c) In respect of any investments at any time constituting a portion of the corpus of the trust herein created, the Trustee shall have the right with the written consent of the Settlor to join in or become a party to any agreement of reorganization, readjustment, merger, consolidation or exchange, to deposit

any such securities thereunder, or to exercise rights to subscribe to new securities, and to pay and charge the principal of such trust with any sums which may be required thereby, and to receive and hold any new securities issued as a result thereof, whether or not the same be authorized by law for the investment of trust funds.

(d) The Trustee shall be entitled to assume that the Settlor is not under any disability or incapacity unless it receives written advice to the contrary, which it considers reliable.

Third: The Settlor hereby expressly reserves and retains the right at any time during her lifetime by a notice in writing, signed and acknowledged by her and filed with the Trustee, to revoke this agreement and the trusts hereby created in whole or in part and to take possession of the property constituting at such time the principal of the trust, after provision has been made for the payment of the Trustee's compensation and other expenses of administration, free and discharged from this agreement and the trusts created hereby and also reserves and retains the right at any time and from time to time by a notice in writing, signed and acknowledged by her and filed with the Trustee, to alter, amend or modify this agreement in any and every respect provided, however, that the rights, duties and responsibilities of the Trustee hereunder shall not be changed without its written consent.

Fourth: Upon the death of the Settlor, the Trustee shall dispose of the remaining principal of the trust as follows:

I. The Settlor intends to leave a last will and testament directing that her debts, all funeral and other expenses of administering her estate, (including attorneys' fees and executor's commissions,) and all estate, inheritance, transfer, succession and other similar taxes imposed by reason of her death (together with interest and penalties, if any, thereon), including all such taxes imposed upon or with respect to the property passing hereunder or any other property which passes or has passed other than under the Settlor's will or imposed upon or with respect to any recipient thereof and also all general legacies are to be paid out of such of the Settlor's testamentary assets as are not specifically devised and bequeathed under her will. The Settlor hereby directs that, if her testamentary assets passing under her will are not sufficient, without resorting to property specifically devised or bequeathed thereunder, to pay all of such debts, expenses, taxes and general legacies, (if Paul G. Heroux shall survive the Settlor, the Settlor expects that such testamentary assets will not be sufficient for such purposes) then the Trustee shall, upon the certification of any such insufficiency by the Settlor's executors, pay the amount of such insufficiency to or for the account of said executors. The Trustee may rely solely upon the written certification of such executors and shall have no duty or responsibility to make

any further inquiry or to take part in the determination of such taxes, and upon making such payments shall have no further liability to anyone whomsoever in connection therewith;

II. The Trustee shall pay the balance of the remaining principal of the trust as follows:

A. If either Paul G. Heroux or his wife, Lynn D. Heroux, shall survive the Settlor, the Trustee shall pay the same to a separate trust (hereinafter sometimes referred to as the "Charitable Remainder Unitrust") and shall hold, manage and dispose of the same as provided in Article Fifth hereof.

B. If neither Paul G. Heroux nor his wife, Lynn D. Heroux, shall survive the Settlor, the Trustee shall pay the same as follows:

15% thereof to The Waterbury Hospital Waterbury, Connecticut;

15% thereof to The National Foundation (March of Dimes) to be used for medical research in arthritis;

15% thereof to American Cancer Society, Incorporated to be used for medical research;

15% thereof to American Foundation for the Blind, Inc.;

15% thereof to First Church of Bethlehem (United Church of Christ) Bethlehem, Connecticut; and

25% thereof to The Cincinnati Symphony Orchestra in memory of Frank Dayton Jamison and Kathrine Dodd Jamison.

Fifth: Under Article Fourth hereof provision is made for the disposition under this Article Fifth of certain property in the event that either Paul G. Heroux or his wife, Lynn D. Heroux, shall survive the Settlor. The Trustee shall hold the same in the Charitable Remainder Unitrust and shall manage and dispose of the same as follows:

(A) If Paul G. Heroux shall survive the Settlor, then during his lifetime, the Trustee shall pay, in each taxable year of the Charitable Remainder Unitrust, to Paul G. Heroux an amount which shall be equal to six percent (6%) of the net fair market value of the trust assets, determined annually as of the first day of each taxable year of the trust.

(B) If Paul G. Heroux shall survive the Settlor and shall predecease his wife, Lynn D. Heroux, then after the death of Paul G. Heroux and during the lifetime of his wife, Lynn D. Heroux, the Trustee shall pay, in each taxable year of the Charitable Remainder Unitrust, to Lynn D. Heroux an amount which shall be equal to six percent (6%) of the net fair market value of the trust assets, determined annually as of the first day of each taxable year of the trust.

(C) If Paul G. Heroux shall not survive the Settlor and if his wife, Lynn D. Heroux shall survive the Settlor, then during the

lifetime of Lynn D. Heroux the Trustee shall pay, in each taxable year of the Charitable Ramainder Unitrust, to Lynn D. Heroux an amount which shall be equal to six percent (6%) of the net fair market value of the trust assets, determined annually as of the first day of each taxable year of the trust.

Such amounts as are required to be paid to the above-named beneficiary under this Article Fifth shall hereinafter be referred to as "unitrust pay-outs." The beneficiary's entitlement to unitrust pay-outs from this Charitable Remainder Unitrust shall accrue on a daily basis (predicated on a year of three hundred sixty-five (365) or three hundred sixty-six (366) days, as the case may be); however, actual payments shall be made in quarterly installments. Such unitrust pay-outs shall be a first charge against the income and, to the extent necessary, a charge against the principal of the trust. Any income not so paid shall be added to principal.

The obligation to pay unitrust pay-outs shall commence with the date of the Settlor's death, but payment of the unitrust pay-outs may be deferred, but need not be deferred from the date of the Settlor's death to the end of the taxable year of the Charitable Remainder Unitrust in which occurs the complete funding of this Charitable Remainder Unitrust. Within a reasonable time after the occurrence of said event,

the Trustee shall pay to the beneficiary, in the case of an underpayment, or must receive from the beneficiary, in the case of an overpayment, the difference between (a) the total unitrust pay-out payable as determined under the manner described in Section 1.664-1(a)(5)(ii) of the Federal Income Tax Regulations and (b) the sum of any amount previously distributed and interest thereon computed at six per cent (6%) a year, compounded annually, from the date of distribution to the occurrence of said event.

In computing the net fair market value of the trust assets there shall be taken into account all accrued assets and accrued liabilities.

If the net fair market value of the trust assets is incorrectly determined, the Trustee shall pay to the beneficiary, in the case of an undervaluation, or must receive from the beneficiary, in the case of an overvaluation, an amount equal to the difference between the amount which the Trustee should have paid to the beneficiary if the correct value were used and the amount which the Trustee actually paid within a reasonable period after the final determination of such value.

(D) Upon the death of the survivor of Paul G. Heroux and his wife, Lynn D. Heroux, the Trustee shall pay over the then remaining principal as follows:

15% thereof to The Waterbury Hospital Waterbury, Connecticut;

15% thereof to The National Foundation (March of Dimes) to be used for medical research in arthritis;

15% thereof to American Cancer Society, Incorporated to be used for medical research;

15% thereof to American Foundation for the Blind, Inc.;

15% thereof to First Church of Bethlehem (United Church of Christ) Bethlehem, Connecticut; and

25% thereof to The Cincinnati Symphony Orchestra in memory of Frank Dayton Jamison and Kathrine Dodd Jamison.

(E) Without limiting any other powers granted by this agreement or authorized by law, the Trustee shall have the following powers and discretions:

(1) to invest and reinvest in any property, real or personal, and wherever situate, including, but not by way of limitation, common and preferred stocks, bonds, notes, debentures, mortgages and certificates of deposit, without being limited to the class of securities in which trustees are authorized by law or any rule of court to invest trust funds and without regard to the proportion any such property may bear to the entire amount of the trust properties;

(2) to retain any property at any time received by it;

(3) to sell or exchange any property at any time held by it at either public or private sale for cash or on credit and grant options for the purchase or exchange thereof;

(4) to participate in any plan of reorganization, consolidation, merger, combination or other similar plan relating to

such property and to consent to, or to oppose, any such plan and any action thereunder, or any contract, lease, mortgage, purchase, sale or other action by any corporation;

(5) to deposit any such property with any protective, reorganization or similar committee, to delegate discretionary power thereto and to pay and agree to pay part of its expenses and compensation and any assessments levied with respect to any such property so deposited;

(6) to exercise all conversion and subscription rights pertaining to any such property;

(7) to extend the time of payment of any obligation;

(8) to exercise all voting rights with respect to any investment and to grant proxies, discretionary or otherwise;

(9) to cause any investments to be registered and held in the name of one or more of its nominees, without increase or decrease of liability;

(10) To collect and receive any and all money and other property due to the trust and to give full discharge and acquittance therefor;

(11) to prepay or accept prepayment of any debt;

(12) to settle, compromise or submit to arbitration any claims, debts or damages due or owing to or from the trust; to commence or defend suits or legal proceedings whenever, in its judgment, any interest of the trust requires it; and to represent the trust in all suits or legal proceedings in any court of law or equity or before any body or tribunal; and

(13) Generally to do all acts, whether or not expressly authorized, which the Trustee may deem necessary or desirable for the protection of the trust properties.

(F) No additional property may be contributed to the Charitable Remainder Unitrust after the initial contribution.

(G) Nothing contained herein shall be construed as restricting the Trustee from investing assets of the Charitable Remainder Unitrust in a manner which could result in the annual realization of a reasonable amount of income or gain from the sale or disposition of trust assets.

(H) No bond shall be required of the Trustee or of any successor Trustee acting hereunder.

(I) The Charitable Remainder Unitrust shall be irrevocable and may not be altered or amended.

(J) It is intended that the trust shall qualify as a charitable remainder unitrust as that term is used in section 664 of the Internal Revenue Code of 1954, as the same is now in force or may hereafter be amended in order that the contribution to the trust will, to the extent allowable, qualify for a deduction for Federal estate tax purposes. Accordingly, the provisions of the Charitable Remainder Unitrust shall be construed and interpreted so as to permit the trust to qualify as such charitable remainder unitrust and so as to permit the contribution to the trust to be deductible, to the extent allowable, for Federal estate tax purposes.

Sixth: Notwithstanding any direction to the contrary contained in this agreement, after the death

of the Settlor, except with respect to the unitrust payments, the Trustee is prohibited (i) from engaging in any act of "self-dealing" (as defined in section 4941(d) of the Internal Revenue Code of 1954), (ii) from retaining any "excess business holdings" (as defined in section 4943(c) of the Internal Revenue Code of 1954) which would subject the trust to tax under said section 4943, (iii) from making any investments which would subject this trust to tax under section 4944 of the Internal Revenue Code of 1954, and (iv) from making any "taxable expenditures" (as defined in section 4945(d) of the Internal Revenue Code of 1954). The Trustee shall make distributions at such time and in such manner as not to subject the trust to tax under section 4942 of the Internal Revenue Code of 1954.

Seventh: In the event that an organization to which a portion or all of the remaining principal of the trust is directed to be paid shall not exist or shall not be an exempt organization at the time of the Settlor's death, such portion or all, as the case may be, of the remaining principal of the trust shall be paid, in the same proportions as aforementioned, to such of the aforementioned organizations as shall then be in existence and exempt organizations, or, if none of the aforementioned organizations shall then be in existence and an exempt organization, the same shall be paid only to such exempt organization or exempt organizations, in the shares and proportions, as the Trustee, in its absolute discretion,

shall determine. As used herein the term "exempt organization" means an organization described in sections 170(c), 2055(a) and 2522(a) of the Internal Revenue Code of 1954.

Eighth: It is expressly understood that the Trustee shall have the right at any time to resign by giving a written notice of its resignation to the Settlor.

Ninth: The Trustee shall have the right to employ counsel at the expense of the trust estate when, in the opinion of the Trustee, legal services may be necessary or proper in connection with the administration of the trust.

Tenth: The laws of the State of New York shall govern the validity, interpretation and administration of this agreement and the trusts herein created and the Trustee shall be liable to account only in the State of New York.

Eleventh: The Trustee by joining in the execution of this agreement hereby signifies its acceptance of the trust."

IN WITNESS WHEREOF, I, the said Natalie M. Dodd, have hereunto set my hand and seal this 18th day of May, 1976.

Natalie M. Dodd (L.S.)
Natalie M. Dodd

In the Presence of:

STATE OF CONNECTICUT )
: ss.:
COUNTY OF LITCHFIELD )

On this 18th day of May, 1976, before me personally came Natalie M. Dodd, to me known and known to me to be the person described in and who executed the foregoing instrument and she duly acknowledged to me that she executed the same.

Grace N. Lemoine
Notary Public
My Commission Expires 3/31/81

The Trustee hereby consents to the foregoing alteration, amendment and modification and admits the delivery of the above instrument.

MORGAN GUARANTY TRUST COMPANY OF NEW YORK

By David J. Avenius
V P

(SEAL)

ATTEST:

James P. Fallon
ASSISTANT TRUST OFFICER

STATE OF NEW YORK )
: ss.:
COUNTY OF NEW YORK )

On this 18th day of May, 1976, before me personally came DAVID J. AVENIUS, to me known, who, being by me duly sworn, did depose and say that he resides at 162 Elm St., Tenafly, N. J. and is a TRUST OFFICER of MORGAN GUARANTY TRUST COMPANY OF NEW YORK, the corporation described in and which executed the foregoing consent; that he knows the seal of said corporation; that the seal affixed to said consent is such corporate seal; that it was so affixed by order of the Board of Directors of such corporation and that he signed his name thereto by like order.

Notary Public, State of New York
No. 30-7027423
Qualified in Nassau County
Cert. Filed in New York County
Commission Expires March 30, 1978

I, Natalie M. Dodd, of Bethlehem, Connecticut, make, publish and declare this to be my last will and testament, hereby revoking all other wills and codicils by me at any time heretofore made.

First: I give, devise and bequeath:

(i) to my cousin, Philip Young Williams, if he shall survive me, the sum of Fifty thousand dollars ($50,000) and my oil painting of mother and two children by Jessie Wilcox Smith, the same to be delivered to him at the expense of my estate;

(ii) to my cousin, Katherine Williams Wilson, if she shall survive me, the sum of Twenty-five thousand dollars ($25,000), my rosewood painting desk, my kidney-shaped desk, my small square three-drawer desk, my swing-leg mahogany card table, my large brass bucket and my breast pin of three black onyx circles with diamond in center, the same to be delivered to her at the expense of my estate; and

(iii) to Paul G. Heroux, if he shall survive me, all the rest, residue and remainder of the tangible personal property owned by me at the time of my death and all real property owned by me at the time of my death.

Second: If the legacy and devise to Paul G. Heroux under Article First of this my will shall lapse, I direct my executor to sell the property which is the subject of such lapsed legacy and devise and apply the proceeds toward the payment of my debts, funeral and administration expenses, taxes and general legacies, any excess to be added to the residuary estate.

RECEIVED
Date 9/13/84
WOODBURY PROBATE COURT

Third: I give and bequeath:

(1) to Hazel Corbin, if she shall survive me, the sum of Ten thousand dollars ($10,000);

(2) to Sarah Ward Gould, if she shall survive me, the sum of Ten thousand dollars ($10,000);

(3) to Anita M. Jones, if she shall survive me, the sum of Ten thousand dollars ($10,000);

(4) to Margaret Reid, if she shall survive me, the sum of Ten thousand dollars ($10,000);

(5) to Mary Harrigan, if she shall survive me, the sum of Ten thousand dollars ($10,000);

(6) to Grace Roedel, if she shall survive me, the sum of Ten thousand dollars ($10,000);

(7) to Dorothy Rogers, if she shall survive me, the sum of Ten thousand dollars ($10,000);

(8) to Roger J. Paquette, if he shall survive me, the sum of Ten thousand dollars ($10,000);

(9) to Kate Hyder, if she shall survive me, the sum of Five thousand dollars ($5,000);

(10) to Anne Ryle, if she shall survive me, the sum of Five thousand dollars ($5,000);

(11) to Betsy Elizabeth Braxton Crawford, if she shall survive me, the sum of Five thousand dollars ($5,000); and

(12) to Marguerite G. Booth, if she shall survive me, the sum of Two thousand, five hundred dollars ($2,500).

Fourth: All the rest, residue and remainder of the property of every kind and description and wheresoever situated which shall belong to me or be subject to my disposal at the time of my death I give, devise and bequeath to Morgan Guaranty Trust Company of New York as Trustee under trust agreement made by me, as Settlor, bearing date of September 12, 1944, as amended. If Paul G. Heroux shall survive me, I expect that there will not be any property passing under this Article Fourth.

Fifth: All estate, inheritance, transfer, succession and other similar taxes imposed by reason of my death (together with interest and penalties, if any, thereon), including all such taxes imposed upon or with respect to the trust property held under the aforesaid trust agreement with Morgan Guaranty Trust Company of New York as Trustee or any other property which passes or has passed otherwise than under this my will or imposed upon or with respect to any recipient thereof, shall be paid out of my estate as an expense of administration thereof and shall not be apportioned. If my testamentary assets passing under this my will are not sufficient, without resorting to property which I have specifically devised or bequeathed hereunder, to pay my debts and funeral and administration expenses, (including attorneys' fees and executor's commissions) and all such estate, inheritance, transfer, succession and other similar taxes (and interest and penalties, if any thereon), and all legacies (if Paul G. Heroux shall survive me, I expect that such testamentary assets will not be sufficient for such purpose) then I direct my executors to certify the amount

of such insufficiency to the Trustee acting under the aforesaid trust agreement and I direct said Trustee to pay such amount out of the principal of the trust property to or for the account of my executors.

Sixth: I appoint John J. Barrett and Paul G. Heroux executors of this my will.

If neither John J. Barrett nor Paul G. Heroux shall qualify as executor, or one, or both, having qualified, if neither shall complete the estate administration, I appoint Morgan Guaranty Trust Company of New York executor hereof. If Morgan Guaranty Trust Company of New York acts as executor, it shall be entitled to receive compensation of not less than ten thousand dollars ($10,000).

I direct that no bond or other security shall be required of any executor, preliminary executor or administrator c.t.a. hereof.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 18th day of May, 1976.

Natalie M. Dodd

Signed, sealed, published and declared by Natalie M. Dodd, the testatrix, as and for her last will and testament in our presence; and we thereupon, at her request and in her presence and in the presence of each other, have hereunto subscribed our names as attesting witnesses and our respective places of residence on the day of the execution thereof.

residing at 325 East 79th St NYC

residing at Waterbury, Conn

residing at

STATE OF CONNECTICUT )
: ss.: May 18, 1976
COUNTY OF LITCHFIELD )

Then and there personally appeared the within named JOHN J. BARRETT and CARLETON K MATHES, who, being duly sworn, depose and say: that they witnessed the execution of the within will of the within named testatrix, Natalie M. Dodd; that said testatrix subscribed said will and declared the same to be her last will and testament in their presence; that they thereafter subscribed the same as witnesses in the presence of said testatrix and in the presence of each other and at the request of said testatrix; that the said testatrix at the time of the execution of said will appeared to them to be of full age and of sound mind and memory and that they make this affidavit at the request of said testatrix.

SUBSCRIBED AND SWORN TO before me the day and year above written.

Grace N. Lemoine
Notary Public
My commission expires 3/31/81

A CERTIFIED COPY
ATTEST: Helen P. Dunlap
~~JUDGE~~ CLERK

# LAST WILL AND TESTAMENT
# AND CODICIL
# OF
# JOHN P. ELTON
## LATE OF
## WATERBURY, CONNECTICUT

I, JOHN P. ELTON, of Waterbury, County of New Haven, State of Connecticut, do make and constitute this my Last Will and Testament, hereby revoking all wills and codicils by me at any time heretofore made.

1. I direct that all my just debts and funeral expenses be paid by my Executor hereinafter named.

2. I give and bequeath to my wife, ELIZABETH DEBORAH STEELE ELTON, should she survive me, all of my household furniture and furnishings, household supplies, books, pictures, wearing apparel, jewelry, and all articles of a similar and personal nature, together with my automobiles and garage equipment and tools appurtenant thereto, to be hers absolutely. Should my said wife not survive me, I give and bequeath said foregoing property to my daughters, DEBORAH RICHMOND ELTON ALLEN and CHARLOTTE ELTON CROSS, to be divided equally between them, as nearly as may be by my Executor.

3. Whereas in my years of participation in the administration of the government of the City of Waterbury and in the development and centralization of its activities in or about the location of the present City Hall I have observed and still anticipate a need for land in that locality to be perpetually available for the expansion of its civic functions, I give, devise and bequeath to the CITY OF WATERBURY, a municipal corporation located in the State of Connecticut, the real property used by me as a homestead and situated at the corner of Grand Street and Church Street, in said Waterbury, provided, however, that my wife, Elizabeth Deborah Steele Elton, shall be entitled to occupy the same as her home for and dur-

ing her life, or so long as she shall desire to do so, she to pay the expenses of upkeep of said property and all taxes properly to be levied thereon during the period of her occupancy, and further provided, that no building or other superstructure shall be built or placed upon the westerly portion of said land within twenty (20) feet of the present building of The Southern New England Telephone Company, to be to the City of Waterbury, and its successors and assigns, forever. It is my earnest desire, without hereby intending to create a trust or to restrain in any way the alienation of said property should it seem desirable so to do, that the City of Waterbury continue to hold said property and use the same for public, civic or municipal purposes.

4. I give and bequeath to THE MATTATUCK HISTORICAL SOCIETY, of Waterbury, Connecticut, my entire collection of postage stamps, to be its absolutely. It is my desire that the collection of United States stamps and other items not of local historical value be sold and that the net proceeds thereof be added to the permanent funds of the Society. As to the collection of Waterbury cancellations, which are of local interest value, it is my desire that these either be retained for exhibition purposes or be sold as said Society may think will most contribute to the purposes and interests of the Society. Should said collection of Waterbury cancellations be sold, I direct that the net proceeds thereof be added to the permanent fund of the Society.

5. I give and bequeath to EZEKIEL ACEBO, if he be in my employ at the time of my death, the sum of One Thousand Dollars ($1,000.00) to be his absolutely. To each of the other servants who may be employed in my household at my death, except Mrs. IDA

JOHNSON for whom other provision is made, I give and bequeath the sum of One Hundred Dollars ($100.00) for each full year of such service, to be to each of them absolutely.

6. I give and bequeath to THE COLONIAL TRUST COMPANY, of Waterbury, Connecticut, the sum of One Hundred Thousand Dollars ($100,000.00) in trust, however, for the following purposes:

Said Trustee shall pay over the net income arising therefrom to my wife, ELIZABETH DEBORAH STEELE ELTON, quarterly or at such other periods as may be mutually agreed upon, for and during her life.

Upon the death of my said wife, or if she shall predecease me then upon my death, said Trustee shall pay over from the income thereof the sum of One Hundred Dollars ($100.00) each month to Mrs. IDA JOHNSON, for and during her life and upon her death to her husband, Mr. GUSTAV JOHNSON, for and during his life. The balance of said net income and the entire net income after the death of my said wife and the said Ida and Gustav Johnson, shall be paid over, quarterly or at such other periods as may be mutually agreed upon, in equal shares, to ST. JOHN'S PARISH OF THE PROTESTANT EPISCOPAL CHURCH, of Waterbury, Connecticut, and to THE WATERBURY HOSPITAL, of Waterbury, Connecticut, to be to each of them absolutely.

7. I give and bequeath to THE COLONIAL TRUST COMPANY, of Waterbury, Connecticut, the sum of One Hundred Thousand Dollars ($100,000.00), in trust, however, for the following purposes:

Said Trustee shall pay over the net income arising therefrom to my daughter, DEBORAH ELTON ALLEN, quarterly or at such other

see codicil dtd 6/26/47

periods as may be mutually agreed upon, for and during her life.

Upon the death of my daughter, or if she should predecease me then upon my death, the trust fund then in the hands of the Trustee shall be divided by the Trustee among the then living issue of said daughter in shares per stirpes, and the Trustee shall hold in trust or pay over such shares as follows:

A. The share of any of said issue who were born prior to the death of the Testator shall be separately held in trust for each such issue. The Trustee shall apply for or pay over to each of said issue, quarterly or at such other periods as may be mutually agreed upon, for and during the life of each, the net income arising from his or her share, provided, however, that if said issue be under twenty-one years of age the Trustee shall apply for or pay over to such issue only so much of the net income as it shall deem proper and necessary for the support and education of such issue, retained income to be accumulated or added to principal at the discretion of the Trustee. Upon the death of each of said issue, his or her trust fund shall be disposed of as follows:

(a) Should said issue leave surviving issue, his or her trust fund shall be divided among his or her issue in shares per stirpes, to be held in trust, however, and the Trustee shall apply for or pay over to such issue all or such portion of the net income of his or her share as the Trustee may in its sole discretion deem proper and necessary for the support and education of such issue, retained income to be accumulated or added to principal at the discretion of the Trustee, until such issue attains the age of twenty-one years, at which time the trust shall cease and the trust fund then in the hands of the Trustee shall be paid over and

delivered to such issue to be theirs absolutely, free of all trust. Should any of such issue die before attaining the age of twenty-one years the trust shall cease and the trust funds then in the hands of the Trustee shall be paid over to the then living issue of such issue, if any there be, free of all trust, or if there be none, to the then living brothers or sisters of such issue, or if none, to the other then living issue of my said daughter, taking per stirpes, or if none, to my other then living issue taking per stirpes, in each case to be added to any then existing trust funds of the taker created under this paragraph of my will, or if none, to become theirs absolutely, free of all trust.

(b) Should said issue leave no surviving issue, his or her trust fund shall be divided among his or her then living brothers or sisters, and the then living issue of deceased brothers or sisters, in shares per stirpes, or if there be none, among the other then living issue of my said daughter in shares per stirpes, or if none, to my other then living issue in shares per stirpes, in each case to be added to any then existing trust funds of the taker created under this paragraph of my will, or if none, to become theirs absolutely, free of all trust.

B. The shares of any of said issue who were born after the death of the Testator and who have attained the age of twenty-one years shall be paid over to them, to be theirs absolutely. The shares of any of said issue who were born after the death of the Testator and who have not attained the age of twenty-one years, shall be held separately in trust, and the Trustee shall apply for or pay over to such issue all or such portion of the net income thereof as it may in its sole discretion deem proper and necessary for the support and education of

such issue, retained income to be accumulated or added to principal at the discretion of the Trustee until such issue attains the age of twenty-one years, at which time the trust shall cease and the trust fund then in the hands of the Trustee shall be paid over and delivered to such issue to be theirs absolutely, free of all trust. Should any of such issue die before attaining the age of twenty-one years the trust shall cease and the trust funds then in the hands of the Trustee shall be paid over to the then living issue of such issue, if any there be, free of all trust, or if there be none, to the then living brothers and sisters of such issue, or if none, to my other daughter or if she be deceased to her then living issue, taking per stirpes, in each case to be added to any then existing trust funds of the taker created hereunder, or if none, to become theirs absolutely, free of all trust.

C. At any time during the continuance of any of the trusts established under Paragraphs A. and B. hereof should any of the beneficiaries thereof be without sufficient resources for his or her comfortable support and education I authorize and empower the Trustee to use for or pay over to such beneficiary so much of the principal of its trust fund as the Trustee shall in its sole discretion deem wise and reasonable therefor.

8. I give and bequeath to THE COLONIAL TRUST COMPANY, of Waterbury, Connecticut, the sum of One Hundred Thousand Dollars ($100,000.00), in trust, however, for the following purposes:

Said Trustee shall pay over the net income arising therefrom to my daughter, CHARLOTTE ELTON CROSS, quarterly or at such other periods as may be mutually agreed upon, for and during her life.

Upon the death of my daughter, or if she should predecease me then upon my death, the trust fund then in the hands of the Trustee shall be divided by the Trustee among the then living issue of such daughter in shares per stirpes, and the Trustee shall hold in trust or pay over such shares as follows:

A. The share of any of said issue who were born prior to the death of the Testator shall be separately held in trust for each such issue. The Trustee shall apply for or pay over to each of said issue, quarterly or at such other periods as may be mutually agreed upon, for and during the life of each, the net income arising from his or her share, provided, however, that if said issue be under twenty-one years of age the Trustee shall apply for or pay over to such issue only so much of the net income as it shall deem proper and necessary for the support and education of such issue, retained income to be accumulated or added to principal at the discretion of the Trustee. Upon the death of each of said issue, his or her trust fund shall be disposed of as follows:

(a) Should said issue leave surviving issue, his or her trust fund shall be divided among his or her issue in shares per stirpes, to be held in trust, however, and the Trustee shall apply for or pay over to such issue all or such portion of the net income of his or her share as the Trustee may in its sole discretion deem proper and necessary for the support and education of such issue, retained income to be accumulated or added to principal at the discretion of the Trustee, until such issue attains the age of twenty-one years, at which time the trust shall cease and the trust fund then in the hands of the Trustee shall be paid over and delivered to such issue to be theirs absolutely, free of all trust. Should any of such issue die

before attaining the age of twenty-one years the trust shall cease and the trust funds then in the hands of the Trustee shall be paid over to the then living issue of such issue, if any there be, free of all trust, or if there be none, to the then living brothers or sisters of such issue, or if none, to the other then living issue of my said daughter, taking per stirpes, or if none, to my other then living issue taking per stirpes, in each case to be added to any then existing trust funds of the taker created under this paragraph of my will, or if none, to become theirs absolutely, free of all trust.

(b) Should said issue leave no surviving issue, his or her trust fund shall be divided among his or her then living brothers or sisters, and the then living issue of deceased brothers or sisters, in shares per stirpes, or if there be none, among the other then living issue of my said daughter in shares per stirpes, or if none, to my other then living issue in shares per stirpes, in each case to be added to any then existing trust funds of the taker created under this paragraph of my will, or if none, to become theirs absolutely, free of all trust.

B. The shares of any of said issue who were born after the death of the Testator and who have attained the age of twenty-one years shall be paid over to them, to be theirs absolutely. The shares of any of said issue who were born after the death of the Testator and who have not attained the age of twenty-one years, shall be held separately in trust, and the Trustee shall apply for or pay over to such issue all or such portion of the net income thereof as it may in its sole discretion deem proper and necessary for the support and education of such issue, retained income to be accumulated or added to principal at the discretion of the

Trustee until such issue attains the age of twenty-one years, at which time the trust shall cease and the trust fund then in the hands of the Trustee shall be paid over and delivered to such issue to be theirs absolutely, free of all trust. Should any of such issue die before attaining the age of twenty-one years the trust shall cease and the trust funds then in the hands of the Trustee shall be paid over to the then living issue of such issue, if any there be, free of all trust, or if there be none, to the then living brothers and sisters of such issue, or if none, to my other daughter or if she be deceased to her then living issue, taking per stirpes, in each case to be added to any then existing trust funds of the taker created hereunder, or if none, to become theirs absolutely, free of all trust.

C. At any time during the continuance of any of the trusts established under Paragraphs A. and B. hereof should any of the beneficiaries thereof be without sufficient resources for his or her comfortable support and education I authorize and empower the Trustee to use for or pay over to such beneficiary so much of the principal of its trust fund as the Trustee shall in its sole discretion deem wise and reasonable therefor.

9. I give and bequeath to TRINITY COLLEGE, of Hartford, Connecticut, to be added to and become a part of the Elton Scholarship Fund established by my father, the sum of Fifteen Thousand Dollars ($15,000.00).

10. All of the rest and residue of my estate, both real and personal, and wheresoever situated, including any lapsed or void legacies or devises, I give, devise and bequeath to THE COLONIAL TRUST COMPANY, of Waterbury, Connecticut, in trust, however, for the following purposes:

Said Trustee shall pay over the net income arising therefrom to my wife, ELIZABETH DEBORAH STEELE ELTON, quarterly or at such other periods as may be mutually agreed upon, for and during her life. If said net income, together with such other income as she may have, shall be insufficient for her comfortable support and maintenance, I hereby authorize and empower said Trustee to pay over to my said wife, from time to time, so much of the principal of this trust fund as, in its discretion, shall be necessary for such purposes.

Upon the death of my said wife, or if she shall predecease me then upon my death, said Trustee shall distribute the principal of said trust fund then remaining as follows:

The sum of Twenty-five Thousand Dollars ($25,000.00) shall be held in a separate trust by said Trustee for the benefit of my son, SAMUEL ELTON, and the sum of Twenty-five Thousand Dollars ($25,000.00) shall be held in a separate trust by said Trustee for the benefit of my son, JOHN BUELL ELTON. Said Trustee shall pay over the net income arising from the trust fund of each to each of my said sons, quarterly or at such other periods as may be mutually agreed upon, for and during the life of each. If said net income, together with such other resources as each son may have, shall be insufficient for his comfortable support and maintenance, I hereby authorize and empower said Trustee to pay over to each son, from time to time, so much of the principal of the fund then held for his benefit as, in its sole discretion, shall be necessary for such purposes, provided, however, that as to either of my said sons the Trustee shall not so pay over to him in excess of One Thousand Dollars ($1,000.00) of principal in any one year. Upon

the death of either son or should either son be not living at the time appointed for setting up the trust fund as to him, the trust fund as to such son shall cease and determine and the principal thereof then remaining shall be paid over to his issue then living, taking per stirpes, or if there be no issue then living shall be divided per stirpes among the other of my children then living and the then living issue of any children who may then be deceased, in each case to be added to any then existing trust fund of the taker created hereunder, or, if none, to become theirs absolutely.

The sum of Fifty Thousand Dollars ($50,000.00) shall be held in a separate trust by said Trustee in perpetuity, the net income thereof to be paid over quarterly, or at such other periods as may be mutually agreed upon, to THE WATERBURY FOUNDATION, a charitable corporation of Waterbury, Connecticut, to be used by it for such public, charitable or educational uses and purposes within its corporate powers as may from time to time be determined by its Board of Trustees.

The remainder of said principal shall be divided into two equal parts, one of said equal parts to be held in a separate trust by said Trustee for the benefit of my daughter, DEBORAH RICHMOND ELTON ALLEN, and one of said equal parts to be held in a separate trust by said Trustee for the benefit of my daughter, CHARLOTTE ELTON CROSS, on terms as follows: Said Trustee shall pay over the net income arising from the trust fund of each to each of my said daughters, quarterly or at such other periods as may be mutually agreed upon, for and during the life of each. If said net income, together with such other resources as each daughter may have, shall be insufficient for her comfortable support and

maintenance, I hereby authorize and empower said Trustee to pay over to each daughter, from time to time, so much of the principal of the trust fund then held for her benefit, as, in its sole discretion, shall be necessary for such purposes.

Upon the death of either daughter or should either daughter be not living at the time appointed for setting up the trust fund as to her, the trust fund as to such daughter shall cease and determine, and the principal thereof then remaining shall be paid over and divided as follows:

Should there be no issue of my said daughter then living, the principal of the trust fund then remaining shall be added to and become a part of the trust fund of my other daughter, to be held and disposed of as a part thereof.

Should there be issue of my said daughter then living, the Trustee shall divide the trust fund then in its hands among the then living issue of such daughter in shares per stirpes, and the Trustee shall hold in trust or pay over such shares as follows:

A. The shares of any of said issue who were born prior to the death of the Testator and who have attained the age of thirty-five years shall be paid over to them to be theirs absolutely. The shares of any of said issue who were born prior to the death of the Testator and who have not attained the age of thirty-five years shall be held separately in trust and the Trustee shall apply for or pay over to such issue all or such portion of the net income thereof as it may in its sole discretion deem proper and necessary for the support and education of such issue, retained income to be accumulated or added to principal at the discretion of the Trustee until such issue at-

tains the age of thirty-five years, at which time the trust shall cease and the trust funds then in the hands of the Trustee shall be paid over and delivered to such issue, to be theirs absolutely, free of all trust. Should any of such issue die before attaining the age of thirty-five years, the trust shall cease and the trust funds then in the hands of the Trustee shall be paid over to the then living issue of such issue, if any there be, free of all trust, or if there be none, to the other living brothers and sisters of such issue, or if none, to my other daughter or if she be deceased to her then living issue, taking per stirpes, in each case to be added to any then existing trust fund of the taker hereunder or if none, to become theirs absolutely, free of all trust.

B. The shares of any of said issue who were born after the death of the Testator and who have attained the age of twenty-one years shall be paid over to them, to be theirs absolutely. The shares of any of said issue who were born after the death of the Testator and who have not attained the age of twenty-one years, shall be held separately in trust, and the Trustee shall apply for or pay over to such issue all or such portion of the net income thereof as it may in its sole discretion deem proper and necessary for the support and education of such issue, retained income to be accumulated or added to principal at the discretion of the Trustee until such issue attains the age of twenty-one years, at which time the trust shall cease and the trust fund then in the hands of the Trustee shall be paid over and delivered to such issue to be theirs absolutely, free of all trust. Should any of such issue die before attaining the age of twenty-one years the trust shall cease and the trust funds then in the hands of the Trustee shall be paid over to the then living issue of such issue, if any

there be, free of all trust, or if there be none, to the then living brothers and sisters of such issue, or if none, to my other daughter or if she be deceased to her then living issue, taking per stirpes, in each case to be added to any then existing trust funds of the taker created hereunder, or if none, to become theirs absolutely, free of all trust.

C. At any time during the continuance of any of the trusts established under Paragraphs A. and B. hereof should any of the beneficiaries thereof be without sufficient resources for his or her comfortable support and education I authorize and empower the Trustee to use for or pay over to such beneficiary so much of the principal of its trust fund as the Trustee shall in its sole discretion deem wise and reasonable therefor.

11. I direct that all transfer, estate, inheritance, succession and other similar taxes or duties, whether State or Federal, that may be levied or assessed upon or with respect to my estate, or upon or with respect to any property which is included as part of my gross estate for the purposes of any such tax, or upon or with respect to any beneficiary of mine, including all such taxes imposed by reason of any life insurance or other insurance upon my life, shall be paid out of my residuary estate as an expense of administration, and shall not be pro rated or apportioned among or charged against the respective devisees, legatees, beneficiaries, transferrees or other recipients, nor charged against any property passing or which may have passed to any of them.

12. I appoint THE COLONIAL TRUST COMPANY, of Waterbury, Connecticut, to be Executor of this will. I further direct that no bonds be required of it in its capacity as Executor or as Trustee of the trusts hereinbefore

created. I further give to my said Executor and Trustee in its respective capacities power to sell and convey any and all real estate not specifically devised, without an order of court, upon such terms, including the taking of a purchase money mortgage, as it may deem wise, and to execute and deliver such deeds and instruments as may be necessary to pass title thereto, and I empower my said Executor and Trustee to sell, exchange, transfer or otherwise dispose of any and all other property from time to time acquired by it in its respective capacities, and to invest and reinvest the proceeds of any property, real and personal, in such securities as it may deem wise, including stocks, bonds and other securities, or in a common trust fund established by it pursuant to any statutes now or hereafter enacted, expressly directing that it shall not be confined to investments permissible by law for trustees, and I do hereby declare that it shall not be liable for any loss resulting to my estate or to the trust funds held by it from any investment or reinvestment made or retained by it in good faith. And whereas I have for many years, as a stockholder and director, been active in the affairs of The Colonial Trust Company and am desirous that my holdings therein be not disposed of unless deemed necessary, I particularly direct that my said Executor and Trustee may retain any shares of stock of said The Colonial Trust Company that I may own at my death, distributing the same among the trust funds at its discretion, and that under no circumstances shall it be or become liable for any loss by reason of the retention of such stock. I further direct that said Executor and Trustee need not create a sinking fund from income or otherwise make good to principal any loss on securities purchased when from the falling due of said securities or otherwise the original cost thereof is lost in whole or in part

nor credit income or otherwise make adjustment between income and principal by reason of the fact that securities may be purchased or acquired at a discount, nor shall the income be charged in any form with losses arising from depreciation in the principal of the trust. I further authorize my said Executor and Trustee in its discretion to make payment of any legacies provided for in this will and also partial and final distribution of my estate by transferring money, securities or other property as it may deem advisable at the market value thereof as determined by it at the time of such distribution, and its judgment therein shall be binding and conclusive on all parties. I further direct that all expenses incurred, including trustee's commission, shall be charged to principal or income as my said Executor and Trustee shall, in its sole discretion, deem fit and proper.

IN WITNESS WHEREOF, I have hereunto set my hand and seal, this 29th day of November, A. D. 1946.

JOHN P. ELTON (L. S.)

Signed and sealed by the within named Testator, JOHN P. ELTON, and by him declared to be his Last Will and Testament in our presence, who have hereunto subscribed our names as witnesses in his presence and in the presence of each other, and at his request, this 29th day of November, A. D. 1946.

Variell Hungerford Upson
Lena W. Boisvert
C. T. Wilson

Witnesses

STATE OF CONNECTICUT }
COUNTY OF NEW HAVEN } ss. Waterbury

Be it remembered that on this 29th day of November, A. D. 1946, before me, Robert S. Walker, a Notary Public within and for the State of Connecticut, personally appeared the undersigned, who, being duly sworn, severally make oath and say that they witnessed the within will of the within named Testator, JOHN P. ELTON, and subscribed the same in his presence and at his request, and in the presence of each other; that the said JOHN P. ELTON, at the time of the execution of said will, appeared to them to be of full age and of sound mind and memory; that he signed said will and declared the same to be his Last Will and Testament in their presence, and that they make and sign this affidavit at the request of said Testator.

Variell Hungerford Upson of Oakville, Conn.

Lena W. Boisvert of Waterbury, Conn.

C. T. Wilson of Middlebury, Conn.

Subscribed and sworn to, before me,
this 29th day of November, A. D. 1946.

ROBERT S. WALKER,
Notary Public.

I, JOHN P. ELTON, of the Town of Waterbury, County of New Haven, State of Connecticut, do make and constitute this as and for a Codicil to my Last Will and Testament dated November 29, 1946.

1. Paragraph 6 of my said Will of November 29, 1946, is hereby amended so that the same shall read as follows:

6. I give and bequeath to THE COLONIAL TRUST COMPANY, of Waterbury, Connecticut, the sum of One Hundred Thousand Dollars ($100,000.00), in trust, however, for the following purposes:

Said Trustee shall pay over from the net income thereof the sum of Fifty Dollars ($50.00) each month to OTTO NILSEN, of East Hampton, Connecticut, for and during his life, and the balance of said net income and the entire net income in the event of the death of said Otto Nilsen, to my wife, ELIZABETH DEBORAH STEELE ELTON, quarterly or at such other periods as may be mutually agreed upon, for and during her life.

Upon the death of my said wife, or if she shall predecease me then upon my death, said Trustee shall, subject to the aforesaid payments to the said Otto Nilsen, pay over from the net income thereof the sum of One Hundred Dollars ($100.00) each month to MRS. IDA JOHNSON, for and during her life, and upon her death to her husband, MR. GUSTAV JOHNSON, for and during his life. The balance of said net income and the entire net income after the deaths of my said wife and the said Otto Nilsen, Mrs. Ida Johnson and Mr. Gustav Johnson shall be paid over, quarterly or at such other periods as may be mutually

agreed upon, in equal shares, to ST. JOHN'S PARISH OF THE PROTESTANT EPISCOPAL CHURCH, of Waterbury, Connecticut, and to THE WATERBURY HOSPITAL, of Waterbury, Connecticut, to be to each of them absolutely.

2. Except as thus amended, I hereby ratify and confirm my said will.

IN WITNESS WHEREOF, I have hereunto set my hand and seal, this 26th day of June, A. D. 1947.

JOHN P. ELTON (SEAL)

Signed and sealed by the within named Testator, JOHN P. ELTON, and by him declared to be a Codicil to his Last Will and Testament dated November 29, 1946, in our presence who have hereunto subscribed our names as witnesses in his presence and in the presence of each other, and at his request, this 26th day of June, A. D. 1947.

Variell Hungerford Upson
C. T. Wilson
Gustav A. Anderson
} Witnesses

STATE OF CONNECTICUT }
COUNTY OF NEW HAVEN } ss. Waterbury

Be it remembered that on this 26th day of June, A. D. 1947, before me, Robert S. Walker, a Notary Public within and for the State of Connecticut, personally appeared the undersigned, who, being duly sworn, severally make oath and say that they witnessed the within Codicil of the within named Testator, JOHN P. ELTON; and subscribed the same as witnesses in his presence and at his request, and in the presence of each other; that the said JOHN P. ELTON, at the time of the execution of said Codicil appeared to them to be of full age and of sound mind and memory; that he signed said Codicil and declared the same to be a Codicil to his Last Will and Testament dated November 29, 1946, in their presence; and that they make and sign this affidavit at the request of said Testator.

Variell Hungerford Upson of Oakville, Conn.

C. T. Wilson of Middlebury, Conn.

Gustav A. Anderson of Middlebury, Conn.

Subscribed and sworn to before me,
the day and year above written,

ROBERT S. WALKER,
Notary Public.

STATE OF CONNECTICUT }
COUNTY OF NEW HAVEN } ss. Waterbury

_____ 19

This certifies that the within and foregoing is a true and correct copy of the Last Will and Testament and Codicil of John P. Elton, on file in the Probate Court for the District of Waterbury.

Attest:

_____

John P. Elton died on the 8th day of March 1948. The foregoing Will was admitted to probate in the Probate Court for the District of Waterbury, Connecticut, and The Colonial Trust Company of Waterbury, Connecticut was confirmed as Executor on the 11th day of March 1948.

vol 1345 pag 109

I, J Limbo Fenn, of Hartford, Connecticut, do make, publish and declare the following to be my last will and testament:

First. I direct that all debts and expenses be paid, and that all succession, legacy and transfer taxes, state and federal, be paid out of the rest and residue of the estate as an expense in the settlement thereof.

Second. If I have not, during my lifetime, given the North arms collection to the Connecticut Historical Society, I direct that said collection be kept as a part of the residue of the estate, in trust, so long as my daughter and my grandson, Stanhope, or either of them, shall live, for their use and benefit, under such reasonable terms as the trustee may prescribe, and upon the death of the last survivor of my daughter and grandson Stanhope, if there shall then be living any descendants of mine, born to, not adopted by, my daughter or grandson, I direct that the collection be transferred, as a whole, to one member thereof, as a distributive share or part of a distributive share of his or her share of the estate; or if there are no such issue of mine living at the death of the last survivor of my daughter and grandson, I give said collection to the Connecticut Historical Society.

Third: I give and bequeath to my said daughter Phyllis, if she shall survive me, any and all notes, secured or unsecured, made by her and payable to me, and direct that any and all such notes be cancelled by the executor; with any and all interest then due thereon.

I also give and bequeath to my daughter Phyllis, if she shall survive me, all the rest and residue of my household furniture, furnishings jewelry and articles for personal use, wherever located: and I further give to my daughter Phyllis the sum of five thousand dollars ($5,000)

Fourth: I give to the First Congregational Church of Plymouth, Connecticut, the sum of one thousand dollars ($1,000.)

I give to Kate E Fenn of Plymouth the sum of one thousand dollars ($1,000). If she should predecease me I give said sum of one thousand dollars to her sister Grace F. Tolles.

I give to Arthur A. Stiles of South Windsor the sum of three thousand dollars ($3000.)

I give to my cousin Ellen G. Gamister of Philadelphia the sum of five hundred dollars ($500.)

I give to James Kelley of Plymouth the sum of one thousand dollars ($1,000).

I give to Anne Kelley, sister of said James Kelley, the sum of one thousand dollars ($1,000).

3



I give to Trinity Parish of Hartford the sum of one thousand dollars ($1,000).

Fifth: All the rest and residue of my property and estate, both real and personal and wherever located, I give devise and bequeath to the said The Hartford Connecticut Trust Company, its successor or successors, in trust, for the following uses and purposes:

To hold, manage, sell or exchange any stocks, bonds or other personal property held in trust at any time. To rent or lease any real estate; to continue to hold in trust any property received from the testator which may have been held in trust; to subscribe on any rights, or buy or sell any fractional shares appertaining to or issued upon any securities of the estate or trust funds, or to sell any such rights or fractional shares; to keep or sell any furniture or furnishings, or deliver any such effects to a legatee under this will; to invest the proceeds of sales or any principal cash on hand at any time in such investments as savings banks and life insurance companies are by the laws of this state authorized to invest; and to dispose of the net income as follows:

A. To pay the net income to my daughter Phyllis or use and expend the same for her benefit and for her sole and separate use, during her life, and further, if at any time the income available for her

together with such other income or resources as she may have, shall be, in the judgment of the trustee, insufficient for her support and maintenance or care in illness or other emergency, I authorize the trustee to pay to her or use and expend for her benefit, so much of the principal as the trustee in its discretion shall find and decide to be necessary for the purposes aforesaid.

B. Upon the death of my said daughter, or if she should predecease me, if my grandson Stanhope Fenn Cuaningham is living, I direct the trustee to hold or continue to hold the fund in trust, as aforesaid during his life, and to pay to him or use and expend for his benefit, or accumulate for his benefit, the net income thereof; and if at any time it is necessary for his support and maintenance, or care in illness, to pay to him or use and expend for his benefit, in addition to the income or such other resources of his own as he may have, so much of the principal as the trustee shall find and decide to be necessary for the purposes aforesaid.

C. Upon the death of the last survivor of my daughter Phyllis and said grandson Stanhope, if there are then living any blood descendants of mine, born to, not adopted by, any children or descendants of mine, I give devise and bequeath all the rest and residue of the property and estate

there held in trust to such descendants, per stirpes and not per capita.

D. If, upon the death of the last survivor of my daughter Phyllis and grandson Stanhope, or if both should predecease me, there are no such descendants of mine living, I give devise and bequeath all the rest and residue of my estate or any and all property then held in trust, to such of the following named institutions or their successors, respectively, as shall then be in existence, in equal shares, share and share alike.

1. To the First Congregational Church of Plymouth Center, Connecticut;
2. To Trinity Parish, of said Hartford;
3. To The Hartford Hospital of said Hartford;
4. To Saint Francis Hospital of said Hartford;
5. To the Waterbury Hospital of Waterbury, Connecticut.

I request that the shares or property that may be received by the above named institutions shall be added to their principal funds and kept safely invested, and that only the income be used for the general purposes of said institutions respectively.

Sixth. None of the income or principal of any property devised and bequeathed by me, outright or in trust, shall be subject to anticipation, alienation or assignment by any legatee or beneficiary or subject to the claims of any creditor of any beneficiary or legatee.

E.

6

vv1315 na 111

Seventh. I appoint the said The Hartford Connecticut Trust Company of Hartford to be the Executor of this my last will and testament. I authorize the Executor to pay any legacies at any time after the expiration of sixty days from and after the acceptance and approval of the will by the Court of Probate; to pay out of the estate all charges and expenses for the care, protection and disposal of any furniture or other personal property; to decide whether any money is to be considered as income or as principal; and to make distribution of any part of the estate if required. I authorize the Trustee to make distribution of any property held in trust whenever distribution thereof is required by the terms of this will or any codicil thereto.

In witness whereof I have hereunto set my hand and seal this twenty-third day of October A.D. one thousand nine hundred and fifty

J Lincoln Fenn (L.S.)

Signed, sealed, published and declared as and for and to be his last will and testament by the testator J Lincoln Fenn, in our presence, and we in his presence and in the presence of each other and at his request, have

vol 1315 pge 115

hereunto subscribed our names as witnesses
this twenty-third day of October
A.D. one thousand nine hundred and fifty
Clinton P. Jackson of West Hartford, Conn.
H. Robert Van Haasbeek of Hartford, Conn.
Vincent W. Jones, Jr. of West Hartford, Conn.

9

8

vol 1345 page 116

State of Connecticut } ss. Hartford Oct. 23, 1950
County of Hartford }

The within named Clinton D. Jackson
H. Robert Van Saanen Vincent W. Jones, Jr.
being duly sworn do depose and say:
that they witnessed the within will of the within
named testator Lincoln Fox and subscribed
our names as witnesses thereto in his presence
and in the presence of each other and at
his request; that the testator at the time of signing
said will was of full age and of sound and
disposing mind and memory and competent
to dispose by will of real and personal property;
that he signed said will and declared the same to
be his last will and testament in our presence
and that this affidavit is made at the request
of the testator.

Clinton D. Jackson of West Hartford, Conn.
H. R. Van Saanen of Hartford, Conn.
Vincent W. Jones, Jr. of West Hartford, Conn.

Subscribed and sworn to this 23
day of October A.D. 1950
before me

Robert M. Fitton

PROVED, APPROVED and ADMITTED
to PROBATE THIS 4th DAY of
April 1963.

JUDGE

KNOW ALL MEN BY THESE PRESENTS, That I, the undersigned, I. KENT FULTON, of Salisbury, Connecticut, being of sound and disposing mind and memory, do make, publish and declare the following to be my last will and testament, hereby revoking all former wills by me made:

FIRST: I direct that all inheritance, succession, legacy and transfer taxes levied or imposed by the State of Connecticut, or by the United States, or by any other state or country, upon any property or upon any gift or devise passing under this will, shall be paid by my executor out of the residue of my estate and charged and allowed as an item of the expense of administration thereof.

SECOND: I give and bequeath all my household furniture and furnishings, including my rugs, books, pictures, china, silverware, my clothing, jewelry and personal effects generally, and any automobiles with their accessories which I may own at the time of my death, to my wife, Elizabeth Warner Fulton, to be hers absolutely. Should my said wife not survive me, I give and bequeath all said articles to my son, Wells Fulton, to be his absolutely.

THIRD: All my real estate wherever situated, or any interest in real estate which I may own at the time of my death, I give and devise to my wife, Elizabeth Warner Fulton, to be hers in fee simple. Should my said wife not survive me, I give and devise all my said real estate, or any interest therein, to my said son, Wells Fulton, to be his in fee simple.

FOURTH: To my wife, Elizabeth Warner Fulton, I give the sum of One Hundred Thousand Dollars ($100,000).

FIFTH: To my son, Wells Fulton, I give the sum of One Hundred Thousand Dollars ($100,000).

SIXTH: To my granddaughter, Jane Fulton, I give the sum of Ten Thousand Dollars ($10,000.)

SEVENTH: To my trustee hereinafter named I give and bequeath the sum of Fifty Thousand Dollars ($50,000) to be held by it in trust and the net income thereof paid over annually to the Board of Park Commissioners of the City of Waterbury, Connecticut, to be expended by them for the general upkeep of Fulton Park in said Waterbury.

EIGHTH: To my trustee hereinafter named I give and bequeath the sum of Fifty Thousand Dollars ($50,000) to be held by it as a trust fund which shall be known as the "Fulton Fund", and the purpose of which shall be to assist deserving graduates of the Regional High School District No. 1, of Litchfield County, Connecticut, to obtain a higher education, and for this purpose I direct my trustee to pay over the net income of this trust fund at least annually to the Regional High School Board, or to whatever body shall succeed to substantially the functions now exercised by said School Board, the amounts so paid over to be used by said School Board, or its successors, in such a way as will in their opinion, after consultation with the Principal for the time being of the Regional High School District No. 1 of Litchfield County, Connecticut, best aid deserving graduates of that School who shall be residents of the Town of Salisbury, Litchfield County, Connecticut, to obtain a higher education, if they have already displayed a marked aptitude for such further education, which they could not otherwise expect to obtain without this financial assistance. It is not my intent that the entire net income shall necessarily be used or expended in each year, but a part or all thereof may be reserved by said School Board, or its successors, until such time as it is of the opinion, after consultation with the Principal of the High School, that there are graduates of said

School, residents of the Town of Salisbury, who are worthy and desirous of this aid.

NINTH: To my trustee hereinafter named I give and bequeath the sum of Twenty-five Thousand Dollars ($25,000), to be held by it in trust and the net income thereof to be paid over annually to the Hartford Hospital, of Hartford, Connecticut, to be used by said Hospital for its general uses and purposes.

TENTH: To my trustee hereinafter named I give and bequeath the sum of Twenty-five Thousand Dollars ($25,000), to be held by it in trust and the net income thereof to be paid over annually to the Waterbury Hospital, of Waterbury, Connecticut, to be used by said Hospital for its general uses and purposes.

ELEVENTH: To my trustee hereinafter named I give and bequeath the sum of Twenty-five Thousand Dollars ($25,000), to be held by it in trust and the net income thereof to be paid over annually to The Sharon Hospital Association, located at Sharon, Connecticut, to be used by said Association for its general uses and purposes.

TWELFTH: To my trustee hereinafter named I give and bequeath the sum of Ten Thousand Dollars ($10,000), to be held by it in trust and the net income thereof to be paid over annually to St. John's Protestant Episcopal Church of Salisbury, Connecticut, to be used by said Church for its general purposes, and especially for expenditures at Christmas time.

THIRTEENTH: To my trustee hereinafter named I give and bequeath the sum of Five Thousand Dollars ($5,000), to be held by it in trust and the net income thereof to be paid annually to The Salisbury Cemetery Association, of Salisbury, Connecticut, to be used by said Association for the upkeep of my family lot in the

cemetery in said Salisbury, and for the upkeep and improvement of said cemetery generally.

FOURTEENTH: All the rest, residue and remainder of my property and estate, of whatever nature, real and personal, and wherever situated, including lapsed legacies, I give, devise and bequeath IN TRUST to my trustee hereinafter named, to be held by it in trust upon the following trusts:

Said trustee shall collect the income thereof and, after paying therefrom all expenses and charges incident to the proper care and management of this trust fund which are properly allocated to income, said trustee shall pay over the net income therefrom monthly to my said wife, Elizabeth Warner Fulton, during the remainder of her natural life. Upon her death I direct my trustee to continue to hold said property and estate IN TRUST for the benefit of my son, Wells Fulton, and, after paying therefrom all expenses and charges incident to the proper care and management of this trust fund and which are properly allocated to income, my trustee shall pay over the net income thereof quarterly or more often in its discretion to my said son, Wells Fulton, until he shall reach the age of forty years, at which time I direct my trustee to pay over to my said son, Wells Fulton, from the principal of the trust, the sum of One Hundred Thousand Dollars($100,000) to be his absolutely and free of any trust, and thereafter to continue to pay over the net income of the balance of said trust quarterly or more often in its discretion to my said son, Wells Fulton, until his death, at which time I direct my trustee to divide the property then constituting the principal of this trust fund into two equal parts or trusts to be held and used by my trustee as hereinafter provided:

(a) One of said two equal parts shall thereafter be held by my trustee IN TRUST for the benefit of the children of my said son, Wells Fulton, if any, who shall survive me, and after paying therefrom all expenses and charges incident to the proper care and management of this trust fund and which are properly allocated to income, my trustee shall pay over the net income thereof quarterly or more often, in its discretion, to said surviving children, in equal shares, and when any such child shall reach the age of forty years, this Trust shall cease and determine as to such child and my trustee shall then pay over to such child his respective share of the principal of this trust fund to belong to such child absolutely and forever and free of any trust. If any of the children of my son, Wells Fulton, who shall survive me shall die prior to reaching the age of forty years, the share of the principal of this Trust which would have been payable to said child or children upon reaching the age of forty years, shall, upon the death of said child or children, be added by my trustee to the trust provided for in subdivision (b) of this Paragraph hereinafter contained. Should my son, Wells Fulton, not survive my wife, Elizabeth Warner Fulton, or die prior to reaching the age of forty years leaving no issue surviving both him and my wife, all of the property then constituting the principal of this trust fund shall be added by my trustee to the trust provided for in subdivision (b) of this Paragrapn hereinafter contained.

(b) The other of said two equal parts, after the death of my said wife and son, shall be held by my trustee and distributed as follows:

One-third thereof shall be added by my trustee to the trust fund for the benefit of the Hartford Hospital, provided for in Paragraph Ninth of this will;

One-third thereof shall be added by my trustee to the trust fund for the benefit of the Waterbury Hospital, provided for in Paragraph Tenth of this will;

One-third thereof shall be added by my trustee to the trust fund for the benefit of The Sharon Hospital Association, provided for in Paragraph Eleventh of this will;

FIFTEENTH: I constitute and appoint the Hartford National Bank and Trust Company, a national banking association located in Hartford, Connecticut, and its successors, trustee of all the trusts created in and by this will, and I authorize said Hartford National Bank and Trust Company, and its successors, as trustee of each and every one of said trust funds to invest and reinvest said trust funds and the property comprising the same at its discretion, and to sell and convey the same, or any part thereof, and to invest and reinvest the proceeds of any such sale or sales in such stocks, bonds or other securities as it may deem best, without reference to the restriction or regulation of any statute or rule of law governing the investment of trust funds, and without becoming responsible or liable in any manner for loss occasioned by such investment. In every case where I have given bequests of specific sums of money in this will, whether in trust or otherwise, I authorize and empower my executor to distribute and deliver, and I authorize and empower my trustee to accept, securities belonging to my estate, at such valuation as my executor may determine, in full payment and discharge of such bequests. I authorize and empower my executor or my trustee, as the case may be, to make all divisions or distributions as required by Paragraph Fourteenth of this will and for that purpose to employ cash, securities or other property, in whatever proportions it may deem appropriate, and the judgment of my executor or my trustee as to the value and nature of the property so divided or apportioned shall be final.

In each case where I have created a trust in this will for charitable, educational, religious, benevolent or public purposes, I direct that the payment of income by my trustee, as directed in this will, shall be a full discharge of its duty as trustee to that extent, and that it shall not be bound to see to the application of such income by the recipient thereof.

SIXTEENTH: I nominate and appoint said Hartford National Bank and Trust Company to be the executor of this will, authorizing it as such executor to sell and convey at its discretion any personal property that may form part of my estate.

IN WITNESS WHEREOF, I have hereunto set my hand and seal, declaring this to be my last will and testament, this 2nd day of October, 1939.

I. Kent Fulton (L.S.)

Signed, sealed, published and declared by said testator, I. KENT FULTON, as and for his last will and testament, in the presence of us, the undersigned, who in his presence and in the presence of each other, at his request, have hereunto set our names as witnesses, this 2nd day of October, 1939.

G Campbell Beckett residing at Lakeville, Conn.

F. Gertrude Munir residing at Lakeville Conn.

E. J. Washburn residing at Lakeville, Conn.

STATE OF CONNECTICUT )
) ss: Salisbury, October 2, 1939.
COUNTY OF LITCHFIELD )

Then and there personally appeared the above named
S. Campbell Bickel
Gertrude Rumm
E. Vosburgh.
who, being duly sworn, depose and say that they witnessed the execution of the foregoing will of said testator, I. KENT FULTON; that he subscribed said will and declared the same to be his last will and testament in their presence; that they thereafter subscribed the same as witnesses in the presence of said testator and in the presence of each other and at the request of said testator; that said testator at the time of the execution of said will appeared to them to be of full age and of sound and disposing mind and memory and competent in every respect to make a will; and that they make this affidavit at the request of said testator.

Subscribed and sworn to
this 2 day of October,
1939, before me.

Notary Public

heretofore and on the 2nd day of October, 1939, duly made and published my last will and testament, bearing date that day, do now make, publish and declare this codicil thereto:

FIRST: I revoke all the provisions of Article Fourteenth of my said last will and testament and substitute therefor the following:

"FOURTEENTH: All the rest, residue and remainder of my property and estate, of whatever nature, real and personal, and wherever situated, including lapsed legacies and devises, I give, devise and bequeath IN TRUST to my trustee hereinafter named, to be held by it in trust upon the following trusts:

Said trustee shall collect the income thereof and pay over the net amount of such income monthly to my said wife, Elizabeth Warner Fulton, during the remainder of her natural life. Upon her death I direct my trustee to continue to hold said property and estate IN TRUST during the remainder of the natural life of my son, Wells Fulton, and to pay over the net income thereof quarterly or more often in its discretion to my said son, Wells Fulton, until he shall attain the age of forty years, whereupon (or upon the death of the survivor of my said wife and myself, if my said son shall have attained the age of forty years prior thereto) I direct my trustee to pay over to my said son, Wells Fulton, from the principal of the trust, the sum of One Hundred Thousand Dollars ($100,000) to be his absolutely and free of any trust, and thereafter to continue to pay over the net income of the balance of said trust quarterly or more often in its discretion to my said son, Wells Fulton,

during the remainder of his natural life, and upon the death of the survivor of my said wife, my said son and myself, I direct my trustee to divide the property then constituting the principal of this trust fund into two equal parts or trusts to be held and disposed by my trustee as hereinafter provided:

(a) One of said two equal parts shall be transferred paid over and distributed to and among the issue of my son living at the time of the death of the survivor of my said wife, my said son and myself, in equal shares per stirpes, PROVIDED, HOWEVER, that any share which would become distributable, pursuant to the foregoing provisions, to a beneficiary who shall be under the age of forty years at the time of the death of the survivor of my said wife, my said son and myself, shall not be distributed to such beneficiary but shall instead be held by my trustee IN TRUST to collect the income thereof and to pay to such beneficiary the net amount of such income until such beneficiary shall attain the age of forty years and thereupon to transfer, pay over and deliver to such beneficiary the then principal of such share, absolutely and free from any trust; but if any such beneficiary for whom a share is so held in trust shall die prior to attaining the age of forty years, then upon the death of such beneficiary to transfer, pay over and distribute the then principal of such share to and among the then living issue of such beneficiary in equal shares per stirpes, and in default of such issue, to and among the then living issue of my said son, in equal shares per stirpes, and in default of such

issue of my said son also, to add such principal in equal shares to the trusts provided for in subdivision (b) of this Paragraph hereinafter contained. Notwithstanding the foregoing provisions, I direct that the trust of any share so set apart for any beneficiary who shall not have been in being at the time of my death shall in any event (unless sooner terminated pursuant to the foregoing provisions) terminate twenty-one years after the date of the death of the last survivor of such of the issue of my said son as are in being at the time of my death, whereupon the principal of such trust shall be paid over to the beneficiary for whom the same was set apart, absolutely and free from any trust. Should no issue of my said son be living at the time of the death of the survivor of my said wife, my said son and myself, all of the property then constituting the principal of this trust fund shall be added by my trustee in equal shares to the trusts provided for in subdivision (b) of this Paragraph hereinafter contained.

(b) The other of said two equal parts, after the death of my said wife and son, shall be held by my trustee IN TRUST for the following purposes:

One-third thereof shall be added by my trustee to the trust fund for the benefit of the Hartford Hospital, provided for in Paragrapn Ninth of my last will and testament;

One-third thereof shall be added by my trustee to the trust fund for the benefit of the Waterbury Hospital, provided for in Paragraph Tenth of my last will and testament;

One-third thereof shall be added by my trustee to the trust fund for the benefit of The Sharon Hospital Association, provided for in Paragraph Eleventh of my last will and testament."

SECOND: I excuse my trustee from filing annual accounts. I empower my trustee to hold two or more of the trusts hereby created in one or more consolidated funds, for convenience of investment.

THIRD: I hereby republish and confirm my said will in all respects except as altered by this codicil, and declare that said will as hereby altered and this codicil together constitute my Last Will and Testament, and that all other Wills and Codicils heretofore executed by me are revoked.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal at Salisbury, Connecticut, this 14th day of December, 1939.

I. Kent Fulton. (L. S.)

Signed, sealed, published and declared by I. KENT FULTON, the testator, as and for a Codicil to his Last Will and Testament, dated October 2nd, 1939, in our presence, and we thereupon, at his request and in his presence and in the presence of each other, have hereunto subscribed our names as attesting witnesses and our respective places of residence on the day of the execution thereof.

G. Campbell Becket residing at Lakeville, Conn.

F. Gertrude Myers residing at Lakeville Conn.

E. J. Yoshunsky residing at Lakeville, Conn.

KNOW ALL MEN BY THESE PRESENTS:

That I, DONALD F. GIBSON, of the Town of West Redding, County of Fairfield and State of Connecticut, being of sound and disposing mind and memory, do hereby make, publish and declare this to be my Last Will and Testament, hereby revoking all former Wills and Codicils by me made.

ARTICLE I. Except as otherwise hereinafter expressly set forth in this Article, I direct that all legacy, succession, inheritance, transfer, and estate taxes (other than any generation skipping tax) levied or assessed upon, or with respect to any property which is included as part of my gross estate for the purpose of any such tax, shall be paid by my Executors out of and to the extent of the principal of the trust established pursuant to Article II of this Will and to the extent so paid shall not be prorated or apportioned among, or charged against, the respective beneficiaries, transferees or other recipients, nor charged against any property passing, or which may have passed, to any of them, and that my estate shall not be entitled to reimbursement for any portion of any such tax from any person. This clause shall not apply in any manner, however, to such taxes, if any, imposed upon or with respect to any death benefits under any "qualified" (as that term is defined in the Federal Internal Revenue Code and the applicable regulations thereunder) retirement plan.

ARTICLE II. I give and bequeath to my Trustees hereinafter named a sum equal to the largest amount that can pass free of federal estate tax in the federal estate tax proceedings relating to my estate by reason of the unified credit and the state death tax credit (provided use of this credit does not require an increase in the state death taxes paid) allowable to my estate but no other credit less the amount of other dispositions, if any, under this Will and property passing outside of

L.S

this Will which do not qualify for the federal estate tax marital or charitab deduction and less the amounts charged to the principal of my estate that are no allowed as deductions in computing my federal estate tax. For the purpose o establishing the sum disposed of by this Article the values finally fixed in the feder estate tax proceedings relating to my estate shall be used. I recognize the possibili that no sum may be disposed of by this Article and that the sum so disposed of ma be affected by the action of my Executors in exercising certain tax elections.

I direct that my Trustees shall hold said sum, if any remains after th payment of the death taxes referred to in Article I hereinabove, IN TRUST, f the following uses and purposes:

A. My Trustees shall invest and reinvest said sum, shall collect the in income therefrom, and shall pay to or apply for the benefit of my said wife, ANN J. GIBSON, during her lifetime, all of the net income of said trust in convenien installments, at least as often as quarter-annually.

B. My Trustees shall, in addition, at any time or from time to time durin my said wife's lifetime pay to or apply for the benefit of my said wife, ANN GIBSON, so much of the principal of this trust, whether the whole or a less amount, as my Trustees may in their sole discretion determine to be necessary advisable for her maintenance in health and reasonable comfort in her accustom manner of living, taking into account or not, as they see fit, her other sources income and estate. In exercising this discretion, I direct that my Trustees sha consider the needs of my said wife to be of primary importance, and they shall no bear any liability to any remainderman with respect to the exercise of their discretio hereunder.

C. Upon the death of my said wife, ANN J. GIBSON, after my death (o if my said wife does not survive me, then upon my death), this trust shall termina

L.

and the principal thereof (including any undistributed income) shall be combined with the "non-charitable" (as that term is defined in paragraph D of Article III of the Will) part of the principal of the trust created under Article III of this Will and the property so combined shall be held and administered in accordance with the terms of Article IV of this Will.

ARTICLE III. I give, bequeath and devise my residuary estate being all of the rest, residue and remainder of my estate, real, personal and mixed, of whatever kind or nature and wheresoever situate, which I may own or have the right to dispose of at the time of my decease, including any property over which I may have a power of appointment, it being my intent to exercise any such power, to my Trustees hereinafter named IN TRUST, NEVERTHELESS, for the following uses and purposes:

A. My Trustees shall invest and reinvest said trust, shall collect the net income therefrom, and shall pay to or apply for the benefit of my said wife, ANN J. GIBSON, during her lifetime, all of the net income of said trust in convenient installments, at least as often as quarter-annually.

B. Upon receipt of written notice from my said wife, ANN J. GIBSON, my Trustees shall convert any non-income producing property held by the trust into income producing property.

C. My Trustees shall, in addition, at any time or from time to time during my said wife's lifetime pay to or apply for the benefit of my said wife, ANN GIBSON, so much of the principal of this trust, whether the whole or a less amount, as my Trustees may in their sole discretion determine to be necessary or advisable for her maintenance in health and reasonable comfort in her accustomed manner of living, taking into account or not, as they see fit, her other sources of income and estate. In exercising this discretion, I direct that my Trustees shall

consider the needs of my said wife to be of primary importance, and they shall not bear any liability to any remainderman with respect to the exercise of their discretion hereunder.

D. Upon the death of my said wife after my death, this trust shall terminate and the principal thereof as then constituted shall be divided into two parts. The first part, to be designated the "non-charitable" part, shall consist of the sum of Six Hundred Thousand ($600,000.00) and 00/100 Dollars, less the amount of taxes of the nature described in Article I of this Will which may be imposed upon my said wife's estate as a result of the inclusion of the value of this trust in her gross estate for the purpose of any such taxes, and such taxes shall be paid by my Trustees from the "non-charitable part." (However, if my said wife predeceases me, said part shall consist of nothing.) If my said wife dies after having survived me, said first part shall be combined with the principal of the trust created under Article II of this Will, and the property so combined shall be held and administered in accordance with the terms of Article IV of this Will. The second part, consisting of the balance of the principal of the trust created under this Article III, (or if my said wife, ANN J. GIBSON, predeceases me, then my residuary estate) shall be divided and distributed among the institutions whose names are set forth herein in subparagraphs "a" to "h" inclusive of this Paragraph D, to be added to their endowment funds (except as provided in Paragraph E herein of this Article III), in the percentages ascribed to them in such subparagraphs:

LGFG L.S.

a. First Church of Christ Congregational, Redding, Connecticut
Five and 00/100 (5.00%) percent;

b. Mark Twain Public Library of Redding, Connecticut
Three and 33/100 (3.33%) percent;

c. West Redding (Connecticut) Volunteer Fire Dept. #2
Three and 33/100 (3.33%) percent;

d. Waterbury Hospital, Waterbury, Connecticut
Six and 67/100 (6.67%) percent;

e. Bridgeport Hospital, Bridgeport, Connecticut
One and 67/100 (1.67%) percent;

f. Old Sturbridge Village, Sturbridge, Massachusetts
Six and 67/100 (6.67%) percent;

g. Westminster College, Salt Lake City, Utah
Six and 67/100 (6.67%) percent;

h. Yale University, New Haven, Connecticut
Sixty-six and 66/100 (66.66%) percent.

Notwithstanding any other provision of this Will to the contrary, all inco of this trust undistributed at the death of my said wife, ANN J. GIBSON, shall paid to her estate.

E. Notwithstanding any provision of Paragraph D of this Article III to t contrary, I request but do not direct that the said Yale University invest the proce it receives pursuant to the terms of subparagraph "h" of Paragraph D of this Artic III as a separate fund and utilize the income therefrom for the general purposes its Athletic Department, in memory of my classmate, Jerry Voorhis, except su income, as well as any realized gains in principal, as may be earned from a ownership rights (such as royalties or the sale of such ownership rights) in the drug that I have helped to develop (Catrix, M-A-7, and Drauna), which I request be adde to said Yale University's endowment fund, in memory of my classmate, Campbe Beskett. The actions taken by the appropriate officials of said Yale University wi

L.F.G. L.S

regard to the wishes set forth in this Paragraph E of this Article III shall be bindi and conclusive on all interested parties.

ARTICLE IV. If, under any other Article of this Will, any assets a directed to be administered pursuant to the provisions of this Article, such asse shall be held, invested, reinvested and disposed of IN TRUST upon the followin terms and conditions:

A. My Trustees shall divide said trust into two equal parts.

B. My Trustees shall further divide the first of said parts of said tru into five equal shares, such shares to be held for the following beneficiaries:

a. The first such share shall be held for Donald and Jacqueline Wetmor of Brookfield, Connecticut;

b. The second such share shall be held for Lorna and Ray Bufkin, Jr. of Brookfield Center, Connecticut;

c. The third such share shall be held for Virginia and Scott Brittinghe of New Milford, Connecticut;

d. The fourth such share shall be held for Pamela and Harry Neuman Jr. of Ridgefield, Connecticut;

e. The fifth such share shall be held for Bryan and Lauren Wetmore New Milford, Connecticut.

As to each such share of the first part, my Trustees shall, subject the terms of Paragraph F of this Article IV, pay all of the net income therefro in annual, or in my Trustees' discretion more frequent, installments thereafter or for the benefit of the beneficiaries of each such share named hereinabove subparagraphs "a" to "e" inclusive of this paragraph B during their joint lifetime and after the death of either one of them (or, if one of them predeceases me, th upon my death) all of said income shall be paid to or applied for the benefit the survivor of them for the balance of said survivor's lifetime.

C. As to each such share of the first part, my Trustees shall, subject

L.F.W. L.

the terms of Paragraph F of this Article IV, upon the death of both of t beneficiaries of such shares named hereinabove in subparagraphs "a" to "e" inclus of paragraph B of this Article IV after my death (or if both of them shall predece me then on my death) divide and distribute the principal of such share among t institutions whose names are set forth in subparagraphs "a" to "h" inclusive paragraph D of Article III of this Will, for their general purposes, in the percentag -ibed to them in such subparagraphs.

IT LOOKS LIKE THERE IS NO PROVISION DISPOSING OF PR IN THIS TRUST

D. As to the second part of said trust, my Trustees shall hold said part parate trust for a period ending twenty (20) years from the date of the death said wife, ANN J. GIBSON, after my death (or if my said wife predeceases - for a period ending twenty (20) years after the date of my death) and dur period shall pay or apply all of the net income of said part in annual installme among the beneficiaries whose names are set forth in subparagraphs "a" to inclusive of this paragraph D, in the percentages ascribed to them in suc subparagraphs as follows:

a. Donald and Jacqueline Wetmore of Brookfield, Connecticut Fourteen (14%) percent;

b. Lorna and Ray Bufkin, Jr. of Brookfield Center, Connecticut Fourteen (14%) percent;

c. Virginia and Scott Brittingham of New Milford, Connecticut Fourteen (14%) percent;

d. Pamela and Harry Neumann, Jr. of Ridgefield, Connecticut Fourteen (14%) percent;

e. Bryan and Lauren Wetmore of New Milford, Connecticut Fourteen (14%) percent;

f. Shirley and Vincent Golembesky of West Redding, Connecticut Fifteen (15%) percent;

g. Gregory Golembesky of Prospect, Maine Five (5%) percent;

D. F. L.S

h. Anthony and Stella Tripado of Danbury, Connecticut
Five (5%) percent;

i. Thomas Lumpkin of Bethany, Connecticut
Five (5%) percent.

E. In the event the beneficiary (or, if more than one, all of the beneficiaries named in any subparagraph of paragraph D hereinabove of a stated percentage o the income of the second part of the trust created under this Article IV shall di before the expiration of said twenty (20) year period, the percentages ascribed t the beneficiaries named in the other subparagraphs of paragraph D who shall the be living shall each be increased by the same proportion of the percentage ascribe to such deceased beneficiary or beneficiaries as the percentages ascribed to eac such then living beneficiary or beneficiaries before such increase bears to the tota of all the percentages ascribed to all such then living beneficiary or beneficiarie set forth in said paragraph D.

F. Notwithstanding anything hereinabove contained to the contrary whenever for purposes of any preceding paragraph of this Article IV of this Will group of family members consisting of more than one individual is listed togeth in any subparagraph for purposes of receiving an interest, then such gift shall be divided and distributed in equal shares to the family members so listed together, o to the survivors or survivor of them, except that in the event any of the marrie couples whose names are set forth in subparagraphs "a" to "f" inclusive of Paragrap D of this Article IV shall become divorced subsequent to the execution of this Will then any property which would otherwise pass to the second person named in such subparagraphs (that is Jacqueline Wetmore, Ray Bufkin, Scott Brittingham, Harr Neumann, Jr., Lauren Wetmore or Vincent Golembesky, as the case may be

L.S

whether passing under Paragraph B or Paragraph D, or both, of this Article (except as to Vincent Golembesky, who shares an interest only under said Paragr D), shall instead pass to the first person named in such subparagraphs (that is Do Wetmore, Lorna Bufkin, Virginia Brittingham, Pamela Neumann, Bryan Wetmore Shirley Golembesky, as the case may be).

ARTICLE V. Notwithstanding anything hereinabove contained to contrary, whenever pursuant to the provisions of this Will any income or prope shall become payable to any person who has not attained the age of majority the jurisdiction where he or she is domiciled (hereinafter referred to as "a minc and shall vest in absolute ownership in said minor, my Trustees are authorized e empowered in their uncontrolled discretion, to hold said income or property so ves in such minor, or any part thereof, in a separate fund for the benefit of such mir and to invest and reinvest the same, collect the income therefrom and, until su minor attains said age of majority, to apply so much of the net income or princip or both of said fund as may be necessary for said minor's support and maintenan in health and reasonable comfort, and for his education, until such minor shall atta said age of majority, and thereupon to pay over the principal and all accumulate and undistributed income of said fund to such minor, and if such minor shall d before attaining said age of majority, the principal and all accumulated an undistributed income of said fund shall be paid over to the estate of such mino The authority conferred upon my Trustees by this Article shall be construed as power only, and shall not operate to suspend the absolute ownership of such propert by such minor or to prevent the absolute vesting therein in such minor.

ARTICLE VI. A. If my said wife, ANN J. GIBSON, shall die simultaneousl with me or approximately so under such circumstances making it difficult to ascertai

A.J.G. L.S

who predeceased the other, my said wife shall be deemed to have survived me the provisions of this Will shall be construed upon that assumption, notwithstan the provisions of any law establishing a different presumption of order of deat providing for survivorship for a fixed period as a condition of inheritance of prope

B. If any beneficiary other than my wife, ANN J. GIBSON, s die simultaneously with me or approximately so under such circumstances ma it difficult to ascertain who predeceased the other, I shall be deemed to h survived such beneficiary and the provisions of this Will shall be construed u that assumption, notwithstanding the provisions of any law establishing a differ presumption of order of deaths or providing for survivorship for a fixed period a condition of inheritance of property.

C. If any beneficiary of my estate shall die simultaneously w another beneficiary of my estate or approximately so under such circumstanc making it difficult to ascertain who predeceased the other, and if the rights of o of them depend upon his or her having survived the other, the beneficiary who rights depend upon such survivorship shall be deemed to have predeceased the oth beneficiary and the provisions of this Will shall be construed upon that assumptio

ARTICLE VII. To the extent permitted by law, no interest of any beneficia in the income or principal of any trust hereby created shall be subject to pledg assignment, sale or transfer in any manner, nor shall any beneficiary have power any manner to anticipate, charge or encumber his or her said interest, nor sha said interest of any beneficiary be liable or subject in any manner while in th possession of my Trustees for the debts, contracts, liabilities, engagements or tort of such beneficiary.

ARTICLE VIII. Wherever the singular number is used in this Will, it sha be deemed to include the plural where appropriate and vice versa. Wherever th

C.F.G. L.S

masculine gender is used in this Will, it shall be deemed to include the feminine and neuter genders where appropriate and vice versa.

ARTICLE IX. My Trustees shall maintain adequate records reflecting all trust transactions, which records shall be open at all reasonable times to the inspection of the adult beneficiaries of said trusts. My Trustees shall render annually a complete written statement of all transactions to the adult beneficiaries of said trusts. Any law to the contrary notwithstanding, my Trustees shall not be required to file annual or other periodic accounts in any court. Nothing herein, however, shall preclude my Trustees from having their accounts judicially settled or from filing annual or other periodic accounts if my Trustees shall deem such advisable.

ARTICLE X. I nominate, constitute and appoint CITYTRUST, a state banking institution with principal offices in Bridgeport, Connecticut, and ARMONDO BONSIGNORE, of Redding, Connecticut, as Executors of my estate and Trustees of all trusts created hereunder, without bond. In the event that the said ARMONDO BONSIGNORE shall fail to qualify, or, having qualified ceases to serve for any reason, then CITYTRUST shall serve as the sole Executor or Trustee or both, as the case may be. I direct that CITYTRUST be entitled to fees in consideration for its services hereunder in accordance with its fee schedules as published from time to time, and that the said ARMONDO BONSIGNORE be entitled to reasonable compensation for his services.

ARTICLE XI. In addition to the powers, authority, rights and discretion specifically granted to my fiduciaries under the terms of this Will and which they may otherwise have by operation of law, I hereby give to my fiduciaries all of the powers, authority, rights and discretion contained in or operative through Section 45-100(e) of the Connecticut General Statutes and the following additional powers

D. T. L. L.S.

only contained in Section 45-100(f) thereof in effect at the time of the execution of this Will: (2) Buy Insurance and Annuities; (3) Invest in Partnerships, etc.; (6 Form Corporation or Other Entity; (9) Residential Realty; (11) Suits on Insurance Policies; (15) Establish and Maintain Reserves; (19) Remortgage and Refinance Rea Estate; (23) Comply with Stock Restrictions; (24) Continue Subchapter S Election.

Insofar as there is any conflict between any powers, authority or rights expressly granted by and set out in this Will with any statutory power or authority above incorporated herein by reference, the expressly granted and set out provision shall govern.

ARTICLE XII. My Executors shall in their sole discretion determine whether to elect under the provision of the Internal Revenue Code applicable to my estate to qualify the whole or any portion of the trust created under Article III of this Will for the federal estate tax marital deduction. Generally, and not by way of direction, I anticipate that my Executors will elect to minimize the estate tax payable by my estate, but I would expect that some consideration be given to the estate tax payable in my said wife's estate upon her death, especially if she should die prior to the time the election is made. The determination of my Executors with respect to the exercise of the election shall be conclusive upon all affected persons.

ARTICLE XIII. The references contained in this Will to the Internal Revenue Code are to the United States Internal Revenue Code of 1954, as amended, and the regulations promulgated thereunder from time to time by the Internal Revenue Service and all such references to said Internal Revenue Code shall be deemed to refer to corresponding provisions of subsequent Federal Tax Laws and to corresponding provisions of subsequent regulations promulgated thereunder.

L.F.H. L.

ARTICLE XIV. Any reference herein to CITYTRUST shall also include any corporate successor to its trust business.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 24th day of September, 1985.

Donald F. Gibson L.S.
DONALD F. GIBSON

Signed, sealed, published and declared as and for his Last Will and Testament by him, the said Testator, in the presence of us who at his request, and in his presence, and in the presence of each other, have subscribed our names as witnesses hereto.

Wilfredo Hernandez of Bridgeport, CT

Kathleen S Eisenman of Trumbull, Ct

STATE OF CONNECTICUT )
) ss.: Bridgeport September 24, 1985
COUNTY OF FAIRFIELD )

We, the undersigned, who have subscribed our names as witnesses to the foregoing Will, make solemn oath that DONALD F. GIBSON, the Testator, signed and sealed the foregoing instrument in our presence and in the presence of each of us, that he published and declared the same to be his Last Will and Testament, and that we each signed our names as witnesses at his request and in his presence and in the presence of each other, and that at the time of executing this Will, the said

Testator was to the best of our knowledge and belief, of the age of eighteen ve
and upwards, of sound and disposing mind and memory, and free from all ur
influence. This affidavit is made and signed at the request of said Testator.

Maribel Hernandez

Kathleen S. Eisenman

STATE OF CONNECTICUT )
) ss.: Bridgeport September 4, 19
COUNTY OF FAIRFIELD )

On this day, before me, the undersigned officer, personally appear
Maribel Hernandez and Kathleen S. Eisenman
known to me to be the persons whose names are subscribed to the foregoing affidav
who subscribed and swore to the same and acknowledged that they executed th
same for the purposes contained therein.

IN WITNESS WHEREOF, I have hereunto set my hand and seal.

Michael A. Neufeld
Commissioner of the Superior Court

LAST WILL AND TESTAMENT

OF

CHARLES M. HELLMANN

LATE OF

MERIDEN, CONNECTICUT

ADMITTED TO PROBATE

NOVEMBER 21, 1955

I, CHARLES M. HELLMANN, of Meriden, County of New Haven and State of Connecticut, make, publish and declare the following as and for my last Will and Testament, hereby revoking any other Wills and Codicils by me heretofore made.

## FIRST

I give to my wife my home located at 61 Hillcrest Terrace, in said Meriden, with the contents thereof, and also all of my personal effects, automobiles, garage equipment and tools, the same to be hers absolutely if she survives me for a period of thirty days. However, should my wife not survive me, as aforesaid, then said property shall become part of my residuary estate.

## SECOND

I hereby elect not to exercise any power of appointment which now or hereafter may be conferred upon me by the will of my wife, and none of the provisions of this Will shall be construed as an exercise of any such power, in whole or in part.

## THIRD

I give, devise and bequeath one-half of the remainder of my estate, after payment of claims and administration expenses and less the value of the property passing under Article First but before payment of taxes, to my Trustees hereinafter named, IN TRUST, to hold, manage, sell, encumber, invest and reinvest in such securities and other property as my Trustees in their judgment may from time to time deem prudent without regard to any limitations now or hereafter imposed on investments by trustees by the statutes of the State of Connecticut, and to dispose of the principal, increment and net income thereof as follows:

A. Transfer and deliver to my wife aforesaid during the remainder of her life all the income from the trust fund, payable quarterly.

B. I hereby give my wife the power to invade or to appoint the entire corpus of the trust estate during her life or by will, which power shall be exercisable by her alone and in all events and may be exercised in favor of herself or of her estate or others, and which power may be exercised by my wife by an instrument or a will executed either before or after my death. If my wife shall not fully exercise said power of appointment, my Trustees, upon her decease, shall add the remainder of the principal and income of the trust estate to the principal of the trust fund established under Article Fourth of this Will and hold and dispose of the same accordingly.

## FOURTH

The remainder of my estate I give, devise and bequeath to my Trustees, hereinafter named, IN TRUST, to hold, manage, sell, encumber, invest and reinvest in such securities and other property as my Trustees in their judgment may from time to time deem prudent without regard to any limitations now or hereafter imposed on investments by trustees by the statutes of the State of Connecticut, and to dispose of the principal, increment and net income thereof as follows:

A. In the event that my wife shall survive me, to pay to ERNEST M. MEISTER, of said Meriden, our faithful man, if he is in our employ at the time of my decease, Three Hundred Dollars ($300.00) quarterly so long as he shall remain in the employ of my wife and, upon her death, to pay such sum to him quarterly during the remainder of his natural life, provided he shall not have left the employ of my wife so long as she shall live. However, in the event of the physical or mental incapacity of said ERNEST M. MEISTER during such employment or in the event of other



unforeseeable circumstances, of which my Trustees shall be the sole judge, which make it impossible for said ERNEST M. MEISTER to continue to serve my wife, then the payment of such sum shall not be interrupted on account of such incapacity or other unforeseeable circumstances.

In the event that my wife shall fail to survive me, to pay to said ERNEST M. MEISTER, if he is in my employ at the time of my decease, Three Hundred Dollars ($300.00) quarterly during the remainder of his natural life.

B. To pay to my wife, if she survives me, during her natural life, the remaining income therefrom in quarterly payments.

C. Upon the decease of my wife or, if she fails to survive me, then upon my death, to pay to ROBERT W. MACKEY, of said Waterbury, the sum of One Thousand Dollars ($1,000.00) per year during his life.

D. The balance of the net income shall be divided equally among my first cousins: SOPHIE REICHENBACH STAGE, MARY REICHENBACH PARSONS and JULIUS REICHENBACH or such of them as may then be living, for and during the life of each. As each of the beneficiaries named in this paragraph shall die, said income shall be divided among the survivors or paid to the survivor of them, intending hereby that the last survivor shall receive the entire income from said fund, subject to said annuities for life.

E. Upon the death of all the beneficiaries named in the preceding paragraph I direct that the then remaining principal shall remain IN TRUST as aforesaid and shall be known as the "SIBILLA HELLMANN FUND" in memory of my mother; after the payments required in Article Fourth, Sections A and C, the remaining yearly income shall be divided equally between THE WATERBURY HOSPITAL, INC. and THE ST. MARY'S HOSPITAL CORPORATION, both of said Waterbury, payable in

semi-annual payments, the said income to be used by each hospital as it may deem for the best interests of each hospital. In the event that either hospital goes out of existence, the entire income shall be paid to the remaining hospital. If either hospital shall merge with another hospital and my Trustees believe that the corporation so formed carries out the purposes of the hospital so merged, then my Trustees shall pay one-half of the income to such amalgamated corporation, but, if my Trustees believe that the amalgamated corporation does not carry out the purposes of the hospital so merged and mentioned herein, then the entire income shall be paid to the remaining hospital.

Should both hospitals mentioned herein cease to exist and there shall be no corporation or corporations formed as aforesaid so that there will be no charitable or eleemosynary corporation or corporations to which the income from the trust shall be paid, then my Trustees shall give the net income to the MERIDEN HOSPITAL, and, in the event that said hospital has ceased to exist or has not been amalgamated with any other charitable institution carrying out the ideals and principals of such institution, then my Trustees shall pay the net income in such proportion as they may deem advisable to other charitable, religious and eleemosynary corporations as shall be located in said Waterbury which carry out the principles and teachings of THE WATERBURY HOSPITAL, INC. and THE ST. MARY'S HOSPITAL CORPORATION, and my Trustees shall have full discretion to designate the appropriate corporation or corporations and shall have full discretion as to the proportion of the net income which shall be paid to each corporation designated.

## FIFTH

I direct that my Trustees shall, as long as my wife lives, consult with her and give serious consideration to her judgment before there is any drastic change made in the assets in the trust.



## SIXTH

I hereby authorize my Executors to file a joint Federal income tax return with my wife, if she survives me, and to pay as an obligation of my estate the entire tax due thereunder.

## SEVENTH

I hereby direct that all legacy, succession, inheritance, transfer and estate taxes, levied or assessed upon or with respect to any property (the same to include insurance, bonds and any and all other kinds of personal and real property) which is included as part of my gross estate for the purpose of any such tax, shall be paid by my Executors out of my estate passing under Article Fourth, in the same manner as an expense of administration and shall not be prorated or apportioned among or charged against the respective devisees, legatees, beneficiaries, transferees or other recipients nor charged against any property passing or which may have passed to any of them and that my Executors shall not be entitled to reimbursement for any portion of any such tax from any such person.

## EIGHTH

I nominate and appoint GUSTAV A. ANDERSON, of Middlebury, Connecticut, and THE COLONIAL TRUST COMPANY, a banking corporation specially chartered by the General Assembly of the State of Connecticut and having its office and principal place of business in Waterbury, in said County and State, or its successor by merger, consolidation or otherwise Co-Trustees of this, my Will, without bond. In the event of the death, resignation or inability to qualify of the individual Co-Trustee, GUSTAV A. ANDERSON, the corporate Trustee shall continue as sole Trustee, exercising thereafter all the powers and subject to all the responsibilities which are conferred upon or imposed upon both Trustees under the terms of this Will.

NINTH

I appoint said THE COLONIAL TRUST COMPANY or its successor by merger, consolidation or otherwise and my wife Executors of this, my last Will, and direct that no bond be required for the faithful performance of their duties as such. In the event that my wife is unable to qualify as Co-Executor, I appoint said THE COLONIAL TRUST COMPANY sole Executor.

IN WITNESS WHEREOF, I have hereunto set my hand and seal, this 13th day of June, 1955.

CHARLES M. HELLMANN (SEAL)

Signed, sealed, published and declared as and for his last Will and Testament by the Testator, CHARLES M. HELLMANN, in our presence, who, in his presence, in the presence of one another and at his request, have hereunto subscribed our names as witnesses, this 13th day of June, 1955.

LUCIAN D. WARNER
HELEN M. BARTSCH
C. O. DUNBAR, JR.



STATE OF CONNECTICUT } SS: Waterbury.
COUNTY OF NEW HAVEN }

We, the undersigned, being duly sworn, depose and say that on the 13th day of June, 1955, the above named Testator, CHARLES M. HELLMANN, signed the foregoing Will in our presence as witnesses; that we thereupon subscribed our names thereto as witnesses, in his presence and at his request, and in the presence of one another; that at the time of the execution of said Will said CHARLES M. HELLMANN appeared to be of full age and of sound and disposing mind and memory; and that this affidavit is made at his request.

LUCIAN D. WARNER
HELEN M. BARTSCH
C. O. DUNBAR, JR.

STATE OF CONNECTICUT } SS: Waterbury,
COUNTY OF NEW HAVEN } June 13, 1955.

Personally appeared LUCIAN D. WARNER, HELEN M. BARTSCH and C. O. DUNBAR, JR., who subscribed the foregoing affidavit and made solemn oath to the truth of the same.

Before me,

WALTER M. PICKETT, JR.
Notary Public.

STATE OF CONNECTICUT }
COUNTY OF NEW HAVEN } ss.: Meriden

.....19.....

This certifies that the within and foregoing is a true and attested copy of the Last Will and Testament with the attestation thereto of Charles M. Hellmann on file in the Probate Court for the District of Meriden.

ATTEST:

.....
*Judge*
*Clerk*

Charles M. Hellmann died on the 6th day of November, 1955. The foregoing Will was admitted to probate in the Probate Court for the District of Meriden, Connecticut on the 21st day of November, 1955. The Colonial Trust Company of Waterbury, Connecticut was confirmed as sole executor on the 21st day of November, 1955.

RECEIVED
JUL 14 1983
ADMINISTRATOR'S OFFICE

WILL OF RHODA M. HELLMANN as modified by codicils dated June 24, 1971, May 21, 1980 and May 23, 1980

ARTICLE FIRST

My Executor, hereinafter named, may find among my papers a signed letter or memorandum, the same to include any notations on property which may be found in any safe deposit box which I may have, setting forth a description of certain of my personal effects accordingly, and a receipt signed by each designated person shall be sufficient security for my Executor. (11/11/69)

ARTICLE SECOND

I give to my nephew's wife, HAZEL ELLIS PLATT, if she survives me for a period of thirty (30) days, such household furniture and furnishings located in my home at 61 Hillcrest Terrace, in said Meriden, and any insurance policies covering said property, which she shall designate in writing, within thirty (30) days after the filing of the inventory of my estate. However, should my nephew's wife not so survive me, then I give all of said property to my nephew, WINTHROP W. PLATT, on the same terms and conditions. In the event both my said nephew's wife and my nephew shall not survive me as aforesaid, then in that event, I direct that said property shall become a part of my residuary estate. (11/11/69)

ARTICLE THIRD

I give to said HAZEL ELLIS PLATT, all my clothing and furs and any insurance policies covering the same, the same to be hers absolutely. In the event that she shall not survive me, then I direct that said property shall become a part of my residuary estate. (11/11/69).

ARTICLE FOURTH

A. I give and bequeath the sum of Ten Thousand Dollars ($10,000.00) to my friends, LORETTA PARSONS and IRVING PARSONS, of Waterbury, Connecticut, or the survivor of them.

B. I give and bequeath the sum of Ten Thousand Dollars ($10,000.00) to ERNEST M. MEISTER, of Meriden, Connecticut.

C. I give and bequeath the sum of Ten Thousand Dollars ($10,000.00) to HAZEL ELLIS PLATT, if living.

D. I give and bequeath the sum of Ten Thousand Dollars ($10,000.00) to my grandnephew, ROBERT ELLIS PLATT, if living.

E. I give and bequeath the sum of Five Thousand Dollars ($5,000.00) to my friend, EDWARD G. HAZEN, of Watertown, Connecticut, if living.

F. I give and bequeath the sum of Five Thousand Dollars ($5,000.00) to my friend, DORIS FURGALACK, if living.

G. I give and bequeath the sum of Five Thousand Dollars ($5,000.00) to my friend, FRANCES RASTED, if living.

H. I give and bequeath the sum of Ten Thousand Dollars ($10,000.00) to DOCTOR JOSEPH F. MISUK, of Meriden Connecticut, if living.

I. I give and bequeath the sum of One Thousand Dollars ($1,000.00) to my friend, HARRIET DERRICK, of New Haven, Connecticut, if living.

J. I give and bequeath the sum of One Thousand Dollars ($1,000.00) to my friend, HELEN LEWIS, if living (11/11/69 - substituted 6/24/71)

ARTICLE FIFTH

I give to ERNEST M. MEISTER, of Meriden, Connecticut any automobiles with equipment and accessories thereto, garage equipment and tools which I may own at the time of my death and any insurance policies covering any or all of said property. (11/11/69)

3/23/83

ARTICLE SIXTH

A. I hereby expressly exercise the power of appointment given me under the will of my deceased husband, Charles M. Hellmann, dated June 13,1955, and on file in the Probate Court for the District of Meriden, County of New Haven and State of Connecticut, and in the exercise of this power, I direct and appoint the sum of Ten Thousand Dollars ($10,000.00 to FIRST LUTHERAN CHURCH, of Waterbury, Connecticut, or its successor, said sum to be used by said church as it may deem for its best interests (11/11/69).

B. In further exercise of said power, I hereby appoint the sum of Five Thousand Dollars ($5,000.00) to MUSCULAR DYSTROPHY ASSOCIATION OF AMERICA, INC., located at 1790 Broadway, New York 19, New York, or its successor, said sum to be used by said associations as they may deem for their best interests. (11/11/69).

C. In further exercise of said power, I hereby appoint the sum of Five Thousand Dollars ($5,000.00) to the SALVATION ARMY, or its successor, said sum to be used by said organization as it may deem for its best interests. (11/11/69).

D. In further exercise of said power, I hereby appoint the sum of Five Thousand Dollars ($5,000.00) to LUTHERAN HOME FOR THE AGED, located in Southbury, Connecticut, or its successor, said sum to be used by said home as it may deem for its best interest. (11/11/69).

E. In further exercise of said power, I hereby appoint the sum of Five Thousand Dollars ($5,000.00) to SOUTHMAYD HOME, INC., of Waterbury, Connecticut, or its successor, said sum to be used by said corporation as it may deem for its best interest. (11/11/69.

F. In further exercise of said power, I hereby appoint the sum of Fifty Thousand Dollars ($50,000.00) to my Trustee hereinafter named, IN TRUST, to be known as the "Charles M. and Rhoda M. Hellmann Fund", to hold, manage, sell, encumber, invest and reinvest in such securities and other property as my Trustee in its judgment may from time to time deem prudent without regard to any limitations now or hereafter imposed on investments by trustees by the statutes of the

State of Connecticut and to dispose of the principal, increment and net income thereof as follows:

1. To pay the income therefrom quarterly to MERIDEN HOSPITAL, located in Meriden, Connecticut, the said income to be used by the Hospital as it may deem for its best interests.

2. If said Hospital shall enter into an agreement of merger and my Trustee believes that the body or corporation so formed carried out the purposes of the Hospital, then my Trustee shall pay the income to such amalgamated body or corporation.

3. Should said Hospital mentioned herein cease to exist and there shall be no corporation formed as aforesaid so that there is no charitable or eleemosynary corporation to which the income from the trust shall be paid, then my Trustee shall pay the net income in such proportion as it may deem advisable to other charitable or religious corporations wich carry out the principles and teachings of said Hospital, and my Trustee shall have full discretion to designate the appropriate beneficiary or beneficiaries and shall have full discretion as to the proportion of the net income which shall be paid to each corporation so designated. (11/11/69).

G. In further exercise of said power, I hereby appoint the sum of Twenty-Five Thousand Dollars ($25,000.00) to VETERAN'S MEMORIAL HOSPITAL, located in Meriden, Connecticut, said sum to be used by said Hospital as it may deem for its best interests. (11/11/69).

H. In further exercise of said power, I hereby appoint all of the rest, residue and remainder of the property over which I have a power to appoint under the said will of my late husband to COLONIAL BANK , as Trustee to be held in trust, under the designation "SIBELLA HELLMANN FUND" in memory of my husband's mother, for the following purposes, viz:

The trust shall continue in perpetuity. During the continuation of this trust the net income arising therefrom shall be divided

equally between the WATERBURY HOSPITAL and ST. MARY'S HOSPITAL, such payments to be made quarter-yearly or at such more frequent intervals as the Trustee shall deem wise.

If either of the hospitals listed above is not an organization described in Sections 170(a), 2055(a) and 2522(a) of the Internal Revenue Code or has ceased to exist when income of the trust is to be distributed to it, the Trustee shall distribute all such income to the remaining hospital. If neither hospital shall qualify under such sections the Trustee shall distribute the income to such other organizations in the health care field as are described in said Sections 1770(c), 2055(a) and 2522(a) as the Trustee shall select.

Any other provisions of this will notwithstanding, the trust created pursuant to this Article Sixth is organized and shall be operated exclusively for charitable purposes; no part of the net earnings thereof shall inure to the benefit of any private shareholder or individual; and the trust shall not attempt to influence legislature or participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of any candidate for public office. (6/24/71; substituted 5/23/80).

ARTICLE SEVENTH

A.

I direct my Executor to purchase from a reputable life insurance company an annuity contract for the benefit of each of the following named individuals who shall survive me for their respective lives only as follows:

For HAZEL ELLIS PLATT, a monthly annuity amount for and during her lifetime of Eight Hundred Thirty-Three and 33/100 Dollars (833.33).

For ROBERT ELLIS PLATT, a monthly annuity amount for and during his lifetime of Eight Hundred Thirty-three and 33/100 Dollars ($833.33).

For ERNEST M. MEISTER, a monthly annuity amount for and during his lifetime of Four Hundred Sixteen and 61/100 Dollars ($416.61).

Said annuity contracts shall be delivered to the respective aforesaid annuitants.

B.

All of the rest, residue and remainder of my property, of whatever kind, including any lapsed legacy or devise, I give, devise and bequeath to my Trustee hereinafter named, in trust, however for the following purposes, viz:

The trust shall continue in perpetuity. During the continuation of this trust the net income arising therefrom shall be divided among the following named organizations in such amounts and proportions as the Trustee shall determine, such payments to be made quarter-yearly or at such more frequent intervals as the Trustee shall deem wise. If for any reason the discretion give to the Trustee to allocate the income among the following named organizations would cause the assets of this trust to lose their status as a charitable deduction in my estate for federal estate tax purposes,then the first three named in chronological order shall receive twenty percent (20%) of the income in equal shares and the last four named shall receive eighty percent (80%) of the income or twenty percent each, during each year.

The recipients are: AMERICAN CANCER SOCIETY, , Meriden, Connecticut, AMERICAN HEART ASSOCIATION, Meriden, Connecticut, THE CONNECTICUT INSTITUTE FOR THE BLIND, lcoated in Hartford, Connecticut, GAYLORD FARM ASSOCIATION, Wallingford, Connecticut, THE MASONIC HARITY FOUNDATION OF CONNECTICUT, located in Wallingford, Connecticut, MERIDEN-WALLINGFORD HOSPITAL, located in Meriden, Connecticut and the NEWINGTON CHILDRENS HOSPITAL, located in Newington, Connecticut.

If any of the organizations listed above is not an organization

described in Section 170(c), 2055(a)and 2522(a) of the Internal Revenue Code, or has ceased to exist at the time when any income of the trust would otherwise be distributed to it, the Trustee shall distribute such income among such of the other named organizations as are described in such sections of the Internal Revenue Code, or if none, to such other organization or organizations which are described in Sections 170(c), 2055(a) and 2522(a) as amended from time to time.

Any other provisions of this will notwithstanding, the trust created pursuant to this Article Seventh is organized and shall be operated exclusively for charitable purposes; no part of the net earnings thereof shall inure to the benefit of any private shareholder or individual; and the trust shall not attempt to influence legislature or participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of any candidate for public office. (11/11/69; substituted 5/21/80).

## ARTICLE EIGHTH

I direct that all estate, inheritance, succession and like taxes, whether state or federal, that may be levied upon or with respect to my estate, or upon or with respect to any property which is included as part of my gross estate for the purpose of any such tax or upon or with respect to any beneficiary of mine, including all taxes imposed by reason of any life insurance or other insurance upon my life, shall be paid out of my residuary estate and the same shall not be pro rated or apportioned among or charged against the respective devisees, legatees, beneficiaries, or other recipients, nor charged against any property passing or which may have passed to any of them. (11/11/69;substituted 5/21/80).

## ARTICLE NINTH

I grant to my Executor and Trustee all of the powers contained

in the Fiduciary Powers Act enacted by the legislature of the State of Connecticut being sections 45-100e and 45-100f subsections 1 through 27 inclusive of the Connecticut General Statutes.

Any other provisions of this will notwithstanding, the Trustee shall distribute the income for each arising in a charitable trust under this will at such time and in such manner as not to become subject to the tax on undistributed income imposed by Section 4942 of the Internal Revenue Code of 1954 or corresponding provisions of any subsequent federal tax laws.

The Trustee shall not engage in any act of self-dealing as defined in Section 4941(d); nor retain any excess business holdings as defined in Section 4943(c); nor make investments in such manner as to incur tax liability under Section 4944; nor make any taxable expenditures as defined in Section 4945(d). The section references are to the Internal Revnue Code of 1954 or corresponding provisions of any subsequent federal tax laws.

It is intended that the organization to receive income payments shall be organized and operating exclusively for charitable purposes, no part of the net earnings of which inures or is payable to or for the benefit of any private shareholder or individual, and no part of the activity of which is carrying on propaganda, or otherwise attempting to influence legislature and which do not participate in or intervene in any political campaign on behalf of any candidate for public office. It is intended that the recipient organization shall be such as shall be entitled to exemption from Federal Income Tax under Section 501(c)(3) of the Internal Revenue Code of 1954, as now in force or afterwards amended. (11/11/69; substituted 5/21/80).

ARTICLE TENTH

In determination of the property passing under Articles First, Second, Third and Fifth, the determination of my Executor, hereinafter named, shall be binding upon all parties. In the event that any

provision of this will, including but not limited to the foregoing Articles, is contested by sány of the parties mentioned herein, the portion or portions of my estate to which such party or parties would be entitled shall be disposed of in the same manner as though their name or names had not been mentioned herein.

ARTICLE ELEVENTH

I nominate and appoint THE COLONIAL BANK AND TRUST COMPANY, a banking corporation organized and existing under the Special Charter granted by the General Assembly of the State of Connecticut, having an office and principal place of business in the City of Waterbury, County of New Haven and State of Connecticut, or its successor by consolidation, merger or otherwise, Trustee of this Will, without bond.

ARTICLE TWELFTH

I appoint said THE COLONIAL BANK AND TRUST COMPANY, or its successor by merger, consolidation or otherwise, Executor of this will, without bond.

IN WITNESS WHEREOF, I have hereunto set my hand and seal, this 11 th day of November, 1969.

_____(SEAL)

/s/ Rhoda M. Hellmann

# LAST WILL AND TESTAMENT

OF

ABBIE C. HOPKINS

LATE OF

NAUGATUCK, CONN.

I, ABBIE C. HOPKINS, of the Town of Naugatuck, New Haven County, Connecticut, make, publish and declare the following as and for my Last Will and Testament, hereby revoking any and all other wills by me heretofore made.

## FIRST

I direct my Executor hereinafter named to pay all my just debts and funeral expenses.

## SECOND

I give and bequeath to THE COLONIAL TRUST COMPANY, a corporation of Waterbury, in said County and State, all my furniture, pictures, books, silver, jewelry, clothing and other household and personal effects, and request that it distribute them in accordance with such written directions as I may leave, sell any of said property concerning which I leave no such directions, and add the proceeds thereof to the residue of my estate which is disposed of in the Seventh Section hereof.

## THIRD

I give and bequeath to each male person regularly employed by me at the time of my decease in or about my residence in Naugatuck, Connecticut, Two Hundred Dollars ($200.00), and to each female person thus employed by me One Hundred Dollars ($100.00), for each year and fraction of a year for which he or she shall have been so employed at the time of my decease.

To THERESA G. PILLER, of 270 Walnut Street, Waterbury, Connecticut, who is not thus employed, I give and bequeath the sum of Five Hundred Dollars ($500.00) in recognition of her many years of faithful service.

## FOURTH

I give and bequeath to the CENTER STREET CEMETERY ASSOCIATION, of the Town of Wallingford, Connecticut, Five Hundred Dollars ($500.00) for the uses and purposes of said Association.

## FIFTH

I give, devise and bequeath to THE GROVE CEMETERY ASSOCIATION, of said Naugatuck, any unused lots or plots in any of the cemeteries owned or maintained by it in said Naugatuck of which I may die seized or possessed, and direct my Executor to have the date of my decease inscribed upon the tablet in the Hopkins lot in the Hillside Cemetery, in said Naugatuck.

## SIXTH

I give and bequeath to the Trustee hereinafter named Five Thousand Dollars ($5,000.00), IN TRUST, NEVERTHELESS, in perpetuity, to invest and reinvest, and pay so much of the net income thereof to THE GROVE CEMETERY ASSOCIATION aforesaid, for use by it as is reasonably necessary, in the opinion of the Trustee, for the preservation, care and maintenance of the cemetery lots and plot known as the "Hopkins" lots and the "Oliver and Harriet Evans" plot, and the monuments thereon, in the Hillside Cemetery, in said Naugatuck, and for the preservation, care and maintenance of the Guntown Cemetery, in said Naugatuck, and the monuments and headstones of the ancestors of my husband, Samuel E. Hopkins, late of said Naugatuck, deceased, which are located therein, which care shall include and require that said lots and plot shall be filled with plants each year before the thirtieth of May, tended and cared for during the Summer, and that each year before December Twenty-fifth proper Christmas wreaths shall be placed upon the monuments thereon. Any of said net income not reasonably necessary for the purposes aforesaid, in the opinion of the Trustee,



shall be added by it to the $5,000.00 principal aforesaid, and whenever such principal shall amount to $10,000.00, in the opinion of the Trustee, so much of the net income of said principal as is not, in the opinion of the Trustee, reasonably necessary for the purposes aforesaid, shall be transferred, paid and delivered to said GROVE CEMETERY ASSOCIATION for use by it for the general preservation, care and maintenance of said Hillside, Guntown and Grove Cemeteries.

## SEVENTH

I give, devise and bequeath all the rest, residue and remainder of my property of every kind and description, including lapsed or void legacies and devises, which fund shall be known as and named "THE HOPKINS MEMORIAL", to THE COLONIAL TRUST COMPANY, of Waterbury, Connecticut, IN TRUST, NEVERTHELESS, to invest and reinvest, and from the net income thereof to pay the following annuities:

A.

To LILLIAN HOPKINS, widow of George B. Hopkins, of Helena, Montana, during the remainder of her life, the sum of One Hundred Dollars ($100.00) annually.

To JESSIE PERKINS, of Wallingford, Connecticut, daughter of Helen Bartholomew Perkins, during the remainder of her life, the sum of Two Hundred Fifty Dollars ($250.00) annually.

To EMILY HOPKINS TURTON, of Naugatuck, Connecticut, during the remainder of her life, the sum of One Hundred Dollars ($100.00) annually.

To HARRIET HOPKINS FLINT, of Naugatuck, Connecticut, during the remainder of her life, the sum of One Hundred Dollars ($100.00) annually.

To WILLIAM B. HOPKINS, of Naugatuck, Connecticut, during the remainder of his life, the sum of One Hundred Dollars ($100.00) annually.

To SAMUEL J. COOK, my nephew, of Southington, Connecticut, during the remainder of his life, the sum of Two Hundred and Fifty Dollars ($250.00) annually.

To BERTHA CHILDS BAUMANN and LENA CHILDS DELIUS, daughters of Elizabeth Bartholomew Hamilton, late of Wallingford, Connecticut, deceased, and after the decease of either of them to the survivor, during the remainder of their lives, the sum of Two Hundred Dollars ($200.00) annually, share and share alike. Upon the decease of both the said Bertha Childs Baumann and Lena Childs Delius, said annuity of Two Hundred Dollars ($200.00) shall be paid to the daughters of said Bertha Childs Baumann, to wit: NATALIE RICHARDSON and MADELINE EASTOP, share and share alike, and to the survivor of them, during the remainder of their lives. Upon the death of the last survivor of said four named beneficiaries, I direct that the sum of Four Thousand Dollars ($4,000.00) be paid from the principal of said trust fund to ANNE ELIZABETH RICHARDSON, daughter of Natalie Richardson, aforesaid, if she be then living, to be hers absolutely.

Until said trust fund is established, I direct my Executor to pay from my general estate, quarterly or semi-annually, from the date of my death, the annuities payable to each of the aforesaid persons named in this paragraph, except to those whose annuity is not payable until after the death of another person, provided, however, that if any of the persons thus provided for dies before the expiration of twelve months after my death, said payments provided for him or her shall terminate upon his or her death.

B.

To THE CONGREGATIONAL CHURCH SOCIETY, of Naugatuck, Connecticut, the sum of Two Hundred Dollars ($200.00) annually, in perpetuity, to be known as "THE HOPKINS FUND", for the general uses and purposes of said Society.



To ST. MICHAEL'S PARISH OF THE PROTESTANT EPISCOPAL CHURCH, of Naugatuck, Connecticut, the sum of One Hundred Dollars ($100.00) annually, in perpetuity, to be known as "THE ADAMS FUND", for the general uses and purposes of said Parish.

To THE NEW HAVEN COUNTY ANTI-TUBERCULOSIS ASSOCIATION, the sum of Two Hundred Dollars ($200.00) annually, in perpetuity, for the use of GAYLORD FARM SANITORIUM, of Wallingford, Connecticut.

To THE MASONIC CHARITY FOUNDATION OF CONNECTICUT, now located in Wallingford, Connecticut, the sum of Two Hundred Dollars ($200.00) annually, in perpetuity, in memory of my husband's father, WILLARD HOPKINS, and his uncle, ENOS O. ADAMS, for the general uses and purposes of said Foundation.

To NAUGATUCK DAY NURSERY, of Naugatuck, Connecticut, the sum of One Hundred Dollars ($100.00) annually, in perpetuity, for the general uses and purposes of said Nursery.

To NAUGATUCK CHAPTER OF THE AMERICAN RED CROSS, the sum of Two Hundred Dollars ($200.00) annually, in perpetuity, for the general uses and purposes of said Chapter.

To BOROUGH OF NAUGATUCK, CONNECTICUT, the sum of Eighty Dollars ($80.00) annually, in perpetuity, for the use and maintenance of the SCOTT STREET PLAYGROUND, heretofore conveyed by my husband, Samuel E. Hopkins, to said Borough.

To THE YOUNG MEN'S CHRISTIAN ASSOCIATION, of Naugatuck, Connecticut, the sum of Two Hundred Dollars ($200.00) annually, in perpetuity, for the general uses and purposes of said Association.

If the legal existence of any of the beneficiaries hereinbefore provided for shall be terminated, or if any of said beneficiaries shall fail to function for its present purposes to the satisfaction of the Trustee, or if for any reason any of the payments provided

for cannot be made to any of such beneficiaries for the purposes and as hereinbefore provided, I direct the Trustee, upon the happening of any such contingency, to terminate said payment.

C.

After the payment of the annuities as hereinbefore provided for, I direct that the remainder of said net income be added to the principal of said fund, and invested and reinvested for a period of time not exceeding twenty years after my decease.

(a) If, during said period of twenty years, the Governing Board of the NAUGATUCK HOSPITAL CORPORATION, a corporation of said Naugatuck, (Hereinafter referred to as "Naugatuck Hospital"), concludes that the available funds of the Naugatuck Hospital, together with the total of the income thus added to the principal of this fund, are sufficient, in its opinion, to warrant the building and maintenance of a hospital in said Naugatuck, and notifies the Trustee to that effect, and requests, in writing, that a sum of money equal to the income thus added to the principal of this fund be paid to the Naugatuck Hospital for said purpose, the Trustee is hereby authorized and directed to pay the Naugatuck Hospital all such income theretofore added to the principal of this fund, which shall be used as said Governing Board may deem wise and for the best interests of the Naugatuck Hospital, and thereafter the Trustee shall pay quarterly, in perpetuity, to the Naugatuck Hospital said remainder of the net income upon said principal sum for the general uses and purposes of such hospital.

(b) If, however, at the termination of said twenty-year period, no hospital has been built by the Naugatuck Hospital in said Naugatuck, I direct the Trustee to continue to hold and invest and reinvest said fund and the increment thereto, as aforesaid, until a hospital has been erected in said Naugatuck by the Naugatuck Hospital, and meantime to pay to THE WATERBURY HOSPITAL, a



corporation of said Waterbury, said remainder of the net income from said fund and from the increment thereto for the purpose of providing accommodations and medical care and attention for the poor and needy residents of the Borough of Naugatuck aforesaid, with the understanding, however, that the surplus of said income, if any, may be used by The Waterbury Hospital aforesaid for its general uses and purposes.

(c) If, at some later period, a hospital is erected in said Naugatuck by the Naugatuck Hospital, I direct the Trustee to pay said remainder of the net income from said fund and from the increment thereto, in perpetuity, to the NAUGATUCK HOSPITAL, to be used for the general purposes of said institution.

EIGHTH

I direct the Executor to pay all inheritance, transfer and other taxes upon each devise and legacy herein made as an expense of the administration of my estate.

NINTH

I hereby appoint THE COLONIAL TRUST COMPANY, of Waterbury, Connecticut, to be Executor of this Will and Trustee of all Trusts herein created, and direct that no bond be required of it in either capacity. I further hereby authorize and empower said The Colonial Trust Company as such Executor and Trustee, in its discretion and without incurring any liability by so doing, to continue in the form in which it shall receive the same any investments of my property or to reinvest the same in such manner as it shall deem expedient, although such investments may not be of the character authorized by law for the investment of trust funds, and to sell, convey, transfer or lease any of my real or personal property upon such terms as it shall deem expedient, and to execute and deliver valid deeds, transfers, leases and other instruments

necessary or proper for such purpose, without an order of Court, requesting, however, that it refrain from making any sale or transfer of my Naugatuck residence aforesaid that may, in its opinion, injuriously affect the value of neighboring real property or unduly annoy the owners thereof. I further hereby authorize said The Colonial Trust Company, in its capacity both as Executor and as Trustee, in its discretion, to pay any of the legacies herein provided for by transferring to the legatee any such investments as it deems advisable at the market value thereof, as determined by it at the time of such payment; and, if it deems it expedient to do so, to borrow money for the purpose of making any or all of the payments herein provided for, and for that purpose to pledge any or all of the property of my estate as security for such loans, and I further authorize and direct it, so far as it may legally do so, to omit the making of any formal appraisal of the property of my estate.

IN WITNESS WHEREOF, I have hereunto set my hand and seal, this 20th day of April, A.D. 1938.

ABBIE C. HOPKINS (SEAL)

Signed and sealed by the within named Testatrix, ABBIE C. HOPKINS, and by her declared to be her last Will and Testament in our presence who have hereunto subscribed our names as witnesses in her presence and in the presence of each other, and at her request, this 20th day of April, A.D. 1938.

LUCIAN D. WARNER
JEAN L. ARCHAMBAULT } WITNESSES.
GUSTAV A. ANDERSON

STATE OF CONNECTICUT, } SS. Naugatuck, April
COUNTY OF NEW HAVEN, } 20th A. D. 1938.

Then and there personally appeared the undersigned, who being duly sworn, depose and say that



they witnessed the execution of the within will of the within named Testatrix, ABBIE C. HOPKINS; that the said ABBIE C. HOPKINS subscribed said will and declared the same to be her Last Will and Testament in their presence and in the presence of Gustav A. Anderson; that they and the said Gustav A. Anderson thereafter subscribed the same as witnesses in the presence of said Testatrix and in the presence of each other and at the request of said Testatrix; that the said Testatrix at the time of the execution of said will appeared to them to be of full age and of sound mind and memory and competent in every respect to make a will; and that they make this affidavit at the request of said Testatrix.

LUCIAN D. WARNER of Naugatuck, Conn.

JEAN L. ARCHAMBAULT of Middlebury, Conn.

Subscribed and sworn to, before me,
the day and year above written.

G. A. ANDERSON
Notary Public.

STATE OF CONNECTICUT,
DISTRICT OF NAUGATUCK. } SS. PROBATE COURT,

_____ 19___.

This certifies that the within and foregoing is a true and attested copy of The Last Will and Testament of ABBIE C. HOPKINS, on file in the Probate Court for the District of Naugatuck.

ATTEST:_____
Judge

ABBIE C. HOPKINS died on the 28th day of December, 1939. The foregoing Will was admitted to probate in the Probate Court for the District of Naugatuck, Connecticut, and THE COLONIAL TRUST COMPANY confirmed as Executor on the 8th day of January, 1940.

I, FRANK KEELING, of Naugatuck, County of New Haven, State of Connecticut, do make and constitute this my Last Will and Testament, hereby revoking all wills by me heretofore made.

ARTICLE ONE

I direct that my funeral expenses and all my just debts, except such as at my decease shall be secured by mortgage, shall be borne and paid by my Executor out of my general estate. I further direct that all estate, successor or inheritance taxes, whether State or Federal, that may be imposed by reason of my death upon my estate or upon any beneficiary of mine, including all such taxes imposed by reason of any life insurance or other insurance upon my life, shall be borne and paid from my general estate and that the same shall not be pro rated or apportioned among or charged against the respective devisees, legatees, beneficiaries, transferrees or other recipients, nor charged against any property passing or which may have passed to any of them.

ARTICLE TWO

I give, devise and bequeath to my sister, LILLIE KEELING WURTENBERG, of Naugatuck, Connecticut, if living, all the real estate which I own at the time of my decease, subject to any existing mortgage, together with all my household furniture, furnishings, books, pictures, wearing apparel and all other articles of a similar and personal nature, the same to be hers absolutely. Should my said sister be not living then I give, devise and bequeath all of the aforesaid real and personal property, subject to any existing mortgage, to my nieces, PAULINE T. SMITH and LEITA S. HULL, in equal shares, or to the survivor if either be not living, the same to be theirs absolutely, to them and their respective heirs forever.

ARTICLE THREE

I give and bequeath to each of the following persons the sums herein set forth, to be to each of them absolutely, to wit:

(a) To my niece, MILDRED FABER BRADLY, of Newark, New Jersey, if living, the sum of Seven Thousand Dollars ($7,000.00).

(b) To my niece, PAULINE K. McCASKIE, of Lakewood, Ohio, if living, the sum of Seven Thousand Dollars ($7,000.00). Should my said niece be not then living, I give and bequeath said sum to her then living children, share and share alike.

(c) To my niece, KATHERINE T. KEELING, of said Naugatuck, if living, otherwise to my niece, PAULINE K. McCASKIE, the sum of Seven Thousand Dollars ($7,000.00).

(d) To my nephew, HOWARD K. FABER, of Miami, Florida, and his wife, in equal shares, or to the survivor if either predecease me, the sum of Seven Thousand Dollars ($7,000.00). Should neither my said nephew or his wife be then living, I give and bequeath said sum to his then living children, share and share alike.

(e) To EDWARD JENZELL, of said Naugatuck, and his wife, in equal shares, or to the survivor if either predecease me, the sum of Five Hundred Dollars ($500.00).

(f) To my sister, LILLIE K. WURTENBERG, if living, the sum of Six Thousand Dollars ($6,000.00).

(g) To my niece, LEITA S. HULL, if living, the sum of Six Thousand Dollars ($6,000.00).

(h) To my niece, PAULINE T. SMITH, if living, the sum of Six Thousand Dollars ($6,000.00).

ARTICLE FOUR

I give and bequeath to IRENE L. SQUIRES, of said Naugatuck, if living, the sum of One Thousand Dollars ($1,000.00), to be hers absolutely.

ARTICLE FIVE

I give and bequeath to MARGARET L. FABER, of Washington, New Jersey, if living, the sum of Five Hundred Dollars ($500.00), to be hers absolutely.

ARTICLE SIX

I give and bequeath to each of my following named grandnephews and grandnieces, if living, to each the sum indicated, to be to each of them absolutely, to wit:

(a) To HOWARD K. FABER, JR., of Union, New Jersey, and his wife, in equal shares, or to the survivor if either predecease me, the sum of Two Thousand Dollars ($2,000.00).

(b) To JANE R. GOLDEN, of Miami, Florida, the sum of One Thousand Dollars ($1,000.00).

(c) To MILDRED K. FABER, of Miami, Florida, the sum of One Thousand Dollars ($1,000.00).

(d) To DAVID K. McCASKIE, of Lakewood, Ohio, the sum of Two Thousand Dollars ($2,000.00).

(e) To NANCY H. McCASKIE, of Lakewood, Ohio, the sum of Two Thousand Dollars ($2,000.00).

(f) To JOHN F. McCASKIE, of Lakewood, Ohio, the sum of Two Thousand Dollars ($2,000.00).

ARTICLE SEVEN

I give and bequeath to each of the following named persons, all of Naugatuck, Connecticut, if living, to each the sum indicated, to be to each of them absolutely, to wit:

(a) To MISS EMILY KILLER, the sum of Two Hundred Fifty Dollars ($250.00).

(b) To MISS MARY HAMMAN, the sum of Five Hundred Dollars ($500.00).

(c) To MISS TILLIE STATZ, the sum of Five Hundred Dollars ($500.00).

(d) To MRS. MARY L. SOKOLOWSKI, the sum of Five Hundred Dollars ($500.00).

(e) To MRS. BERTHA OWENS, the sum of Two Hundred Fifty Dollars ($250.00).

(f) To MRS. MARTHA BRIGGS, the sum of Five Hundred Dollars ($500.00).

ARTICLE EIGHT

I give and bequeath to GROVE CEMETERY ASSOCIATION, of Naugatuck, Connecticut, the sum of One Thousand Dollars ($1,000.00) to be held as a perpetual fund, the income only thereof to be used for the care and maintenance of the Keeling lot in Hillside Cemetery and of the markers and monuments thereon. Any income not used for such purposes may be used for the general purposes of said Association.

ARTICLE NINE

I give and bequeath to THE NAUGATUCK YOUNG MEN'S CHRISTIAN ASSOCIATION, of Naugatuck, Connecticut, the sum of Five Hundred Dollars ($500.00), to be its absolutely.

ARTICLE TEN

I give and bequeath to the NAUGATUCK CHAPTER OF THE AMERICAN RED CROSS, of Naugatuck, Connecticut, the sum of Five Hundred Dollars ($500.00), to be its absolutely.

ARTICLE ELEVEN

All of the rest, residue and remainder of my property, both real and personal, and wheresoever situated, including any lapsed or void legacies or devises, I give, devise and bequeath to my Trustee hereinafter named, in trust, nevertheless, for the following purposes:

This trust shall continue so long as my sister, LILLIE KEELING WURTENBERG, and my nieces, PAULINE T. SMITH and LEITA S. HULL, or any one of them, shall live, and shall cease and determine upon the death of the last survivor.

So long as this trust shall continue, the net income thereof shall be applied by my Trustee for the benefit of or paid over, quarterly or at such other times as may be mutually agreed upon, to my sister, LILLIE KEELING WURTENBERG, and my nieces, PAULINE T. SMITH and LEITA S. HULL, my said sister and my said nieces to each receive one-third of such net income; provided further, that upon the death of any of said life tenants the share of the net income which would otherwise be paid to or for the benefit of such decedent shall be paid over in like proportions to the survivors.

ARTICLE TWELVE

Upon the termination of the trust created by Paragraph Eleven of this will as therein provided for, the principal thereof shall be disposed of as follows:

A.

Fifteen Thousand Dollars ($15,000.00) shall be paid over to ST. MICHAEL'S PARISH OF THE PROTESTANT EPISCOPAL CHURCH, of Naugatuck, Connecticut, to be used for the general purposes of said Parish.

B.

The balance of said principal shall be retained by said Trustee and shall constitute and become a trust fund to be known as "The Frank Keeling Fund", the principal thereof to be held in trust in perpetuity and the income only thereof to be paid over to THE WATERBURY HOSPITAL, of Waterbury, Connecticut, to be used for the general purposes of said Hospital.

ARTICLE THIRTEEN

I appoint THE COLONIAL TRUST COMPANY, of Waterbury, Connecticut, to be Executor of this will and Trustee of all trusts created hereunder. I further direct that no bonds be required of it in its capacity as Executor or as Trustee. I further give to my said Executor and Trustee power to sell and convey any and all real estate without an order of court and to execute and deliver such deeds and instruments as may be necessary to pass title thereto, and I empower my said Executor and Trustee to sell, exchange, transfer or otherwise dispose of any or all property, real or personal, from time to time acquired by it in its respective capacities, and to invest and reinvest the proceeds of any property, real and personal, in such securities as it may deem wise, including stocks, bonds or other securities, or in a common trust fund established by it pursuant to any

statutes now or hereafter enacted, expressly directing that it shall not be confined to investments permissible by law for trustees, and I do hereby declare that it shall not be liable for any loss resulting to my estate or to the trust funds created hereunder from any investment or reinvestment made or retained by it in good faith. I further direct that said Executor and Trustee need not create a sinking fund from income or otherwise make good to principal any loss on securities purchased when from the falling due of said securities or otherwise the original cost thereof is lost in whole or in part, nor credit income or otherwise make adjustments between income and principal by reason of the fact that securities may be purchased or acquired at a discount, nor shall the income be charged in any form with losses arising from depreciation in the principal of the trust. I further authorize my said Executor and Trustee in its discretion to make payment of any legacies provided for in this will, and also partial and final distribution of my estate by transferring money, securities or other property as it may deem advisable at the market value thereof as determined by it at the time of such distribution, its judgment therein to be binding and conclusive upon all parties. I further direct that all expenses incurred, including trustee's commissions, shall be charged to principal or income as my said Executor and Trustee shall, in its sole discretion, deem fit and proper.

IN WITNESS WHEREOF, I have hereunto set my hand and seal, this 15th day of December, A. D. 1954.

Frank Keeling (SEAL)

Signed and sealed by the within named Testator, FRANK KEELING, and by him declared to be his Last Will and Testament in our presence who have hereunto subscribed our names as witnesses in his presence and in the presence of each other, and at his request, this 15th day of December, A.D. 1954.

Phebeana V. Gerulaitis
Edward G. Hazen
William W. Gager
} Witnesses.

STATE OF CONNECTICUT )
) SS. Naugatuck December 15th, A.D. 1954
COUNTY OF NEW HAVEN )

Then and there personally appeared the undersigned, who being duly sworn, depose and say that they witnessed the execution of the within will of the within named Testator, FRANK KEELING; that the said FRANK KEELING subscribed said will and declared the same to be his Last Will and Testament in their presence and in the presence of William W. Gager; that they and the said William W. Gager thereafter subscribed the same as witnesses in the presence of said Testator and in the presence of each other and at the request of said Testator; that the said Testator at the time of the execution of said will appeared to them to be of full age and of sound mind and memory and competent in every respect to make a will and that they make this affidavit at the request of said Testator.

Phebeana V. Gerulaitis of Waterbury, Conn.

Edward G. Hazen of Watertown, Conn.

Subscribed and sworn to before me,
the day and year above written,

William W. Gager
Notary Public.

SIGNATURE GUARANTEED

We hereby certify that the within and foregoing is a true and correct copy of the original instrument on file in the Probate Court for the District of Naugatuck.
The Colonial Trust Company

By Edward G. [illegible]
Authorized Signature

C 2/61

In acknowledgment of
the Jacob Keeling Bequest.
-died May 27, 1954

I, JACOB KEELING, of Naugatuck, County of New Haven, State of Connecticut, do make and constitute this my Last Will and Testament, hereby revoking all wills by me heretofore made.

ARTICLE ONE

I direct that my funeral expenses and all my just debts, except such as at my decease shall be secured by mortgage, shall be borne and paid by my Executor out of my general estate. I further direct that all estate succession or inheritance taxes, whether State or Federal, that may be imposed by reason of my death upon my estate or upon any beneficiary of mine, including all such taxes imposed by reason of any life insurance or other insurance upon my life, shall be borne and paid from my general estate and that the same shall not be pro rated or apportioned among or charged against the respective devisees, legatees, beneficiaries, transferees, or other recipients, nor charged against any property passing or which may have passed to any of them.

ARTICLE TWO

I give and bequeath to my sister, LILLIE K. WURTENBERG, and to my brother, FRANK KEELING, or to the survivor, if either predecease me, all my household furniture, furnishings, supplies and equipment, all books, pictures, wearing apparel and other articles of personal use or adornment, and any pleasure automobiles owned by me at the time of my death, together with all equipment and accessories pertaining thereto, to be theirs absolutely.

ARTICLE THREE

I give and bequeath to each of the following named persons, all of Naugatuck, Connecticut, in recognition of their many acts of kindness toward my people, the sums herein set forth, to be to each of them absolutely:

To MARY HAMMAN, Five Hundred Dollars ($500.00).

To TILLIE STATZ, Five Hundred Dollars ($500.00).

To MR. and MRS. EDWARD JENZELL, in equal shares, or to the survivor if either predecease me, Five Hundred Dollars ($500.00).

To MR. and MRS. FRANK SOKOLOWSKI, SR., in equal shares, or to the survivor if either predecease me, Five Hundred Dollars ($500.00).

To MRS. E. R. HANCE, Two Hundred Dollars ($200.00).

ARTICLE FOUR

I give and bequeath to ST. MICHAEL'S PARISH OF THE PROTESTANT EPISCOPAL CHURCH, of Naugatuck, Connecticut, the sum of Twenty-five Thousand Dollars ($25,000.00) to be added to the Endowment Fund of said Parish.

ARTICLE FIVE

I give and bequeath to GROVE CEMETERY ASSOCIATION, of Naugatuck, Connecticut, the sum of One Thousand Dollars ($1,000.00), the income thereof to be used for the care of the Grove Cemetery; I also give and bequeath to said Grove Cemetery Association a further sum of One Thousand Dollars ($1,000.00), the income thereof to be used for the care of the Hillside Cemetery.

ARTICLE SIX

I give and bequeath to the YOUNG MEN'S CHRISTIAN ASSOCIATION, of Naugatuck, Connecticut, the sum of One Thousand Dollars ($1,000.00), to be used for the general purposes of said Association.

ARTICLE SEVEN

I give and bequeath to the NAUGATUCK CHAPTER OF THE AMERICAN RED CROSS, the sum of One Thousand Dollars ($1,000.00), to be used for the general pruposes of said Chapter.

ARTICLE EIGHT

I give and bequeath to NASHOTAH HOUSE, of Nashotah, Wisconsin, a Theological Seminary, to be used for the general purposes of said Seminary, the sum of One Thousand Dollars ($1,000.00).

ARTICLE NINE

I give and bequeath to each of the following named persons who shall survive me, to be to each absolutely, the sums herein set forth, to wit:

To MRS. MARGARET FABER, of Washington, New Jersey, the sum of Five Hundred Dollars ($500.00).

To MR. and MRS. HOWARD FABER, SR., of Bloomfield, New Jersey, in equal shares, or to the survivor if either predecease me, Five Thousand Dollars ($5,000.00).

To MILDRED BRADLY, of Newark, New Jersey, Five Thousand Dollars ($5,000.00).

To KATHERINE KEELING, daughter of my brother, Fred Keeling, of Passaic, New Jersey, Five Thousand Dollars ($5,000.00).

To MR. and MRS. KENNETH McCASKIE, of Lakewood, Ohio, in equal shares,or to the survivor if either predecease me, Five Thousand Dollars ($5,000.00).

To MR. and MRS. HOWARD K. FABER, JR., of Union, New Jersey, in equal shares, or to the survivor if either predecease me, Two Thousand Dollars ($2,000.00).

To JANE R. FABER, of Lima,Peru, Two Thousand Dollars ($2,000.00).

To MILDRED K. FABER, of Bloomfield, New Jersey, Two Thousand Dollars ($2,000.00).

To DAVID K. McCASKIE, of Lakewood, Ohio, Two Thousand Dollars ($2,000.00).

To NANCY McCASKIE, of Lakewood, Ohio, Two Thousand Dollars ($2,000.00).

To JOHN McCASKIE, of Lakewood, Ohio, Two Thousand Dollars ($2,000.00).

To PAULINE T. SMITH, of Naugatuck, Connecticut, the sum of Five Thousand Dollars ($5,000.00).

To LEITA S. HULL, of Naugatuck, Connecticut, the sum of Five Thousand Dollars ($5,000.00).

ARTICLE TEN

All of the rest, residue and remainder of my property, both real and personal, and wheresoever situated, including all lapsed or void legacies, I give, devise and bequeath to my Trustee hereinafter named, to be held in trust, nevertheless, and the net income thereof to be paid over, quarterly or at such other times as may be mutually agreed upon, in shares as follows:

Twenty-five per cent (25%) of said net income shall be paid over to or applied by my Trustee for the benefit of my brother, FRANK KEELING, so long as he shall live.

Twenty-five per cent (25%) of said net income shall be paid over to or applied by my Trustee for the benefit of my sister, LILLIE K. WURTENBERG, so long as she shall live.

Twenty-five per cent (25%) of said net income shall be paid over to or applied by my Trustee for the benefit of my niece, PAULINE T. SMITH, so long as she shall live.

Twenty-five per cent (25%) of said net income shall be paid over to or applied by my Trustee for the benefit of my niece, LEITA S. HULL, so long as she shall live.

Upon the death of any of the aforesaid named beneficiaries, or should any of them be not living at the inception of this trust, the share of net income which he or she would receive if living shall be paid in equal shares to the survivors so long as they or any of them shall live.

I further authorize and direct my Trustee to pay over to or apply for the benefit of my nieces, PAULINE T. SMITH and LEITA S. HULL, should their resources be not sufficient therefor, so much of the principal of the trust fund as shall be necessary, in the absolute discretion of my Trustee to assure them of their comfortable support and maintenance during their lives.

Upon the death of the last survivor of the aforesaid named beneficiaries, or should none of them be living at my decease, this trust shall cease and determine and the then principal thereof shall be paid over and delivered to The Colonial Trust Company, of Waterbury, Connecticut the same to be held in trust as a perpetual trust fund to be known as "The Jacob Keeling Fund", the income only thereof to be paid to THE WATERBURY HOSPITAL, of Waterbury, Connecticut, to be used for the general purposes of said Hospital.

ARTICLE ELEVEN

I appoint THE COLONIAL TRUST COMPANY, of Waterbury, Connecticut, to be Executor of this will and Trustee of all trusts created hereunder. I further give to my said Executor and Trustee power to sell and convey any and all real estate, without an order of court, upon such terms, including the taking of a purchase money mortgage, as it my deem wise, and to execute and deliver such deeds and instruments as may be necessary to pass title thereto, and I empower my said Executor and Trustee to sell, exchange, transfer or otherwise dispose of any and all other property from time to time acquired by it in its respective capacities, and to invest and reinvest the proceeds of any property, real and personal, and any principal funds in such securities as it may deem wise, including stocks, bonds or other securities, or in a common trust fund established by it pursuant to any statutes now or hereafter enacted, expressly directing that it shall not be confined to investments permissible by law for trustees, and I do hereby declare that it shall not be liable for any loss resulting to my estate or to the trust funds created hereunder from any investment or reinvestment made or retained by it in good faith. I further authorize my said Executor and Trustee in its discretion to make distribution of my estate by transferring money, securities or other property as it may deem advisable at the market value thereof as determined by it at the time of such distribution, its judgment therein to be binding and conclusive upon all parties. I further direct that all expenses incurred, including trustee's commissions, shall be charged to principal or income as my said Executor and Trustee shall in its sole discretion, deem fit and proper.

IN WITNESS WHEREOF, I have hereunto set my hand and seal, this 30th day of June, A. D. 1952.

JACOB KEELING (SEAL)

Signed and sealed by the within named Testator, JACOB KEELING, and by him declared to be his Last Will and Testament in our presence who have hereunto subscribed our names as witnesses in his presence and in the presence of each other, and at his request, this 30th day of June, A. D. 1952.

Phebeana Gerulaitis

Esther L. Stone } Witnesses.

Ann Jean McGann

STATE OF CONNECTICUT )
) SS. Waterbury
COUNTY OF NEW HAVEN )

Be it remembered that on this 30th day of June, 1952, before me, L. D. Warner, a Notary Public within and for the State of Connecticut, personally appeared the undersigned, who being duly sworn, severally make oath and say that they witnessed the within will of the within named Testator, JACOB KEELING, and subscribed the same in his presence and at his request, and in the presence of each other; that the said JACOB KEELING, at the time of the execution of said will, appeared to them to be of full age and of sound mind and memory; that he signed said will and declared the same to be his Last Will and Testament in their presence; and that they make and sign this affidavit at the request of said Testator.

Phebeana Gerulaitis of Waterbury, Conn.

Esther L. Stone of Waterbury, Conn.

Ann Jean McGann of Waterbury, Conn.

Subscribed and sworn to before me,
the day and year above written,

L. D. Warner
Notary Public.

We hereby certify that the within and foregoing is a true and correct copy of the original instrument on file in the Probate Court for the District of Naugatuck, Connecticut.

The Colonial Trust Company
Waterbury, Conn.

By: Edward G. Hayes
Authorized Signature

Jacob Keeling died May 27, 1954.
Will was admitted to probate in the Probate Court for the District of Naugatuck, Connecticut, and The Colonial Trust Company of Waterbury was confirmed as Executor on JUN 17 1954

I, HARRIET KIRK, of Waterbury, County of New Haven and State of Connecticut, make, publish and declare the following as and for my last Will and Testament, hereby revoking any other Wills and Codicils by me heretofore made.

FIRST

I give, devise and bequeath to my sister, ELIZABETH, any and all real estate standing in my name, if she survives me.

SECOND

I desire my Executor to give my household furniture, utensils, jewelry and personal apparel to the persons designated on a list in my own handwriting which will be found in my safe deposit box.

Harriet Kirk

THIRD

All the rest, residue and remainder of my property, of every kind and description, including lapsed legacies and devises, I give, devise and bequeath to THE WATERBURY NATIONAL BANK, a banking corporation organized under Acts of Congress of the United States and having its office and principal place of business in said Waterbury, or its successor by merger, consolidation or otherwise, IN TRUST without bonds, in perpetuity to hold, manage, invest and reinvest in such securities and other property as the Trustee in its sole judgment may from time to time deem prudent, without regard to any limitations now or hereafter imposed on investments by trustees by the statutes of any state, and to dispose of the principal, increment and net

income thereof as follows:

A.

To pay one-half of the net income to THE SECOND CONGREGATIONAL SOCIETY OF WATERBURY, the same to be used by the Executive Board of said Church toward the payment of reasonable salaries for the paid working force of the Church, and any balance thereof to be used for such Church purposes as my Trustee shall deem for the best interests of said Society. In the event that said Society shall go out of existence and said Church no longer exists as such, then said income shall be divided equally among the corporations and association hereinafter mentioned in Section B; but, if said Society shall merge with any other church society and my Trustee believes that the society so formed carries out the teachings and principles of said Society, then my Trustee shall pay the net income to such society for the purposes aforesaid, but, if my Trustee believes that the amalgamated society does not carry out the principles of said The Second Congregational Society of Waterbury, then the income shall be divided equally among the corporations and association hereinafter mentioned in Section B.

B.

1. To pay one-tenth of the net income to WATERBURY DAY NURSERY ASSOCIATION, a charitable Association located in said Waterbury, the same to be used for the general purposes of the Association. In the event that said Association goes out of existence, then said income shall be divided equally among the other corporations mentioned in Section B; but, if said Association shall merge with any other association or corporation and my Trustee believes that the association or corporation so

formed carries out the purposes of the WATERBURY DAY NURSERY ASSOCIATION, then my Trustee shall pay the net income to such amalgamated association or corporation, but, if my Trustee believes that the amalgamated association or corporation does not carry out the purposes of said WATERBURY DAY NURSERY ASSOCIATION, then the net income shall be divided equally among the other charitable and eleemosynary corporations mentioned in Section B.

2. To pay one-tenth of the net income to THE SOUTHMAYD HOME, INC., a charitable corporation located in said Waterbury, the same to be used for the general purposes of the corporation. In the event that said corporation goes out of existence, then said income shall be divided equally among the other corporations and association mentioned in Section B; but, if said corporation shall merge with any other corporation and my Trustee believes that the corporation so formed carries out the purposes of THE SOUTHMAYD HOME, INC., then my Trustee shall pay the net income to such amalgamated corporation, but, if my Trustee believes that the amalgamated corporation does not carry out the purposes of said THE SOUTHMAYD HOME, INC., then the net income shall be divided equally among the other charitable and eleemosynary corporations and association mentioned in Section B.

3. To pay one-tenth of the net income to THE WATERBURY VISITING NURSES' ASSOCIATION, INC., a charitable corporation located in said Waterbury, the same to be used for the general purposes of the corporation. In the event that said corporation goes out of existence, then said income shall be divided equally among the other corporations and association mentioned in Section B; but, if said corporation shall merge with

Harriet

any other corporation and my Trustee believes that the corporation so formed carries out the purposes of THE WATERBURY VISITING NURSES' ASSOCIATION, INC., then my Trustee shall pay the net income to such amalgamated corporation, but, if my Trustee believes that the amalgamated corporation does not carry out the purposes of said THE WATERBURY VISITING NURSES' ASSOCIATION, INC., then the net income shall be divided equally among the other charitable and eleemosynary corporations and association mentioned in Section B.

4. To pay one-tenth of the net income to THE S MARY'S HOSPITAL CORPORATION, an eleemosynary corporation locat in said Waterbury, the same to be used for the general purposes of the corporation. In the event that said corporation goes ou of existence, then said income shall be divided equally among the other corporations and association mentioned in Section B; but, if said corporation shall merge with any other corporation and my Trustee believes that the corporation so formed carries out the purposes of THE ST. MARY'S HOSPITAL CORPORATION, then my Trustee shall pay the net income to such amalgamated corporation, but, if my Trustee believes that the amalgamated corporation does not carry out the purposes of said THE ST. MARY'S HOSPITAL CORPORATION, then the net income shall be divided equally among the other charitable and eleemosynary corporations and association mentioned in Section B.

5. To pay one-tenth of the net income to THE WATERBURY HOSPITAL, INC., an eleemosynary corporation located in said Waterbury, the same to be used for the general purposes of the corporation. In the event that said corporation goes out of existence, then said income shall be divided equally among the

Harriet Pl

other corporations and association mentioned in Section B; but, if said corporation shall merge with any other corporation and my Trustee believes that the corporation so formed carries out the purposes of THE WATERBURY HOSPITAL, INC., then my Trustee shall pay the net income to such amalgamated corporation, but, if my Trustee believes that the amalgamated corporation does not carry out the purposes of THE WATERBURY HOSPITAL, INC., then the net income shall be divided equally among the other charitable and eleemosynary corporations and association mentioned in Section B.

FOURTH

Should all of the corporations mentioned in Sections A and B aforesaid cease to exist and there shall be corporation or corporations formed as aforesaid, so that there will be no charitable or eleemosynary corporation to which the income from the trust shall be paid, then my Trustee shall give the net income, in such proportion as it may deem advisable, to other charitable, religious and eleemosynary corporations as shall be located in Waterbury, which carry out the principles and teachings of the corporations hereinbefore mentioned, and my Trustee shall have full discretion to designate the appropriate corporation or corporations and shall have full discretion as to the proportion of the net income which shall be paid to each corporation designated.

FIFTH

I appoint said THE WATERBURY NATIONAL BANK, or

IN WITNESS WHEREOF, I have hereunto set my hand and seal, this 15 day of June, 1942.

Harriet Kirk (SEAL)

Signed, sealed, published and declared as and for her last Will and Testament by the Testatrix, HARRIET KIRK, in our presence, who, in her presence, in the presence of one another and at her request, have hereunto subscribed our names as witnesses, this 15th day of June, 1942.

Ottilie P. Wilkie

Natalie E. Gray

Helen L. Gorbach

STATE OF CONNECTICUT )
) SS: Waterbury.
COUNTY OF NEW HAVEN )

We, the undersigned, being duly sworn, depose and say that on the 15th day of June, 1942, the above named Testatrix, HARRIET KIRK, signed the foregoing Will in our presence as witnesses; that we thereupon subscribed our names thereto as witnesses, in her presence and at her request, and in

the presence of one another; that at the time of the execution of said Will said HARRIET KIRK appeared to be of full age and of sound and disposing mind and memory; and that this affidavit is made at her request.

Ottilie P. Wilke

Natalie E. Gray

Helen M. Bartsch

STATE OF CONNECTICUT )
) SS: Waterbury, June 15, 1942.
COUNTY OF NEW HAVEN )

Personally appeared OTTILIE P. WILKE,

NATALIE E. GRAY and HELEN M. BARTSCH,

who subscribed the foregoing affidavit and made solemn oath to the truth of the same,

Before me,

William James Larkin

Notary Public.

**At a Probate Court** held at Waterbury, within and for the District of Waterbury, on the 22nd of September A. D. 19 53.

Present JAMES R. LAWLOR, ~~Patrick Healey~~, Judge.

Estate of HARRIET KIRK late of Waterbury
in said District, deceased,

Upon application praying that an instrument purporting to be the last Will and Testament ~~and Codicil thereto~~ of said deceased be admitted to Probate, EARL AVERY
made sworn return that the order of this Court directing public notice of the time and place assigned for a hearing upon said application has been complied with, which this Court finds to be true and said return is accepted, ordered recorded and lodged on file; ~~this Court finds that all persons known to be interested in said Estate have signed a waiver of notice of a hearing on said application, which waiver has been duly filed in Court, and is ordered recorded and lodged on file~~ ~~that for good cause shown, viz:~~

Having fully heard the matter, this Court finds the allegations of said application proved and true.

And the due execution of said last Will and Testament ~~and Codicil~~ according to law, to pass real and personal estate, and that the testatrix at the time of executing the same was of sound and disposing mind and memory, having been fully proved. by the affidavit of OTTILIE P. LKE, NATALIE E. GREY and HELEN M. BARTSCH, the three subscribing witnesses,

the Court finds the same to be true. It is, therefore, considered by this Court that said Will ~~and Codicil~~ is ~~are~~ proved and the same is ~~are~~ approved and ordered to be recorded and lodged on file.

And on the 22nd day of September A. D. 19 53,

THE WATERBURY NATIONAL BANK

appointed by the said Will executor thereof

~~Administrat~~ by EARL AVERY, Trust Officer, and
~~or said Estate, who~~ appeared in Court, accepted said trust ~~and gave bond with sufficient security, in the sum of dollars, which bond is approved, accepted, ordered recorded and lodged on file~~.

Attest: James R. Lawlor Judge.

Peck Page 6

KNOW ALL MEN that I, Henry H. Peck, of Waterbury, County of New Haven, State of Connecticut, being of sound and disposing mind and memory, do make, publish and declare this my last will and testament, hereby revoking all former wills by me at any time heretofore made.

1. After the payment of my funeral expenses, and my debts which I possibly may owe, although I am not in the habit of owing anything, I give, devise and bequeath all of my property and estate in manner and form as follows:

2. To my sisters, Lucy A. Peck and Harriet E. Bradley, and to the survivor of them, I give all my furniture, pictures, books, wearing apparel, jewelry, and such other articles of personal use as may be contained in my rooms at The Elton, in said Waterbury, to make such disposition of the same as they deem best, and I direct that no inventory be made of the same.

3. To my sister, Lucy A. Peck, I give One Hundred Thousand Dollars ($100,000.00); to my sister, Harriet E. Bradley, I give One Hundred Thousand Dollars ($100,000.00); and to my nephew, Clarence P. Bradley, I give Fifty Thousand Dollars ($50,000.00), to be to them and their heirs forever. Should my said sister, Lucy A. Peck, die before me, I direct that the legacy herein given to her shall become part of the residue of my estate, to be disposed of as herinafter provided. Should my said sister, Harriet E. Bradley, die before me, I direct that the legacy herein given to her shall be paid over to my nephew, Clarence P. Bradley, if living, and if the said Clarence P. Bradley should

die before me, leaving issue, I direct that the legacy herein given to him, and the legacy of my sister, Harriet E. Bradley, herein given to him in the event of her death before me, shall be divided equally among his issue, per stirpes and not per capita, but in lieu of issue of the said Clarence P. Bradley, I direct that said legacies shall become part of the residue of my estate, to be disposed of as hereinafter provided.

4. To my cousin, Annie Armstrong Halstead, wife of Edgar Halstead, of Ocean Park, State of California, I give Five Thousand Dollars ($5,000.00); and to Justin Halstead, Robert G. Halstead, Lucia E. Halstead, Muriel E. Halstead and Hazel S. Halstead, sons and daughters of the said Annie Armstrong and Edgar Halstead, I give Five Thousand Dollars ($5,000.00) each, the same to be to them and their respective heirs and assigns forever.

5. To William D. Armstrong, Frank Armstrong and Wade Armstrong, sons of my cousin, Lucia Armstrong, deceased, I give Five Thousand Dollars ($5,000.00) each, the same to be to them and their respective heirs and assigns forever.

6. To my cousin, Emma W. Bonney, of Salem, Massachusetts, I give Five Thousand Dollars ($5,000.00); and to Frank S. Bonney, George Bonney and Robert Bonney, sons of my cousin Emma W. Bonney and Dr. Frank Bonney, I give One Thousand Dollars ($1,000.00) each, the same to be to them and their respective heirs and assigns forever.

7. If any of the legatees named in the three preceding sections of this will should die before me, leaving issue, I direct that the legacy bequeathed to him or her shall be paid to said issue, share and share alike, so that the issue of any one shall take between them the share which their

parent would have taken if living. In the event of the death of any one of said persons before me, without issue, I direct that the legacy herein given to him or her shall be divided equally among his or her brothers and sisters, and their issue, per stirpes, and not per capita.

8. To Almon C. Judd, to Pearl Judd, his wife, and E. Webster Judd, his son, all of said Waterbury, I give the sum of Two Thousand Dollars ($2,000.00) each, in token of my friendship and remembrance, to be to them and their heirs forever.

9. To Natalie Selby Schley and to her son, Buchanan Schley, Jr., of New York, I give the sum of One Thousand Dollars ($1,000.00) each, to be to them and their heirs forever.

10. To Richard Preusser, Joseph Henderson, Archie R. Evans, John L. Chatfield, Julia Wilson and Clara H. Small, all of said Waterbury, I give the sum of Two Thousand Dollars ($2,000.00) each, in appreciation of their services to me for many years past.

11. To the Colonial Trust Company, of Waterbury, Connecticut, I give the sum of Fifteen Thousand Dollars ($15,000.00), in trust, nevertheless, for the following purposes, to wit: to hold, possess, invest and reinvest the same at pleasure and to pay over the net income arising therefrom to such person or persons as shall from time to time have the charge and management of the Peck Memorial Library, in the village of Kensington, in the Town of Berlin, Hartford County, Connecticut, one-half of said income to be used in the care, maintenance and expenses of said Library, one-quarter of said income to be used exclusively in the purchase of books for said Library, and the remaining one-quarter to be held, invested and accumulated by the managers of said Library as a special fund to be used by

them for the general improvement of the Library building or making an addition thereto should the same become necessary.

12. To the Meriden Trust Company, of Meriden, Connecticut, I give Thirty Thousand Dollars ($30,000.00), in trust, nevertheless, for the following uses and purposes, to wit: to hold, possess, invest and reinvest the same at pleasure, and from the net income thereof to pay the Walnut Grove Cemetery Association, of Meriden, Connecticut, so much as may be necessary to care for my lot in said cemetery, and to maintain, care for and keep in repair the mausoleum erected thereon, forever. The balance of said net income is to be paid annually by said Trust Company to The Meriden Hospital, located in said Meriden, for the general uses of said institution.

13. To St. John's Protestant Episcopal Church, of Waterbury, Connecticut, I give the sum of Thirty Thousand Dollars ($30,000.00), and to Trinity Protestant Episcopal Church, of said Waterbury, I give the sum of Fifteen Thousand Dollars ($15,000.00), to be to them and their successors forever.

14. To the Waterbury Masonic Temple Corporation, of Waterbury, Connecticut, I give the sum of Twenty-five Thousand Dollars ($25,000.00), to be to it and its successors forever.

15. I give and bequeath to the following named institutions, corporations and societies the amounts hereinafter set forth, to be to them and their successors forever, to wit:

St. Margaret's School for Girls, located on Grove Street, in said Waterbury, Ten Thousand Dollars ($10,000.00).

Westover School for Girls, located in Middlebury, Connecticut, Ten Thousand Dollars ($10,000.00).

The Waterbury Visiting Nurses Association, of said Waterbury, Ten Thousand Dollars ($10,000.00).

Berea College, located in the State of Kentucky, Three Thousand Dollars ($3,000.00).

The Mattatuck Historical Society, of said Waterbury, Two Thousand Dollars ($2,000.00).

The Southmayd Home, Incorporated, of said Waterbury, Three Thousand Dollars ($3,000.00).

The Waterbury Institute of Craft and Industry, of said Waterbury, Three Thousand Dollars ($3,000.00).

The Boys' Club, Incorporated, of said Waterbury, Ten Thousand Dollars ($10,000.00).

The Waterbury Day Nursery Association, of said Waterbury, Ten Thousand Dollars ($10,000.00).

The Connecticut Children's Aid Society, of Hartford, Connecticut, for the use of its Home for Crippled and Invalid Children, at Newington, Connecticut, Five Thousand Dollars ($5,000.00).

The Robert Hungerford Industrial School, or by whatever name it may be known, situated in or near the Town of Maitland, in the State of Florida, Two Thousand Dollars ($2,000.00).

16. Whereas, the Board of Directors of the Waterbury Hospital, of said Waterbury, has entered into a contract for the construction of an addition to the buildings of said hospital, and I have agreed with said directors to defray the cost of building the same, if I do not make other provision for said cost prior to my death, I direct my executor to pay over to the Treasurer of said Hospital such sum as may be determined by my executor and the Board of Directors of said Hospital to be necessary to pay the cost of said building.

17. I direct that all gifts, bequests, and legacies herein given shall be paid in full, free from all succession or inheritance taxes, whether State or Federal, and that all such taxes shall be borne and paid by my executor out of my general estate.

18. All the rest, residue, and remainder of my property, both real and personal, of which I shall die seized and possessed and to which I shall be entitled at the time of my decease, and wherever the same may be located, is to be divided into four equal shares, and I give, devise and bequeath one of said shares to The Colonial Trust Company, of said Waterbury, in trust, nevertheless, for the following purposes, to wit: to hold, possess, invest and reinvest the same at pleasure, and to pay over the net income semi-annually to the Waterbury Hospital, of said Waterbury, for the general uses of said institution.

I give, devise and bequeath one of the remaining three shares to The Colonial Trust Company, of said Waterbury, in trust, nevertheless, for the following purposes, to wit: to hold, possess, invest and reinvest the same at pleasure, and to pay over the net income therefrom to my sister, Lucy A. Peck, during her life, and upon her death, I direct that said share shall become a part of and be added to the Trust Fund held by The Colonial Trust Company for the use and benefit of the Waterbury Hospital, and that the income from both of said shares be thereafter paid semi-annually to said Hospital for the general uses of said institution.

The remaining two shares are to be divided equally between my sister, Harriet E. Bradley, and my nephew, Clarence P. Bradley, to be to them and their heirs forever. Should my said sister, Harriet E. Bradley, die before me, I direct that the share herein given to her shall be paid over to my nephew, Clarence P. Bradley, if living, and if the said

Clarence P. Bradley should die before me, leaving issue, I direct that the share herein given to him, and the share of my sister, Harriet E. Bradley, herein given to him in the event of her death before me, shall be divided equally among his issue, per stirpes and not per capita, but if the said Clarence P. Bradley should die without leaving issue, I direct that said shares shall become part of and be added to the Trust Fund held by The Colonial Trust Company for the use and benefit of the Waterbury Hospital.

19. I appoint The Colonial Trust Company, of Waterbury, Connecticut, Executor of this Will, without bonds, and hereby give to the said The Colonial Trust Company, both in its capacity of Executor and Trustee, power to sell and convey any and all of my real estate, without an order of court, and to execute and deliver such deeds and instruments as may be necessary to pass title thereto, and I empower it to invest and reinvest the proceeds of my property, real and personal, in such securities as it may deem wise, including such stocks, bonds and other securities of such companies as it may consider proper, hereby vesting The Colonial Trust Company as my Executor and Trustee with power to continue any of my investments in their present form, or to change the same to any other form which it may deem wise so that it shall not be obliged to invest only in securities prescribed by law for investment of trust funds, and I do hereby declare that it shall not be held liable for any loss resulting to my estate or to the Trust Fund held by it from any investment or reinvestment made or retained by it in good faith.

IN WITNESS WHEREOF, I have hereunto set my hand and seal, at Waterbury, Connecticut, this 12th day of June, 1918.

HENRY H. PECK (SEAL)

I, Edith F. Poole, of Waterbury, County of New Haven, State of Connecticut, do make and constitute this my Last Will and Testament.

1. I direct that all my just debts and funeral expenses be paid by my Executor hereinafter named.

2. I give and bequeath to the Riverside Cemetery Association, of Waterbury, Connecticut, the sum of Five Hundred Dollars ($500.00), to be held as a perpetual fund, and the income only thereof to be used for the care and maintenance of my family lot and the monument and markers thereon, in said cemetery.

3. I give and bequeath to my cousin, George B. C. Rugg, of Arlington, Massachusetts, the sum of Two Thousand Dollars ($2,000.00), to be his absolutely. If my said cousin should predecease me, I direct that this legacy of Two Thousand Dollars be divided equally among his children then living and the issue of any who may then be dead, said issue to take among them the share their parent would have received if living.

4. I give and bequeath to my aunt, Elizabeth E. Heath, if she survives me, the sum of Five Thousand Dollars ($5,000.00). If she should predecease me said sum is to become part of the rest and residue of my estate.

5. I give and bequeath to my aunt, Annie E. Poole, if she survives me, the sum of One Thousand Dollars ($1,000.00). If she should predecease me, I give said sum to my cousins, Ella A. Titus and Annie L. Titus, to be equally divided between them. If either one of my said cousins should also predecease me, I give said sum to the survivor of them. If, however, both of

said cousins should predecease me, the said legacies shall become part of the residue of my estate.

6. I give and bequeath to my cousins, Ella A. Titus and Annie L. Titus, the sum of Two Thousand Dollars ($2,000.00) each. If either one should predecease me, I give and bequeath her legacy to the survivor of them. If, however, both of said cousins should predecease me, the said legacies shall become part of the residue of my estate.

7. All the rest and residue of my estate I give and bequeath to The Colonial Trust Company, of Waterbury, Connecticut, in trust, however, to hold, possess, sell, exchange, invest and reinvest and to distribute the net income thereof as follows:

A. Said Trustee shall pay over one-half of said net income, quarterly, to my aunt, Elizabeth W. Heath, of Waterbury, Connecticut, for and during her life. If she should predecease me, or if she should survive me then upon her death, I direct that said share of the net income shall be paid over to my cousins, Ella A. Titus and Annie L. Titus, to be equally divided between them, for and during their lives, or paid over to the survivor of them during her life.

B. The remaining one-half of the net income of said trust fund shall be divided equally between my cousins, Ella A. Titus and Annie L. Titus, both of Somerville, Massachusetts, for and during their lives. If either one should predecease me, or should survive me then upon the death of either one, I direct that said share be paid to the survivor for and during her life. Upon the death of both of said cousins I direct that said share of said income shall be paid to my aunt, Elizabeth W. Heath, if

living, for and during her life.

8. Upon the death of the last survivor of said beneficiaries, said trustee shall pay over, from the principal of said trust fund, the sum of Ten Thousand Dollars ($10,000.00), to the Waterbury Hospital, of Waterbury, Connecticut, to be known as the "Francis A. and Florence A. Poole Fund", in memory of my Father and Mother, and to be held as a permanent fund and invested and reinvested, and the net income thereof applied towards the establishment and maintenance of a free room in said hospital for the use of such person or persons as the minister in charge for the time being, of the Second Congregational Church, of Waterbury, Connecticut, may designate.

9. The remainder of the principal of said trust fund shall continue to be held in trust by the said The Colonial Trust Company, with like powers, and the net income thereof shall be divided equally, semi-annually, between the Second Congregational Church, of Waterbury, Connecticut, and The Waterbury Hospital, of Waterbury, Connecticut, the same to be used for the general purposes of said organizations.

10. I direct that all gifts, bequests and legacies herein given shall be paid in full, free from all succession or inheritance taxes, whether state or federal, and that all such taxes shall be borne and paid by my Executor out of my general estate.

11. I appoint The Colonial Trust Company, of Waterbury, Connecticut, Executor of this Will, without bonds.

IN WITNESS WHEREOF, I have hereunto set my hand and

seal, this 11th day of April, 1928.

Edith F. Poole. (SEAL)

Signed and sealed by the within named testatrix, Edith F. Poole, and by her declared to be her last will and testament in our presence who have hereunto subscribed our names as witnesses in her presence and in the presence of each other, and at her request, this 11th day of April, 1928

Gertrude L. Gragg
Marian A. Warner
Grant A. Anderson
Witnesses

STATE OF CONNECTICUT
COUNTY OF NEW HAVEN } ss. Waterbury

Be it remembered that on this 11th day of April, 1928, before me, Robert S. Walker, a Notary Public within and for the State of Connecticut, personally appeared the undersigned, who, being duly sworn, severally make oath and say that they witnessed the within will of the within named testatrix, Edith F. Poole, and subscribed the same in her presence and at her request, and in the presence of each other; that the said Edith F. Poole, at the time of the execution of said will, appeared to them to be of full age and of sound mind and memory; that she signed said will and declared the same to be her last will and testament in their presence, and that they make and sign this affidavit at the

2.

request of said testatrix.

Gertrude L. Gragg of Waterbury, Conn.

Lucian Adams of Naugatuck, Conn.

Gustave A. Carlson of _____

Subscribed and sworn to before me,
this 11th day of April, 1928.

Robert Shoaber

Notary Public.

ONE IN S :GES & MATHES WILL VAULT

ONE ORIGINAL HELD BY COLONIAL BANK

FILE COPY

This T R U S T A G R E E M E N T made and entered into this 25th day of October, 1984, by and between WILMA A. SNOWDEN, of 663-B Heritage Village, Southbury, Connecticut, (hereinafter referred to as the Settlor), and COLONIAL BANK, a Connecticut banking corporation having a principal office at Waterbury, Connecticut, (hereinafter referred to as the Trustee).

1. TRUST PROPERTY: The Settlor has delivered or may hereafter deliver certain property to the Trustee, which property may include life ins:..nce policies payable to the Trustee as beneficiary. That property, including the proceeds of any such life insurance, and any other property that may be added to this Trust, shall constitute the trust property. The Trustee shall hold, manage, invest and reinvest the trust property and distribute the income therefrom, and the principal thereof, in accordance with the terms and provisions of this Agreement.

2. ADDITIONAL PROPERTY: The Settlor may also, by her Last Will and Testament, provide for additional property to be part of the trust estate, subject to the terms and conditions thereof.

3. TRUSTEE'S DUTIES DURING SETTLOR'S LIFETIME: The Trustee shall hold, .anage and control the property comprising the trust estate, collect the income therefrom, and disburse all net income therefrom to, or for the benefit of, the Settlor during her lifetime, and shall pay to her or for her benefit such amount, or amounts of principal as the Settlor may in writing from time to time request, or in the event of her incapacity, such amount or amounts of principal as the Trustee, in its sole discretion, shall deem advisable.

4. POWER OF AMENDMENT AND REVOCATION: The Settlor reserves the right to amend, modify or revoke this trust in whole or in part, at any time or times, by notice in writing, delivered to the Trustee, and such amendment, modification or revocation shall be effective immediately upon delivery to the Trustee, except that changes with respect to the Trustee's duties, liabilities or compensation shall not be effective without its consent.

5. TRUSTEE'S DUTIES ON DEATH OF SETTLOR: Upon the death of the Settlor, the Trustee shall pay to the Executor or Administrator of the Settlor's estate such sum or sums of money as said Executor or Administrator may request in the event that there are insufficient assets in the Settlor's estate to pay the various legacies as set forth in Settlor's Last Will and Testament, or to pay inheritance taxes, whether State or Federal, which may be assessed against Settlor's estate, and to pay any administration or testamentary expenses or debts in respect to the settlement of Settlor's estate.

The Trustee shall receive all assets of whatever kind and nature that may be .dded to this Trust during the Settlor's lifetime, or by testamentary devise or bequest, .all invest and reinvest the same in such manner as it may deem advisable, and shall hold the same as follows:

A. ONE-HALF (1/2) thereof shall be held by the Trustee for the benefit of the Settlor's niece, ASTRID GADDIS, if she is living at such time, and the Trustee shall pay the entire net income in monthly payments to the Settlor's said niece, or apply it for her benefit, so long as she shall live. Upon the death of the Settlor's said niece, ASTRID GADDIS, or if she is not living at such time, said trust shall continue for the benefit of her daughter, KRISTIN GADDIS, if she is living at such time, and the Trustee shall pay the entire net income in monthly payments to said KRISTIN GADDIS, or apply it for her benefit, so long as she shall live. Upon the death of said KRISTIN GADDIS, or if she is not living at such time, the Trustee shall pay over and distribute the assets then remaining in said trust, including any accumulated income, in equal shares, to the following charitable organizations:

(1) THE SALVATION ARMY, 74 Central Avenue, Waterbury, Connecticut;
(2) NEWINGTON CHILDREN'S HOSPITAL, Newington, Connecticut;
(3) WATERBURY HOSPITAL, Waterbury, Connecticut;
(4) ARTHRITIS FOUNDATION, INC., 964 Asylum Avenue, Hartford, Connecticut;
(5) AMERICAN LUNG ASSOCIATION, 165 Grove Street, Waterbury, Connecticut;
(6) AMERICAN KIDNEY FUND, 7315 Wisconsin Avenue, Bethesda, Maryland 20814-3266;
(7) ASSOCIATION FOR RETARDED CITIZENS, (Formerly National Association for Retarded Citizens), P. O. Box 6109, Arlington, Texas 76011.

B. ONE-FOURTH (1/4) thereof shall be held by the Trustee for the benefit of the Settlor's sister, ASTRID MORRIS, if she is living at such time, and the Trustee shall pay the entire net income in monthly payments to the Settlor's said sister, or apply it for her benefit, so long as she shall live. Upon the death of the Settlor's said sister, ASTRID MORRIS, or if she is not living at such time, said trust shall continue for the benefit of the Settlor's nephew, ALAN M. AHLSEN, if he is living at such time, and the Trustee shall pay the entire net income in monthly payments to the Settlor's said nephew, or apply it for his benefit, so long as he shall live. Upon the death of said ALAN M. AHLSEN, or if he is not living at such time, the Trustee shall pay over and distribute the assets then remaining in said trust, including any accumulated income, in equal shares, to the following charitable organizations:

(1) Said THE SALVATION ARMY;
(2) Said NEWINGTON CHILDREN'S HOSPITAL;
(3) Said WATERBURY HOSPITAL;
(4) Said ARTHRITIS FOUNDATION, INC.;
(5) Said AMERICAN LUNG ASSOCIATION;
(6) Said AMERICAN KIDNEY FUND; and
(7) Said ASSOCIATION FOR RETARDED CITIZENS.

C. ONE-FOURTH (1/4) thereof shall be held by the Trustee for the benefit of the Settlor's brother, FRANK H. AHLSEN, if he is living at such time, and the

Trustee shall pay the entire net income in monthly payments to the Settlor's said brother, or apply it for his benefit, so long as he shall live. Upon the death of the Settlor's said brother, FRANK H. AHLSEN, or if he is not living at such time, said trust shall continue for the benefit of the Settlor's niece, LAURINE AHLSEN, if she is living at such time, and the Trustee shall pay the entire net income in monthly payments to the Settlor's said niece, or apply it for her benefit, so long as she shall live. Upon the death of said LAURINE AHLSEN, or if she is not living at such time, the Trustee shall pay over and distribute the assets then remaining in said trust, including any accumulated income, in equal shares, to the following charitable organizations:

(1) Said THE SALVATION ARMY;
(2) Said NEWINGTON CHILDREN'S HOSPITAL;
(3) Said WATERBURY HOSPITAL;
(4) Said ARTHRITIS FOUNDATION, INC.;
(5) Said AMERICAN LUNG ASSOCIATION;
(6) Said AMERICAN KIDNEY FUND; and
(7) Said ASSOCIATION FOR RETARDED CITIZENS.

6. RETENTION OF INVESTMENT RESPONSIBILITY BY SETTLOR: The Trustee shall have no responsibility for investments until the Settlor's death or until such time as the Settlor in writing directs the Trustee to assume such responsibility, or until and during any period in which, in the opinion of the Trustee and a physician, the Settlor is not competent to manage her affairs. During the period that the Trustee has no responsibility for investments, the Trustee shall make all investments and reinvestments in accordance with written instructions given to it from time to time by the Settlor, and if during such period the Trustee shall receive no such written instructions, it shall retain the property from time to time held by it hereunder.

7. TRUSTEE'S POWERS: The Settlor hereby authorizes said Trustee herein named with respect to this trust, without order or permission of any court, to exercise any and all powers enumerated in Section 45-100 e of the Connecticut General Statutes, as if such enumerated powers were set forth verbatim herein.

8. RESIGNATION OF TRUSTEE AND APPOINTMENT OF SUCCESSOR: The Trustee or any successor Trustee may resign at any time as Trustee by filing written notice of such resignation with the Settlor during her lifetime. If the Trustee, COLONIAL BANK, shall resign as Trustee, then the Probate Court having jurisdiction over the

Settlor's estate shall appoint a successor Trustee, PROVIDED HOWEVER, that any such Successor Trustee shall be a banking institution organized and existing under the laws of the United States or of the State of Connecticut and having trust powers, and having assets of at least $100,000,000.00. Any such Successor Trustee shall have all the rights, powers, privileges and immunities herein given to said COLONIAL BANK as Trustee.

9. RIGHT TO CHANGE TRUSTEE: As a matter of convenience to the Settlor, any Trustee or Trustees having been appointed hereunder may be changed at any time by the Settlor, including the Settlor's personal representative. Such power shall be exercised by giving written notice to the then Trustee and to the Successor Trustee, and upon the acceptance of the trust by the Successor Trustee and the transfer to the Successor Trustee of the property held hereunder, or portion or part thereof as the case may be, said then Trustee shall cease to be Trustee of such property, or portion or part, and the Successor Trustee shall become and thereafter be Trustee thereof, to rve in the same manner with the same powers.

10. MISCELLANEOUS PROVISIONS:

A. The underlined captions set forth in this Agreement at the beginning of the various articles hereof are for the convenience of reference only and shall not be deemed to define or limit the provisions hereof or to affect in any way their construction and application.

B. When the context so requires, the masculine gender shall include the feminine, and the singular shall include the plural, and the plural, the singular.

C. No bond shall be required in any jurisdiction of any Trustee serving hereunder.

D. The Trustee shall receive reasonable compensation for its services. Reference herein to COLONIAL BANK shall include any institution which shall succeed to its trust business.

F. This agreement shall be construed for all purposes in accordance with the laws of the State of Connecticut.

IN WITNESS WHEREOF, the Settlor has hereunto set her hand and seal this 25th day of October, 1984, and the Trustee, COLONIAL BANK, has caused this Trust

Agreement to be executed by a duly authorized officer of said Bank this 5th day of November 1984.

Signed, Sealed and delivered
in the presence of:

Robert J Barry

Joan E. Paré

Robert J Barry

Joan E. Paré

SETTLOR:

Wilma A. Snowden L.S.
WILMA A. SNOWDEN

TRUSTEE: COLONIAL BANK

By Judith Ann Staubo L.S.
JUDITH ANN STAUBO
Its Assistant Vice-President, Trust

STATE OF CONNECTICUT )
) ss. Southbury
COUNTY OF NEW HAVEN )

On this the 25th day of October, 1984, before me, Robert J. Barry, the undersigned ficer, personally appeared WILMA A. SNOWDEN, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that she executed the same for the purposes therein contained, as her free act and deed.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Robert J. Barry
Commissioner of the Superior Court
(Title of Officer)

STATE OF CONNECTICUT )
) ss. Southbury
COUNTY OF NEW HAVEN )

On this the 5th day of November 1984, before me, Robert J. Barry, the undersigned officer, personally appeared JUDITH ANN STAUBO, who acknowledged herself to be the Assistant Vice-President, Trust, of, COLONIAL BANK, a corporation, and that she as such Assistant Vice-President, Trust, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by herself as Assistant Vice-President, Trust.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Robert J. Barry
Commissioner of the Superior Court
(Title of Officer)

FILE COPY

O CORY
NAL TRUST AGREEMENT
HELD BY STURGES & MATHES
HERITAGE VILLAGE, SOUTHBURY, CT.

One Original will be held by Bank of Boston Conn.

AMENDMENT TO TRUST AGREEMENT
BY AND BETWEEN
WILMA A. SNOWDEN (Settlor)
AND
COLONIAL BANK (now BANK OF BOSTON - CONNECTICUT) (Trustee)
Dated the 25th day of October, 1984

THIS AMENDMENT TO TRUST AGREEMENT made and entered into this 27th day of December, 1990, by and between WILMA A. SNOWDEN, of 663-B Heritage Village, Southbury, Connecticut 06488 (the "Settlor"), BANK OF BOSTON - CONNECTICUT (formerly COLONIAL BANK), a Connecticut banking corporation having a principal office in WAterbury, Connecticut, (the "Trustee"),

W I T N E S S E T H :

WHEREAS, the Settlor entered into a Trust Agreement with the Trustee dated October 25, 1984, and the Settlor entered into an Amendment to Trust Agreement dated April 22, 1988; and

WHEREAS, pursuant to Article 4 of said Trust Agreement, the Settlor may amend, modify or revoke such Trust Agreement;

NOW THEREFORE, the Settlor hereby revokes said Amendment to Trust Agreement dated April 22, 1988, and the Settlor hereby amends said Trust Agreement of October 25, 1984, (which Amendment is agreed to by the Trustee) as follows:

ARTICLE I

Article 5 TRUSTEE'S DUTIES ON DEATH OF SETTLOR of said Trust Agreement dated July 12, 1989 is hereby revoked and in lieu thereof the Settlor provides as follows:

5. TRUSTEE'S DUTIES ON DEATH OF SETTLOR: Upon the death of the Settlor, the Trustee shall pay to the Executor or Administrator of the Settlor's estate such sum or sums of money as said Executor or Administrator may request in the event that there are insufficient assets in the Settlor's estate to pay the various legacies as set forth in Settlor's Last Will and Testament, or to pay inheritance taxes, whether State or Federal, which may be assessed against Settlor's estate, and to pay any administration or testamentary expenses or debts in respect to the settlement of Settlor's estate.

The Trustee shall receive all assets of whatever kind and nature that may be added to this Trust during the Settlor's lifetime, or by testamentary devise or bequest, shall invest and reinvest the same in such manner as it may deem advisable, and shall hold the same as follows:

A. The Trustee shall pay over and distribute the number of shares of Philip Morris stock having a value of FIVE HUNDRED THOUSAND DOLLARS ($500,000.00) to the Settlor's niece, ASTRID GADDIS, outright, if she is living at such time. In the event the Settlor does not own Philip Morris stock at the time of her death, the Trustee shall pay over and distribute to the Settlor's said niece the sum of FIVE HUNDRED THOUSAND DOLLARS ($500,000.00) in place of said stock.

B. The Trustee shall pay over and distribute the sum of TEN THOUSAND DOLLARS ($10,000.00) to the Settlor's sister, ASTRID MORRIS, if she is living at such time. If she is not living at such time, said sum shall be paid over and distributed to ST. JAMES LUTHERAN CHURCH, Peter Road, Southbury, Connecticut, to be used for its general purposes.

C. The balance of said trust assets shall be administered as follows:

(1) If the Settlor's niece, ASTRID GADDIS, is living at such time, then THREE-FOURTHS (3/4) of the balance of said trust assets shall continue to be held in trust, and the Trustee shall pay over and distribute all of the net income in quarterly or more frequent installments to the Settlor's said niece, ASTRID GADDIS, during her lifetime. Upon the death of said ASTRID GADDIS, the Trustee shall pay over and distribute the balance then remaining in this trust, including any accumulated income, to the children of said ASTRID GADDIS, in equal shares, subject however to the terms of subparagraph C(2) of this Article hereinafter set forth for the benefit of such children.

(2) If the Settlor's niece, ASTRID GADDIS, is not living at such time, then said THREE-FOURTHS (3/4) balance of said trust assets shall be paid over to the children of the Settlor's niece, ASTRID GADDIS, who are living at such time, in equal shares per stirpes, PROVIDED HOWEVER, that in the event any of said children is under the age of

twenty-five (25), his or her said share shall be held IN TRUST for the benefit of such child until he or she reaches the age of twenty-five (25). The Trustee shall pay all of the net income from the trust for such child to or for the benefit of such child. When he or she reaches the age of twenty-five (25), the Trustee shall pay the balance then remaining in his or her trust, including any accumualted income, to him or her outright, free of trust. In the event that he or she shall die before reaching the age of twenty-five (25), the balance then remaining in his or her trust shall be divided equally among his or her brothers and sisters living at such time. Any share to which a child under the age of twenty-five (25) shall become entitled shall be added to his or her trust. In the event that any such child for which a trust has been created dies before reaching the age of twenty-five (25) and there are no other issue of said ASTRID GADDIS living at such time, then the balance then remaining in his or her trust, including any accumulated income, shall be distributed in accordance with the provisions of subparagraph C(3) hereinafter set forth.

(3) In the event there are no issue of said ASTRID GADDIS living at such time, then said THREE-FOURTHS (3/4) balance of said trust assets shall be paid over and distributed to the following organizations, in equal shares:

(a) THE SALVATION ARMY, 74 Central Avenue, Waterbury, Connecticut;

(b) NEWINGTON CHILDRENS HOSPITAL, Newington, Connecticut;

(c) WATERBURY HOSPITAL, 66 Robbins Street, Waterbury, Connecticut;

(d) ARTHRITIS FOUNDATION, INC., 929 Silas Deane Highway, Wethersfield, Connecticut;

(e) AMERICAN LUNG ASSOCIATION OF CONNECTICUT, INC., 45 Ash Street, East Hartford, Connecticut;

(f) AMERICAN KIDNEY FUND, 7315 Wisconsin Avenue, Bethesda, Maryland;

(g) ASSOCIATION FOR RETARDED CITIZENS, P.O. Box 6109, Arlington, Texas 76005;

(h) HOSPICE VISITING NURSE AND HOME CARE OF WATERBURY, Waterbury, Connecticut;

(i) ST. JAMES LUTHERAN CHURCH, Peter Road, Southbury, Connecticut.

D. ONE-FOURTH (1/4) of the balance of said trust assets shall continue to be held in trust for the benefit of the Settlor's sister, ASTRID MORRIS, and the Trustee shall pay over and distribute to her all of the net income from this trust, in quarterly or more frequent installments, and so much of the principal as the Trustee, in its sole discretion, deems advisable for her care, support and comfort. Upon the death of the Settlor's said sister, ASTRID MORRIS, the assets then remaining shall continute to be held in trust for the benefit of the Settlor's niece, LAURINE AHLSEN SANTOYO. The Trustee shall pay over and distribute to the Settlor's said niece all of the net income, in quarterly or more frequent installments. If the Settlor's said niece is not living at such time, or dies during the administration of this Trust, the balance then remaining in said trust, including any accumulated income, shall be paid over and distributed to the following organizations, in equal shares:

(a) THE SALVATION ARMY, 74 Central Avenue, Waterbury, Connecticut;

(b) NEWINGTON CHILDRENS HOSPITAL, Newington, Connecticut;

(c) WATERBURY HOSPITAL, 66 Robbins Street, Waterbury, Connecticut;

(d) ARTHRITIS FOUNDATION, INC., 929 Silas Deane Highway, Wethersfield, Connecticut;

(e) AMERICAN LUNG ASSOCIATION OF CONNECTICUT, INC., 45 Ash Street, East Hartford, Connecticut;

(f) AMERICAN KIDNEY FUND, 7315 Wisconsin Avenue, Bethesda, Maryland;

(g) ASSOCIATION FOR RETARDED CITIZENS, P.O. Box 6109, Arlington, Texas 76005;

(h) HOSPICE VISITING NURSE AND HOME CARE OF WATERBURY, Waterbury, Connecticut;

(i) ST. JAMES LUTHERAN CHURCH, Peter Road, Southbury, Connecticut.

Notwithstanding any provision herein to the contrary, each descendant of the Settlor who is or may be a beneficiary of any trust established hereunder (the "beneficiary") shall have the power to appoint

the smallest fractional share of such trust property, if any, that would reduce to the minimum the aggregate estate, inheritance, succession and generation-skipping transfer taxes payable upon such beneficiary's death assuming no deductions are allowed with respect to such property for federal estate tax purposes. The power of appointment may be exercised by the beneficiary by his will duly admitted to probate upon any terms and conditions, including further trusts, to or for the benefit of any persons or entities including, without limiting the generality of the foregoing, his creditors, his estate and the creditors of his estate. No exercise of this power of appointment shall be effective unless it shall make specific reference to this provision. Any portion of such property which the beneficiary shall not have effectively appointed shall be distributed as otherwise provided in this Trust Agreement. If any trust property is included in the estate of a beneficairy for federal or state death tax purposes as a result of this power of appointment, and the power is not exercised by such beneficiary, the Trustee shall pay over to the executor or administrator of the beneficiary's estate, or pay directly, from said property, an amount equal to that increment of federal and state death tax liability attributable to the inclusion of the property in the beneficiary's estate.

IN WITNESS WHEREOF, the parties hereto have signed and sealed this instrument on the date first above written.

In the presence of:

Robert J. Barry

Sylvia A. Mueller

Sylvia A. Mueller

Robert J. Barry

SETTLOR:

Wilma A. Snowden L.S.
WILMA A. SNOWDEN

TRUSTEE: BANK OF BOSTON - CONNECTICUT
(formerly COLONIAL BANK)

By Barbara A. Brown L.S.
Barbara A. Brown

Its Vice President, Trust

STATE OF CONNECTICUT )
) ss. Southbury
COUNTY OF NEW HAVEN )

On this the 27th day of December, 1990, before me, Robert J. Barry, the undersigned officer, personally appeared WILMA A. SNOWDEN, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that she executed the same for the purposes therein contained, as her free act and deed.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Robert J. Barry
Commissioner of the superior Court
(Title of Officer)

STATE OF CONNECTICUT )
) ss. Southbury
COUNTY OF NEW HAVEN )

On this the 3rd day of January , 1991, before me, Robert J. Barry, the undersigned officer, personally appeared BARBARA A. BROWN, who acknowledged herself to be the Vice President, Trust of BANK OF BOSTON - CONNECTICUT, a corporation, and that she as such Vice President, Trust, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by herself as Vice President, Trust.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Robert J. Barry
Commissioner of the Superior Court
(Title of Officer)

# Last Will and Testament

of

KENNETH T. STOUGHTON

I, KENNETH T. STOUGHTON, of Heritage Village, in the Town of Southbury, County of New Haven and State of Connecticut, do hereby make, publish and declare this to be my Last Will and Testament in the manner following, hereby revoking all former Wills by me made.

FIRST: I direct that all my just debts and funeral and testamentary expenses be paid by my Executors, hereinafter named. I further direct that all transfer, estate, inheritance, succession and other similar taxes or duties, whether state or federal, that may be levied or assessed upon or with respect to my estate, or upon or with respect to any property which is included as part of my gross estate for the purpose of any such tax, or upon or with respect to any beneficiary of mine, including all such taxes imposed by reason of any life insurance or other insurance upon my life, shall be paid out of my residuary estate as an expense of administration and shall not be prorated or apportioned among or charged against the respective devisees, legatees, beneficiaries, transferees or other recipients, nor charged against any property passing or which may have passed to any of them.

SECOND: I give and bequeath to PAUL L. BARABY of Berkshire Estates, Southbury, Connecticut, any automobile owned by me at the time of my death.

THIRD: I direct my Executors to sell any real estate owned by me at the time of my death and add the net proceeds of said sale to my probate estate.

FOURTH: I direct my Executors to sell all jewelry and precious stones owned by me at the time of my death and to add the proceeds of said sale to my probate estate, and I give and bequeath all of my household furniture, furnishings and other articles of household use and adornment owned by me at the time of my death to RICHARD P. SMITH and ELIZABETH TAYLOR SMITH, both of 53 Hillsboro Drive, West Hartford, Connecticut, or the survivor of them, to be distributed, retained or otherwise disposed of in such manner as they, in their sole discretion, shall deem appropriate. I make this bequest secure in the knowledge that they will honor any specific requests of certain items of such tangible personal property as I may, from time to time, communicate to them but without imposing any obligation on them to follow said wishes and without in any way detracting from the absoluteness of such gift or bequest.

FIFTH: I give and bequeath to said RICHARD P. SMITH the sum of TEN THOUSAND ($10,000.00) DOLLARS to be his absolutely.

SIXTH: I give and bequeath to said ELIZABETH TAYLOR SMITH the sum of TEN THOUSAND ($10,000.00) DOLLARS to be hers absolutely.

SEVENTH: The rest, residue and remainder of my estate, of whatever nature and kind, and wheresoever situated, I give, devise and bequeath as follows:

A - To my Trustee hereinafter named, the sum of ONE HUNDRED FIFTY THOUSAND ($150,000.00) DOLLARS of my residuary estate, IN TRUST, for the following uses and purposes:

(i) To receive, hold, manage, invest and reinvest same in such manner as my Trustee may deem advisable;

(ii) To pay over to said PAUL L. BARABY all of the net income therefrom until his death;

(iii) Upon the death of said Paul L. Baraby, the entire corpus of said Trust shall be distributed to THE WATERBURY HOSPITAL, Waterbury, Connecticut, to be added to its equipment fund, in memory of my beloved wife, KATHERINE THORNTON STOUGHTON.

B - The remainder of my residuary estate, if any, I give, devise and bequeath to THE WATERBURY HOSPITAL, WATERBURY, Connecticut, to be added to its equipment fund, in memory of my beloved wife, KATHERINE THORNTON STOUGHTON.

EIGHTH: I nominate, constitute and appoint the said RICHARD P. SMITH and JAMES R. HEALEY, Esquire, of Middlebury, Connecticut, to be Co-Executors of this my Last Will and Testament and direct that no bond be required of either of them in such capacity.

NINTH: I nominate, constitute and appoint THE COLONIAL BANK AND TRUST COMPANY, Waterbury, Connecticut, as Trustee, under this my Will, and I direct that no bond be required of it in such capacity.

TENTH: I hereby authorize my Co-Executors and Trustee

herein named, with respect to my estate, without order or permission of any court, to exercise any and all powers enumerated in Section 45-100-e of the Connecticut General Statutes as if such enumerated powers were set forth verbatim herein.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 13th day of June, A. D. 1977.

L.S.
Kenneth T. Stoughton

Signed, sealed, published and declared as and for his Last Will and Testament by KENNETH T. STOUGHTON, the Testator, in the presence of each of us who, at his request and in his presence and in the presence of each other, have hereunto subscribed our names as witnesses the day and year last above written

_____ of _____

_____ of _____

STATE OF CONNECTICUT
:ss.: Southbury June 13, 1977
COUNTY OF NEW HAVEN

Then and there personally appeared the within named

Nancy McGeever

who, being duly sworn, deposes and says that she witnessed the execution of the within Will of the within named Testator, KENNETH T. STOUGHTON; that said Testator subscribed said Will and declared the same to be his Last Will and Testament in her

presence and in the presence of Theresa C. Killian :

that she and the said Theresa C. Killian thereafter subscribed

the same as witnesses in the presence of said Testator and in

the presence of each other and at the request of the Testator:

that the said Testator at the time of the execution of said

Will appeared to her to be of full age and of sound mind and

memory and competent in every respect to make a Will and that

she makes this affidavit at the request of the Testator.

Subscribed and sworn to

this 13th day of June

A. D. 1977, before me

Theresa C. Killian
Notary Public
My commission expires: 3/31/82

## ORDER OF DISTRIBUTION

AT A COURT OF PROBATE HELD in Naugatuck on the 10th day of June, 1932.

ESTATE OF FANNIE LATES WILLIAMS, late of Naugatuck, in said District, deceased.

The Executors, having settled their account with said estate, there remains for distribution, the sum of Four Thousand & 00/100 dollars in real and Four Thousand 00/100 dollars in personal estate; and there being Claribel L. Lobdell, daughter of Naugatuck, Conn.; John E. Lates, son, of Naugatuck Conn., and Fred H. Lates, son, of Holmes, New York, devisees and legatees under the last will and testament of said deceased;

ORDERED, That said real and personal estate be distributed among the devisees and legatees of said deceased according to the provisions of said will and return make to this Court.

Attest: D. Emmet Shea, JUDGE.

## RETURN OF PAYMENT

TO THE PROBATE COURT FOR THE DISTRICT OF NAUGATUCK:

Estate of Fannie Lates Williams, late of Naugatuck, in said District, deceased.

The subscribers, Frank S. Lobdell and Fred H. Lates, executors of the will of said deceased, after the acceptance of their final account, hereby make return.

That all moneys and properties of every description, in their hands or control, as such executors have been by them paid over and distributed to the persons or corporations entitled thereto, in accordance with law and the will of said deceased, and the orders of said Court and so far as they have any knowledge the said estate is now fully administered and settled.

Dated at Naugatuck, Conn., June 10th, A.D. 1932.

Frank S. Lobdell )
) Executors.
Fred H. Lates )

Subscribed and sworn to before me this 10th day of June, A. D. 1932.

Attest: D. Emmet Shea, JUDGE.

##################################################

## W I L L

I, OSCAR L. WARNER, of the Town of Naugatuck, County of New Haven, State of Connecticut, make and constitute this my Last Will and Testament, hereby expressly revoking any and all wills by me heretofore made.

1. I direct that all my just debts and funeral expenses be paid by my Executor hereinafter named.

2. I give and bequeath to James C. Warner, of said Naugatuck, in living at the time of my decease, the sum of One Thousand Dollars ($1,000.00).

3. I give and bequeath to my chauffeur, Joseph A. Zehnder, of No. 29 Hillcrest Avenue, Naugatuck, Connecticut, if in my employ at the time of my death, the sum of One Hundred Dollars ($100.00) a year for each year or fraction thereof that he has been in my employ since May, 1913.

4. I give and bequeath to my sister-in-law, Clarissa S. Warner, of the Oliver Hotel, South Bend, Indiana, if living, the wash bowl and pitcher of antique design and green decoration which

stands on the high daddy in my room, also the Royal Kashan silk prayer rug, size 3 ft. x 2 ft. 2 [illegible], which hangs in my hall at the foot of stairs.

5. I give and bequeath to The Colonial Trust Company, of Waterbury, Connecticut, the sum of Three Thousand Dollars ($3,000.00), in trust, however, to hold, possess, invest and reinvest the same at pleasure and to pay over the net income thereof to the Grove Cemetery Association of Naugatuck, Connecticut, to be used for the care and maintenance of my lot and the monument and markers thereon. Any income not used for said purposes may be used for the general purposes of said association.

6. I give and bequeath to The Colonial Trust Company, of Waterbury, Connecticut, the sum of Three Thousand Dollars ($3,000.00), in trust, however, to hold, possess, invest and reinvest the same at pleasure, and to pay over the net income thereof to the Ecclesiastical Society of the Congregational Church of Naugatuck, Connecticut, to be used for the general expenses of said society.

7. To my friend, D. C. Hakes, of Catchings, Sharkey County, Mississippi, I have promised the sum of One Thousand Dollars ($1,000.00) each year for four years, to assist in the further education of his son, Doric Hakes, who begam a college course in the fall term of 1929. In case of my death before the end of said four year period, I give and bequeath to the said D. C. Hakes, if living, otherwise to his son, Doric Hakes, the necessary amount to complete the payments of the four year period, said payments to be made annually.

8. I give and bequeath to Katherine O'Rourke, R.N., of No. 174 Willow Street, Waterbury, Connecticut, any unpaid balance there may be due on her note to me under date of November 13, 1930, to her absolutely.

9. All the rest and residue of my estate, of every kind and nature, I give, devise and bequeath to The Colonial Trust Company, of Waterbury, Connecticut, in trust, however, for the following purposes: To hold, manage, sell, exchange, invest and reinvest the same in such securities as trust funds in the State of Connecticut may be invested in, and to accumulate and pay over the net income of said estate as hereinafter set forth.

If my sister, Lucia B. Warner, widow of Lewis C. Warner, should survive me and be then unmarried, I authorize and direct my executor hereinafter named to give her the right to occupy my homestead situated at No. 219 Hillside Avenue, Naugatuck, Connecticut, so long as she remains a widow, and if she does not remarry, said right of occupation may continue during her life. It is to be optional with her to accept said right of occupation or not, but acceptance must be made by her by written notice to that effect to my executor within one year after my decease, otherwise this offer shall be void and of no effect. If she accepts and occupies said homestead I give and bequeath to her my automobiles and all equipment used in connection therewith. And I further authorize and direct my executor and trustee to pay my said sister, out of the net income of my estate, the sum of Eight Hundred Dollars ($800.00) per month in cash towards the running expenses of said premises, it being understood that all taxes, premiums of insurance, water rents and necessary repairs shall be paid for by her out of said allowance.

Any net income from my estate remaining after the payment of said monthly allowance shall be added to principal and invested and reinvested by my executor or trustee and disposed of as hereinafter set forth.

If my sister should not accept the provisions of this will, or if she should accept and later vacate said premises, or remarry, or if she should accept and remain in possession during her life

then upon her death, I direct that my homestead, No. 219 Hillside Avenue, Naugatuck, Connecticut, and all my rigs, furniture, pictures, books, jewelry, wearing apparal, automobiles, if any, antiques, and all other articles of personal and domestic use not otherwise disposed of, be sold by my trustee and the proceeds divided equally among my nephew and nieces, George A. Warner, Julia Warner and Emily Warner, son and daughters of Lewis C. Warner and Lucia B. Warner, or to such of them as may be then living. But permission is hereby granted to sell or dispose of any of my clothing or household effects at any time, provided my sister, Lucia B. Warner, and her son and daughters agree that it seems best.

If, in the judgment of my trustee, a situation should develop in which it would appear to be to the advantage of all parties concerned that the right of my sister to occupy my homestead should cease, I hereby specifically authorize said trustee, in accordance with its discretion, to terminate said right, and upon said termination to sell said real and personal property and divide the proceeds equally among my nephew and nieces, George A. Warner, Julia Warner and Emily Warner, or such of them as may be then living.

Out of the remainder of my estate in possession of The Colonial Trust Company, as my trustee, after the interest of my said sister has ceased and terminated, I make the following bequests:

A. To my nephew, George A. Warner, one hundred (100) shares of the capital stock of the Southern New England Telephone Company, and two hundred and twenty (220) shares of the capital stock of the Hartford Electric Light Company.

B. To my niece, Julia Warner, forty-three (43) shares of the capital stock of The Colonial Trust Company, of Waterbury, Connecyicut.

C. To my niece, Emily Warner, forty-three (43) shares of the capital stock of The Colonial Trust Company, of Waterbury, Connecticut.

D. To Grace Bradbury, who has been living at my house recently, fifty (50) shares of the capital stock of the Torrington Company.

The remainder of my estate shall be held by the said The Colonial Trust Company and known as "The Warner Memorial Fund," for the following purposes: Said trustee shall invest and reinvest said fund and add the income to the principal and reinvest the same for a period not exceeding twenty years from the date when the interest of my said sister shall cease and terminate. If, during said twenty-year period, the Naugatuck Hospital Corporation shall decide to erect a building, it being found by the directors of said corporation that the funds in its possession together with the proceeds from this fund are sufficient to build and maintain said hospital, and it shall notify The Colonial Trust Company to that effect, and request, in writing, that the accumulated income to be paid as the Board of Directors of the Naugatuck Hospital Corporation may deem wise and for the best interest of the corporation, and thereafter to pay the net income arising from said fund to said hospital, quarterly, for the general purposes of said hospital.

In the event that at the end of said twenty-year period no hospital shall have been built by the Naugatuck Hospital Corporation I direct that The Colonial Trust Company shall continue to hold said fund, until a hospital is erected in Naugatuck by said corporation, shall pay to the Waterbury Hospital, of Waterbury, Connecticut, the income thereof for the purpose of providing accommodations and medical care and attention for the poor and needy residents of the Borough of Naugatuck,

Connecticut, with the understanding, however, that the surplus of said income, if any, may be used for the general purposes of the Waterbury Hospital.

If at some later period a hospital shall be built in said Naugatuck by said corporation I direct that the income from said fund shall be paid over to said hospital in Naugatuck to be used for the general purposes of said institution.

10. I direct that all gifts, bequests and legacies herein given shall be paid in full, free from all succession or inheritance taxes, whether state or federal, and that all such taxes shall be borne and paid by my executor out of my general estate.

11. I appoint The Colonial Trust Company, of Waterbury, Connecticut, Executor of this will, without bonds, and hereby give to the said The Colonial Trust Company, both in its capacity of Executor and Trustee, power to sell and convey any and all of my real estate, without an order of Court, and to execute and deliver such deeds and instruments as may be necessary to pass title thereto.

IN WITNESS WHEREOF, I have hereunto set my hand and seal, this 29th day of February, 1932.

Oscar L. Warner (SEAL)

Signed and sealed by the within named testator, Oscar L. Warner, and by him declared to be his last will and testament in our presence who have hereunto subscribed our names as witnesses in his presence and in the presence of each other, and at his request, this 29th day of February. 1932.

Gertrude L. Snagg )
Gustav A. Anderson ) Witnesses.
Lucian D. Warner )

STATE OF CONNECTICUT, )
: SS. WATERBURY
COUNTY OF NEW HAVEN, )

Be it remembered that on this 29th day of February, 1932, before me, Robert S. Walker, a Notary Public within and for the State of Connecticut, personally appeared the undersigned, who, being duly sworn, severally make oath and say that they witnesses the within will of the within named testator, Oscar L. Warner, and subscribed the same in his presence and at his request, and in the presence of each other; that the said Oscar L. Warner, at the time of the execution of said will, appeared to them to be of full age and of sound mind and memory; that he signed said will and declared the same to be his last will and testament in their presence, and that they make and sign this affidavit at the request of said testator.

| | | |
|---|---|---|
| Gertrude L. Snagg | of | Waterbury, Conn. |
| Gustav A. Anderson | of | " " |
| Lucian D. Warner | of | " " |

Subscribed and sworn to before me, this 29th day of February, 1932.

Robert S. Walker
Notary Public.

...TE OF CONNECTICUT, )
: ss. PROBATE COURT, April 22nd, 1932.
...TRICT OF NAUGATUCK, )

...he within and foregoing will was this day proved, approved, allowed and admitted to Probate ... the Executor named therein, was approved and appointed.

Attest: D. Emmet Shea, JUDGE.

##########

FINAL ACCOUNT OF TRUSTEE

...RE PROBATE COURT FOR THE DISTRICT OF NAUGATUCK:

Estate of HARRIS WHITTEMORE, Late of Naugatuck, in said District, deceased.

The subscriber represents that it is the Trustee of a trust created under Paragraph Ninth of ...s will of said deceased for the benefit of Helen Whittemore Adams; that the said Helen Whittemore ... became thirty-five years of age on the twelfth day of June, 1932; that the following account ...tains a true statement of all moneys received and expended by it in its capacity aforesaid since ...e date of its last account (to December 31, 1931); and that the principal and all income has been ...id over to the said Helen Whittemore Adams.

Income Account

DR.

| | | |
|---|---|---|
| ...idends | $1,838.00 | |
| ...erest on bonds | 1,366.67 | |
| ...erest on bank deposits | 14.92 | |
| ...ome | 700.00 | $3,919.59 |

CR.

| | | |
|---|---|---|
| ...nsferred to principal account to reduce cost of 140 shares Anaconda Copper Mining Company stock by reason of $.9815 per share of 1931 dividends paid from depletion reserve | 137.41 | |
| ...nsferred to principal account to reduce cost of 125 shares National Malleable & Steel Castings Co. stock by reason of 1931 dividends paid from unearned surplus | 312.50 | |
| ...bate fees | 4.00 | |
| ...ax transfer stamps | 1.66 | |
| ...ustee's fee | 147.99 | 603.56 |
| ...en Whittemore Adams | | 3,316.03 |
| | | $3,919.59 |

Principal Account

DR.

| | |
|---|---|
| ...rsonal property as per last account | $ 303,714.67 |

CR.

| | | |
|---|---|---|
| ...ain sale of 83 shares National Malleable & Steel Castings Co. | | |
| ... Inventory value | $2,389.07 | |
| ... Selling price | 830.00 | 1,559.07 |
| ...d to Helen Whittemore Adams | | |
| ...ares | | |
| 75 shares American Hardware Corpn. | 5,325.00 | |
| 140 " Anaconda Copper Mining Co. | 12,711.30 | |

C

## C. Miscellaneous

| | | |
|---|---|---|
| 1. | Thomas P. Crean | Will extract<br>$10,000 pending bequest |
| 2. | Gift Annuity | Resolution and Authorization 4/3/2003 |
| 3. | Stephen J. Pecka a/k/a Steven J. Pecka | Will<br>$5,000 pending bequest |
| 4. | Pooled Income Fund | Trust Agreement |

**ARTICLE FOURTH**

I give and bequeath unto my beloved grandchildren, the following sums:

1. To my beloved granddaughter, **SUSAN STONE** of Cromwell, Connecticut, the sum of Ten Thousand ($10,000.00) Dollars to be to her and her heirs absolutely and forever;
2. To my beloved grandson, **CHRISTIAN DANIELS** of Waterbury, Connecticut, the sum of Ten Thousand ($10,000.00) Dollars to be to him and his heirs absolutely and forever;
3. To my beloved granddaughter, **ALLENE DANIELS** of Waterbury, Connecticut, the sum of Ten Thousand ($10,000.00) Dollars to be to her and her heirs absolutely and forever; and
4. To my beloved grandson, **MICHAEL STONE** of West Haven, Connecticut, the sum of Ten Thousand ($10,000.00) Dollars, to be to him and his heirs absolutely and forever.

**ARTICLE FIFTH**

I give and bequeath unto my beloved brother, **HUGH CREAN** of Watertown, Connecticut, the sum of Fifteen Thousand ($15,000.00) Dollars to be to him and his heirs absolutely and forever.

**ARTICLE SIXTH**

I give and bequeath unto my beloved friend, **SUSAN SAGER** of Ansonia, Connecticut, the sum of Fifteen Thousand ($15,000.00) Dollars, to be to her and her heirs absolutely and forever.

**ARTICLE SEVENTH**

I give and bequeath onto the following hospitals:

1. To the **WATERBURY HOSPITAL** of Waterbury, Connecticut, the sum of Ten Thousand ($10,000.00) Dollars in fee;

WATERBURY HOSPITAL
HEALTH • CENTER
*caring makes a world of difference*

**Resolution and Authorization**
**to Issue Charitable Gift Annuity Agreements**

The Board of Trustees of The Waterbury Hospital hereby authorizes the President & CEO, Vice President of Finance & CFO or the Chief Development Officer to enter into agreements to pay charitable gift annuities (CGA) for one or two lives in exchange for cash and marketable securities. The Waterbury Hospital Planned Giving Committee will consider other types of assets, such as real estate or tangible personal property, for gift annuities on a case-by-case basis. All charitable gift annuity agreements executed by The Waterbury Hospital will comply with all applicable state regulations and Waterbury Hospital's policies and procedures pertaining to charitable gift annuities.

**Key points of policy governing CGA**

- Waterbury Hospital will offer both Immediate CGA's and Deferred CGA's.
- Deferred CGA's will be deferred for a minimum of 5 years and the income beneficiary must be a minimum age of 62 when the payout begins.
- There may be no more than 2 life-income beneficiaries.
- The minimum amount to qualify for a CGA is $10,000, and the maximum amount is $250,000. Waterbury Hospital's Planned Giving Committee will consider smaller and larger CGA's on a case-by-case basis.
- The rate offered to donors for a CGA will be no greater than those recommended at the time of the gift by the American Council on Gift Annuities.
- All CGA contracts will be reviewed by Waterbury Hospital's legal counsel and the donor's professional advisor(s). Donors will be advised to determine the tax benefits of the gift with an independent tax advisor of their choice.
- The assets contributed to Waterbury Hospital in exchange for a CGA will be placed in a separate account designated for CGAs and managed by an investment manager appointed by Waterbury Hospital, which shall adhere to the investment principles recommended by the American Council on Gift Annuities.
- Donors will be recognized for their gift based on the actuarial valuation of the gift.

*Signature*
*FRED LUEDKE - Chairman of the Board*

4/3/03
*Date*

*Signature*
*JOHN TOBIN - President & CEO*

April 3, 2003
*Date*

WATERBURY HOSPITAL
HEALTH • CENTER
*caring makes a world of difference*

April 8, 2003

Ms. Susan F. Cogswell
Commissioner
c/o Nancy Monahan
State of Connecticut Insurance Department
P.O. Box 816
Hartford, CT 06142-0816

Dear Ms. Cogswell:

I am writing to inform the State of Connecticut's Insurance Department that The Waterbury Hospital, a not-for-profit organization in Waterbury, Connecticut, will be issuing qualified charitable gift annuities to donors.

The Waterbury Hospital's Board of Trustees passed a resolution at its Board meeting last week to create a charitable gift annuity program. The program will be run through our Fund Development Office.

Please notify Grace Linhard, Chief Development Officer, of any questions that you may have. She can be reached directly at (203) 573-6085. Thank you.

Sincerely,

David Griffin
Secretary, Board of Trustees
Chairman, Development Committee

John H. Tobin
President & C.E.O.

cc: Grace Linhard, Chief Development Officer

# STATE OF CONNECTICUT

*INSURANCE DEPARTMENT*

April 9, 2003

Grace Linhard
Chief Development Officer
Waterbury Hospital
64 Robbins Street
Waterbury, CT 06721

Dear Ms. Linhard:

I am in receipt of the notification of Waterbury Hospital to enter into charitable gift annunities.

Please feel free to contact me if you have any questions, Nancy Monahan, (860) 297-3804 or nancy.monahan@po.state.ct.us.

Very truly yours,

Nancy Monahan

Nancy Monahan
Secretary, Legal Division

WACHOVIA

# Planned Giving Administration

## Letter of Understanding

May 5, 2003

Grace Linhard, Director of Development
Waterbury Hospital
64 Robbins Street
Waterbury, CT 06708

RE: Planned Gifts and Investment Management Services

Dear Grace:

It is with a great deal of pleasure that we welcome Waterbury Hospital as a client of Charitable Services Planned Giving at Wachovia. The Planned Giving team looks forward to working with you and the other members of your organization in meeting your planned giving goals and objectives.

The following summarizes our responsibilities and operational parameters for the administration of your planned giving program.

**Gift Annuities**

- Annuity payments will be made by Wachovia under the terms of the contract between the Waterbury Hospital and the donor. It is agreed between the Waterbury Hospital and Wachovia that the contracts shall require payments at the end of the calendar quarter. Copies of the contract(s) and taxation schedules will be provided to Wachovia by the Waterbury Hospital as soon as possible but prior to the first payment due date. Any annuity payments that are past due at the time the annuity contract is submitted to Wachovia shall be made at the next regularly scheduled payment due date.

- Forms 1099R will be prepared based on the terms of the original contract and mailed to the annuitants by January 31 each year or as may otherwise be required by the law. Wachovia shall have no responsibility for tax reporting associated with any annuity/payments where notification of the existence of the contract(s) or payment obligations of the Waterbury Hospital for the prior tax year is received after January 15.

- Reporting to the Federal Government will be done by February 28 each year or as may otherwise be required by the law. However, Wachovia reserves the right to file extensions with the Federal Government if it deems in its sole discretion that this is in the best interest of the Waterbury Hospital and its annuitants.

- All securities received in exchange for a gift annuity will be liquidated by Wachovia as soon as practical after receipt of the security (and related documentation if needed) as well as a copy of the gift annuity contract.

- Option 1 - FASB or market value sub-accounting at the annuitant level is not required.

**OR**

(•) Option 2 - FASB and market value sub-accounting at the annuitant level is required annually as of [month/day].

**Please circle and initial either option 1 or option 2.**

- The Waterbury Hospital shall be responsible for providing donors with appropriate disclosures as required by The Philanthropy Protection Act of 1995 (or any amendments or modifications to such law).

- Insurance reporting is not required and Wachovia shall have no responsibility to ensure the Waterbury Hospital maintains compliance with any state insurance laws unless noted to the contrary within this letter.

- The gift annuity assets are to be managed in compliance with the state insurance laws. A copy of the investment policy of the Waterbury Hospital for its gift annuity program is attached to this letter.

**Charitable Remainder Trusts**

- Annuity or Unitrust payments will be made by Wachovia under the terms of the original trust agreement executed between the Waterbury Hospital and the donor. Copies of the trust agreement(s) will be provided to Wachovia by the Waterbury Hospital as soon as possible after execution.

- Wachovia will provide gift valuation of liquid assets transferred to establish a charitable remainder trust or an addition to an existing unitrust.

- All securities received as gifts to charitable remainder trusts will be liquidated as soon as possible after receipt.

- Federal Forms 5227 and 1041A will be prepared and filed based on the terms of the trust agreement and activity within the trust. Tax information letters are generally mailed to the trust beneficiaries no later than February 28 each year. Delays past this are generally associated with changes in the law or complications within the trust activity.

**Applicable to all Planned Gifts**

- Option 1 - Wachovia may have direct contact with donors/annuitants and will make every reasonable effort to advise the Waterbury Hospital should this occur through copies of letters or memorandum to file if, in its sole discretion, Wachovia believes the communication has any impact on donor relations with the Waterbury Hospital.

Or

(•) Option 2 - Wachovia should direct all inquiries from donors/annuitants to the Waterbury Hospital. If response by the Waterbury Hospital requires research on the part of Wachovia, Wachovia will conduct the research and notify the Waterbury Hospital of the response as soon as possible.

**Please circle and initial either option 1 or option 2.**

- Statements to donors or beneficiaries of Charitable Remainder Trusts are not required of Wachovia unless requested to do so on a case by case basis.

- Tax filing and reporting responsibilities are to begin with the tax year ending December 31, 2003.
- Wachovia will issue **quarterly** and **annual** reports of transactions within the various accounts to the Waterbury Hospital.
- As compensation for these services, Wachovia shall be entitled to the fees listed on the attached Schedule of Compensation and is authorized to charge each account pro-rata for such expense.
- Unless otherwise noted in this letter, the assets of these accounts are to be invested in accordance with the Schedule of Investment Guidelines enclosed with this letter, **specifically excluding tobacco holdings, as requested by The Waterbury Hospital.** The Waterbury Hospital has previously received a prospectus on the Evergreen mutual funds, some of which may be used as investment vehicles in the planned gifts referenced in this letter. The investment advisory fees associated with the Evergreen Funds will be rebated to the extent of the account level fee.
- Wachovia is authorized to accept instructions regarding the planned giving accounts from the individuals at the Waterbury Hospital listed on the attached schedule.

To indicate agreement and acceptance of the points outlined above, we ask that you sign, date and return the enclosed copy of this correspondence in the postage paid envelope enclosed. Should any points require clarification, please do not hesitate to call us.

Your administration team consists Emily Cummins and Liza Hentz on all matters pertaining to the planned gifts. Emily and Liza may be reached at 800-462-7159.

The Planned Giving team greatly appreciates having this opportunity to serve the Waterbury Hospital in this special way. Please feel free to contact us anytime we may be of assistance to you.

Sincerely,

Robin R. Ganzert, Ph.D.
Vice President
Managing Director, Planned Giving

Modifications accepted and agreed to by _____, _____, on this the _____ day of _____, ____.

# The Waterbury Hospital
# And
# Wachovia National Bank

## Schedule of Compensation

*4/15/2003*

*(Minimum of $10,000)*

**Investment Management**

Any gift annuity, charitable remainder trust or pooled income fund established by Waterbury Hospital will be combined for fee purposes.

| | | |
|---|---|---|
| FIRST | $ 1,000,000 | 1.00% |
| NEXT | $ 2,000,000 | 0.85% |
| NEXT | $ 7,000,000 | 0.50% |
| OVER | $ 10,000,000 | 0.40% |

- **The annual minimum fee for the planned giving service is $10,000.**

**Gift Annuities - Administrative Fees**

- $80 annual maintenance per contract

Assumes payments to the annuitants are no more frequent than quarterly and all payments are made at the end of the calendar quarter.

FASB reports are charged based on $250 per report. Insurance reserve calculations are charged based on $250 per report.

Fund accounting report charge is $8.00 per fund with an $8.00 per fund set-up charge. The minimum charge per report is $450 and the minimum set-up is $450.

**Charitable Remainder Trusts - Administrative Fees**

- Annuity trusts - $500
- Stralght rate, net income unitrusts (with or without make-up) - $850
- Net Income Unitrust with gain defined as Income - $1,500

**Multiple Account Fee (only applies to institutions where the investment management fees for the relationship are combined)**

- $300

# INVESTMENT POLICY STATEMENT
***4/15/2003***

**For**
**Waterbury Hospital**

This investment policy shall serve as a framework under which Wachovia will manage assets for WATERBURY HOSPITAL. WATERBURY HOSPITAL and Wachovia will be jointly responsible for establishing the portfolio's investment policy. This policy will address the following WATERBURY HOSPITAL circumstances: Return Objective, Risk Tolerance, Time Horizon, Liquidity needs, Tax Situation and other Unique Circumstances. This policy will specify WATERBURY HOSPITAL's preferences as to the type and frequency of communication and performance measurement. Wachovia will be responsible for the implementation of the investment policy as well as advising WATERBURY HOSPITAL on the status of implementation.

## INVESTMENT OBJECTIVE

The investment objective of the portfolio is income and growth.

The primary purpose of this portfolio is to provide individual beneficiaries with agreed upon entitlement and the remainder to WATERBURY HOSPITAL to achieve the charitable goals of the donors.

## ASSET ALLOCATION

Wachovia is responsible for establishing the asset allocation policy of the portfolio. This allocation shall seek to balance the relative percentages invested in equity securities, fixed income securities and money market instruments in light of WATERBURY HOSPITAL's need for current income, growth of principal and restriction associated with various state insurance laws.

ASSET ALLOCATION TARGETS (Reserve/Surplus Accounts)

| | Percent of Total Fund | | |
|---|---|---|---|
| | **Minimum** | **Target** | **Maximum** |
| **Total Stocks:** | **0** | **0** | **0** |
| Large Cap Growth | 0 | 0 | 0 |
| Large Cap Value | 0 | 0 | 0 |
| **Total Bonds:** | **85** | **90** | **95** |
| **Total Cash:** | **5** | **10** | **15** |

## ASSET ALLOCATION TARGETS (Excess Reserves Accounts)

| | Percent of Total Fund | | |
|---|---|---|---|
| | Minimum | Target | Maximum |
| **Total Stocks:** | **40** | **60** | **80** |
| Large Cap Growth | 20 | 30 | 40 |
| Large Cap Value | 20 | 30 | 40 |
| **Total Bonds:** | **20** | **35** | **50** |
| **Total Cash:** | **2** | **5** | **10** |

According to Wachovia's policy, an asset class is considered to be within an acceptable range if the actual allocation is within 500 basis points of the target. The Asset Allocation Targets may change from time to time due to changes in Wachovia's policy or changes in the Client's circumstances.

## SECURITY GUIDELINES

### ALLOWABLE SECURITIES:

### RESERVE/SURPLUS ACCOUNTS

FIXED INCOME:

U.S. Treasury Bills
U.S. Treasury Notes and Bonds
U.S. Agency Notes and Bonds
Corporate Bonds (Investment Grade)

NOTE: Limitations in the law require the following:

The combination of bonds and other evidences of indebtedness of any one institution may not exceed 5% of the total reserve requirements.

### EXCESS-RESERVE OPTIONS

EQUITIES:

N.Y.S.E. stocks
NASDAQ stocks
Mutual Funds

FIXED INCOME:

Mutual Funds
Common Trust Funds

## RE-BALANCING

WATERBURY HOSPITAL instructs / authorizes Wachovia to rebalance its portfolio on a quarterly basis. In re-balancing, Wachovia will allocate assets back to the target.

## INVESTMENT STRUCTURE

To implement its asset allocation policy, WATERBURY HOSPITAL has approved the following investment vehicles as noted below in additional to individually managed fixed income investments:

| Style | Portfolio | Representative Benchmark |
|---|---|---|
| **Equity** | | |
| Large Cap Value | | Russell 1000 Value Index |
| Large Cap Growth | | Russell 1000 Growth Index |

| Style | Portfolio | Representative Benchmark |
|---|---|---|
| **Fixed Income** | | |
| Short/Intermediate | | Lehman Brothers Intermediate Government/Credit Index |
| Core Bond | | Lehman Brothers Aggregate |

| Style | Portfolio | Representative Benchmark |
|---|---|---|
| **Cash Equivalents** | | |
| Money Market | Evergreen Select 100% Treasury Money Market | 90 Day Treasury Bill |

From time-to-time, WATERBURY HOSPITAL may change the target allocation and the styles / funds approved for its portfolio.

## LIQUIDITY

Interest and dividends will be swept daily into a money market fund. Minimum cash reserves will be maintained to make payments as required by the annuity contracts.

## INVESTMENT TIME HORIZON

Perpetual

## TAX CONSIDERATIONS

None

## UNIQUE CIRCUMSTANCES

To achieve investment return used in the ACGA recommended rate assumptions a net return of 6.25% is desired for the combined portfolio.

## INVESTMENT AUTHORITY

Investment decisions will be made in sole authority/discretion by Wachovia and Wachovia is not expected to provide advance notification of trades that are consistent with this policy unless noted to the contrary in this policy statement.

## IMPLEMENTATION STRATEGY

It is Wachovia's policy to implement investment strategies within ninety (90) days of their adoption unless otherwise agreed to.

## COMMUNICATION

Wachovia will furnish WATERBURY HOSPITAL a statement detailing current holdings and all transactions occurring within the portfolios. In addition, Wachovia expects to meet with WATERBURY HOSPITAL on an as needed basis. The agenda for these meetings shall include a review of the following:

- A comparison of the current asset allocation of the portfolio versus the guidelines set forth in this investment policy
- A presentation of investment results that includes a comparison relative to the appropriate indices
- A review of the current holdings in the portfolio
- An overview of current economic conditions and their expected impact upon the portfolio
- A discussion of what changes to the service or policy is desired.

WATERBURY HOSPITAL's preferences, market events and portfolio changes will dictate the frequency of other types of communication.

## PERFORMANCE MEASUREMENT

The period for evaluating performance will be one year. Performance will be evaluated quarterly to test progress toward the attainment of longer-term goals. It is understood that there are likely to be short-term periods during which performance deviates from market indices. Portfolio performance will be measured against a commonly used index that is appropriate to the asset class and style. This information may be supplemented with peer group comparisons when appropriate and available. The appropriate benchmarks shall be identified for measuring performance.

According to Wachovia's policy, an asset class is considered to be within an acceptable range if the actual allocation is within 500 basis points of the target. The Asset Allocation Targets may change from time to time due to changes in Wachovia's policy or changes in the Client's circumstances.

# Last Will and Testament

I, **STEVEN J. PECKA, a/k/a STEPHEN J. PECKA, a/k/a STEVE J. PECKA**, of the Town of Wolcott, County of New Haven and State of Connecticut, being of lawful age, of sound and disposing mind, memory and judgment, do hereby make, publish and declare this to be my Last Will and Testament, hereby revoking all previous wills and codicils by me made.

## ARTICLE I

I direct that all my just debts, (except such as may be secured by mortgage), funeral charges, and expenses of settling my estate, be paid and discharged by my Executors, hereinafter named. I direct that all legacy, succession, inheritance, transfer and estate taxes, levied or assessed upon or with respect to any property which is included as part of my gross estate for the purpose of any such tax, shall be paid by my Executors out of my estate in the same manner as an expense of administration and shall not be prorated or apportioned among or charged against the respective devisees, legatees, beneficiaries, transferees, or other recipients, nor charged against any property passing or which may have passed to any of them.

## ARTICLE II

If I am the owner of the premises known as 260 East Street in Wolcott, Connecticut at the time of my demise, I give and devise the same, together with the contents therein, to my sister, **HELEN WILLIAMS**, of Wolcott, Connecticut, if she survives me, the same to be hers absolutely to the exclusion of all others.

I give and bequeath any motor vehicle or motor vehicles owned by me at the time of my demise, to my sister, **HELEN WILLIAMS**, of Wolcott, Connecticut, the same to be hers absolutely to the exclusion of all others.

In the event, however, that my sister, **HELEN WILLIAMS**, does not survive me, and I am the owner of 260 East Street, in Wolcott, Connecticut, at the time of my demise, I give and

devise the same together with the contents therein, to **GALE A. BYRNES,** of Wolcott, Connecticut, the same to be hers absolutely to the exclusion of all others.

In the event that my sister, **HELEN WILLIAMS,** does not survive me, I give and bequeath any motor vehicle or motor vehicles owned by me at the time of my demise to **GALE A. BYRNES,** of Wolcott, Connecticut, the same to be hers absolutely to the exclusion of all others.

## ARTICLE III

I give and devise any and all of my remaining real estate, wheresoever situated, and owned by me at the time of my demise, to my sister, **HELEN WILLIAMS,** of Wolcott, Connecticut, if she survives me, the same to be hers absolutely to the exclusion of all others.

In the event that my sister, **HELEN WILLIAMS,** does not survive me, I give and devise any and all of my remaining real estate to **GALE A. BYRNES,** of Wolcott, Connecticut, the same to be hers absolutely to the exclusion of all others.

## ARTICLE IV

a) I give and bequeath the sum of Five Thousand ($5,000.00) Dollars to **ST. MARY'S HOSPITAL,** of Waterbury, Connecticut, or to its successors, either by way of merger or consolidation;

b) I give and bequeath the sum of Five Thousand ($5,000.00) Dollars to **WATERBURY HOSPITAL,** of Waterbury, Connecticut, or to its successors, either by way of merger or consolidation;

c) I give and bequeath the sum of Five Thousand ($5,000.00) Dollars to **THE CHILDREN'S HOSPITAL**, of Hartford, Connecticut, or to its successors, either by way of merger or consolidation;

d) I give and bequeath the sum of Five Thousand ($5,000.00) Dollars to **GAYLORD HOSPITAL**, Wallingford, Connecticut, or its successors, either by way of merger or consolidation.

## ARTICLE V

I give and bequeath the rest, residue and remainder of my estate, the same to be divided in equal shares as follows and absolutely:

(a) To **CATHERINE PECKA PARLO**, of 54 Sonoma Avenue, Galeta, California, one such share;

(b) To **RICHARD WILLIAMS**, of Waterbury, Connecticut, one such share;

(c) To **CAROLYN PECKA**, of Wolcott, Connecticut, one such share;

(d) To **BARBARA KEANE**, of 66 Barsolou Avenue, Waterbury, Connecticut 06705, one such share.

In the event that any of the residuary legatees do not survive me then his or her share shall be divided equally amongst the survivor or survivors of my residuary estate.

## ARTICLE VI

I hereby appoint **HELEN WILLIAMS**, presently of Wolcott, Connecticut, and **BARBARA KEANE**, of 66 Barsolou Avenue, Waterbury, Connecticut, as my Executors of this my Last Will and Testament, all to serve without bond. In the event that either or any of the named executors are unable or unwilling to serve, then the remaining Executor will continue to serve without bond.

## ARTICLE VII

My Executors shall have in addition to the enumerated powers, and not by way of limitation thereof, all the powers as set forth in the Connecticut General Statutes together with the additional powers (1) (2) (3) (4) (5) (6) (7) (8) (9) (10) (11) (12) (13) (14) (15) (16) (17) (18) (19) (20) (21) (22) (23) (24) (25) (26) and (27) as set forth in Section 45a-235 of the Fiduciary Powers Act, it being my intention to incorporate said powers by reference thereto, in this with the same effect as though such language was set forth verbatim in this instrument.

**IN WITNESS WHEREOF**, I have hereunto set my hand and seal at Wolcott, Connecticut, on the 17th day of February, 2009.

**STEVEN J. PECKA a/k/a**
**STEPHEN J. PECKA a/k/a**
**STEVE J. PECKA**

Signed, sealed, published and declared by said **STEVEN J. PECKA, a/k/a STEPHEN J. PECKA, a/k/a STEVE J. PECKA**, as and for his Last Will and Testament, in the presence of us, who at his request, in his presence, and in the presence of each other, have hereunto subscribed our names as witnesses on the 17th day of February, 2009.

Louis Steponaitis
Louis Steponaitis III

368 Lakewood Rd Wlby
Address
368 Lakewood Rd., Wlby
Address

**STATE OF CONNECTICUT** )
) **ss: Wolcott** February 17, 2009
**COUNTY OF NEW HAVEN** )

We, LOUIS STEPANAITIS and LOUIS STEPANAITIS III, the undersigned, being duly sworn, depose and say that the above named Testator, **STEVEN J. PECKA, a/k/a STEPHEN J. PECKA, a/k/a STEVE J. PECKA**, signed the foregoing will in our presence as witnesses; that we thereupon subscribed our names thereto as witnesses, in his presence, at his request, and in the presence of each other; that at the time of the execution of said Will of said **STEVEN J. PECKA, a/k/a STEPHEN J. PECKA, a/k/a STEVE J. PECKA**, he appeared to be of full age, of sound and disposing mind, memory and judgment, and under no improper influence or restraint, to the best of our knowledge and belief, and we further depose and say that this Affidavit is made at the request of said Testator, **STEVEN J. PECKA, a/k/a STEPHEN J. PECKA, a/k/a STEVE J. PECKA.**

Louis Stepanaitis

Louis Stepanaitis III

**STATE OF CONNECTICUT** )
) **ss: Wolcott** February 17, 2009
**COUNTY OF NEW HAVEN** )

Personally appeared LOUIS STEPANAITIS and LOUIS STEPANAITIS III, who subscribed to the forgoing Affidavit and made solemn oath to the truth of the same, before me.

Alvin Rosenbaum

**ALVIN ROSENBAUM**
Commissioner of the Superior Court

# AGREEMENT OF TRUST

## THE WATERBURY HOSPITAL POOLED INCOME FUND

THE WATERBURY HOSPITAL (hereinafter referred to as the "Hospital"), a charitable corporation established under the laws of the State of Connecticut, desiring to establish a pooled income fund within the meaning of Revenue Procedure 88-53 and Section 642(c) (5) of the Internal Revenue Code of 1986, as amended (hereinafter referred to as the "Code"), and the regulations thereunder hereby creates THE WATERBURY HOSPITAL POOLED INCOME FUND (hereinafter referred to as the "Fund") and designates FLEET BANK, N.A., a banking corporation located at One Constitution Plaza, Hartford, Connecticut, 06115 (hereinafter referred to as the "Trustee") as the initial trustee to hold, manage, invest and distribute such property hereinafter transferred to and accepted by it as part of the Fund under the following terms and conditions.

1. **Gift of Remainder Interest.** Each donor transferring property to the Fund shall contribute an irrevocable remainder interest in such property to the Hospital.

2. **Retention of Life Income Interest.** Each donor transferring property to the Fund shall retain for himself or herself an income interest in the property transferred, or create an income interest in such property for the life of one or more named beneficiaries, provided that each income beneficiary must be a living person at the time of the transfer of property to the Fund by the donor. If more than one beneficiary of the income interest is named, such beneficiaries may enjoy their shares concurrently and/or consecutively. The Hospital may also be designated as one of the beneficiaries of the income interest. The donor need not retain or create a life interest in all of the income from the property transferred to the Fund and any income not payable to an income beneficiary shall be contributed to, and within the taxable year of the Fund in which it is received paid to, the Hospital.

3. **Units.** On each transfer of property by a donor to the Fund on a determination date, there shall be assigned to the beneficiary or beneficiaries of the income interest retained or created in the property the number of units of participation equal to the number obtained by dividing the fair market value of the property transferred by the fair market value of a unit in the Fund at that time by the number of units then in the Fund. The initial fair market value of a unit in the Fund shall be the

RECEIVED
FEB - 8 1994

fair market value of the property transferred to the Fund divided by the number of units assigned to the beneficiaries of the income interest in that property. All units in the Fund shall always have equal value.

If a transfer of property to the Fund by a donor occurs on other than a determination date, the number of units of participation assigned to the beneficiary or beneficiaries of the income interest in the property shall be determined by using the average fair market value of the property in the Fund immediately before the transfer, which shall be deemed to be the average of the fair market values of the property in the Fund on the determination dates immediately preceding and succeeding the date of transfer. For the purpose of determining the average fair market value, the property transferred by the donor and any other property transferred to the Fund between the preceding and succeeding dates, or on such succeeding date, shall be excluded. The fair market value of a unit in the Fund immediately before the transfer shall be determined by dividing the average fair market value of the property in the Fund at the time by the number of units then in the Fund. Units of participation assigned with respect to property transferred on other than a determination date shall be deemed to be assigned as of the date of the transfer.

4. Determination Date. A determination date means each day within a taxable year of the Fund on which a valuation is made of the property in the Fund. The property of the Fund shall be valued on the first day of the taxable year of the fund and on April 1, July 1, and October 1 of each year. Any income accrued but undistributed as of any determination date shall be excluded from the fair market value on such valuation date. In addition, the Fund may be valued on such other dates determined by the Trustee or as directed in writing by the Hospital, provided that the Fund shall be valued not less frequently than required pursuant to Section 642(c)(5) of the Code or applicable regulations.

5. Taxable Year/Income Distributions. The taxable year of the Fund shall be the calendar year. The Trustee shall pay income to each beneficiary entitled thereto in any taxable year of the Fund in the amount determined by the rate of return earned by the Fund for the year with respect to the beneficiary's income interest. Payments shall be made at least once in the year in which the income is earned. Until the Trustee determines that payments shall be made more or less frequently or at other times, the Trustee shall make income payments to the beneficiary or beneficiaries entitled to them in four quarterly payments on or about March 31, June 30, September 30 and December 31 of each year. Adjusting payments, if necessary, will be made during the taxable year or within the first 65 days following its close to

bring the total payment to the actual income to which each beneficiary is entitled for that year.

6. Allocation of Income. The amount of income allocated to each unit of participation in the Fund shall be determined by dividing the income of the Fund for the taxable year by the outstanding number of units in the Fund at the end of the year, except that income shall be allocated to units outstanding during only part of the year by taking into consideration the period of time the units are outstanding during the year.

7. Definition of Income. For purposes of this Agreement of Trust, the term "income" has the same meaning as it does under Section 643(b) of the Code or the corresponding provision of any subsequent federal tax law and the regulations thereunder.

8. Termination of Life Income Interest. The income interest of any beneficiary of the Fund shall terminate with the last regular payment of income that was made or required to be made before the death of the beneficiary. The Trustee of the Fund shall not be required to prorate any income payment to the date of the beneficiary's death. Upon the termination of the income interest of the designated beneficiary (or, in the case of successive income interests, the survivor of the designated beneficiaries) entitled to receive income pursuant to the terms of a transfer to the Fund, the Trustee shall sever from the Fund an amount equal to the value of the remainder interest in the property upon which the income interest is based. The value of the remainder interest for severance purposes shall be its value as of the date on which the last regular payment was made or required to be made before the death of the beneficiary. The amount so severed from the Fund shall be paid to the Hospital for the general purposes, or for purposes specified by the donor if they are among the purposes enumerated in Section 170(c) of the Code. If at the time of severance of the remainder interest the Hospital is not a public charity (an organization described in clauses (i) through (vi) of Section 170(b)(1)(A) of the Code), the amount severed shall be paid to an organization selected by the governing board of the Hospital that is a public charity.

9. Prohibited Activities. The income of the Fund for each taxable year shall be distributed at such time and in such manner as not to subject the Fund to tax under Section 4942 of the Code. Except for making the required payments to the life income beneficiaries, the Trustee shall not engage in any act of self-dealing as defined in Section 4941(d) of the Code and shall not make any taxable expenditures as defined in Section 4945(d) of the Code. The Trustee shall not make any investments that jeopardize the charitable purpose of the Fund within the meaning of Section 4944 of the Code or retain any excess business holdings within the meaning of Section 4943 of the Code.

10. Depreciable or Depletable Property. The Trustee shall not accept or invest in any depreciable or depletable property, or interests in any real estate investment trusts or other similar entities.

11. Prohibition Against Tax-Exempt Securities. The property transferred to the Fund by any donor shall not include any securities whose income is exempt from federal income taxation under subtitle A of the Code or the corresponding provisions of any subsequent federal tax law. The Trustee of the Fund shall not accept or invest in such securities as part of the assets of the Fund.

12. Prohibition Against Donor or Beneficiary Serving as Trustee. The Fund shall not have as a trustee a donor to the Fund or a beneficiary (other than the Hospital) of an income interest in any property transferred to the Fund. No Donor or beneficiary (other than the Hospital) shall have, directly or indirectly, general responsibilities with respect to the Fund that are ordinarily exercised by a trustee.

13. Commingling of Property. The property transferred to the Fund by each donor shall be commingled with, and invested or reinvested with, other property transferred to the Fund by other donors satisfying the requirements of this instrument and of Section 642(c)(5) of the Code, the regulations thereunder or the corresponding provision of any subsequent federal tax law or regulation. The Fund shall not include property transferred under arrangements other than those specified in this instrument and satisfying the said provisions of the Code. All or any portion of the assets of the Fund may, however, be invested or reinvested jointly with other properties not a part of the Fund that are held by, or for the use of, the Hospital. When joint investment or reinvestment occurs, detailed accounting records shall be maintained by the Trustee specifically identifying the portion of the jointly invested property owned by the Fund and the income earned by, and attributable to, such portion.

14. Maintenance by the Hospital. Pursuant to its responsibility to maintain the Fund or exercise control, directly or indirectly, over the Fund, the Hospital shall always have the unlimited power and discretion to remove any trustee or trustees, upon written notice, with or without cause, and to designate a successor trustee or trustees.

15. Governing Law and Powers of Trustee. This Agreement shall be construed under and governed by the laws of the State of Connecticut, however, in any conflict with Section 642(c)(5) of the Code, and any regulations thereunder, that Code section and the regulations shall govern. Except as otherwise provided in this Agreement of Trust, the Trustee, and any successor or substitute trustee or trustees serving hereunder, in addition to

and not in limitation of the authority elsewhere herein granted and other powers otherwise conferred by law, shall have the following powers and authority:

A. To retain, to exchange for any other property, to sell in any manner, to divide, subdivide, partition, mortgage, improve, alter, remodel, repair, and develop in any manner any property, real or personal, and to lease any such property for any period of time, without regard to restrictions and without the approval of any court.

B. To make investments and reinvestments in whatever form of investment the Trustee may see fit, including common trust funds to which Section 584 of the Code applies, other than securities or common trust funds the income from which is exempt from taxation under Subtitle A of the Code or the corresponding provisions of any subsequent federal tax law, and in making and holding investments the Trustee shall not be restricted to those investments which are authorized by law for the investment or diversification of trust funds.

C. To make division or distribution in cash or in other property or undivided interests therein, or partly in cash and partly in other property or undivided interests therein.

D. To vote personally or by proxy and to delegate power and discretion to such proxy.

E. To exercise subscription, conversion, and other rights and options and to make payments in connection therewith.

F. To take any action and to abstain from taking any action with respect to any reorganization, consolidation, merger, dissolution, recapitalization, refinancing, and any other plan or change affecting any property, and in connection therewith to delegate powers and to pay assessments, subscriptions, and other charges.

G. To, in any manner and to any extent, waive, abandon, modify, reduce, compromise, release, discharge, settle, and extend the time of payment of, any claim of whatsoever nature in favor of or against the Trustee, or all or any of the property of the Fund.

H. To treat as income any property received as or in the nature of a dividend or interest and any property which the Trustee may determine to have been received in lieu of a dividend or interest, including any such property which might otherwise be deemed to be principal; and likewise to treat any such property wholly or in any part as principal to whatever extent the Trustee may deem proper.

I. To make executory contracts and to grant options for any purpose, and to make such contracts and options binding on the Fund and enforceable against any property of the Fund.

J. To borrow money upon any terms and to pledge assets as security for repayment.

K. To employ, at the expense of the Fund, payable out of principal or income in the Trustee's discretion unless otherwise provided in this Agreement of Trust, agents, experts, and counsel, including legal, accounting and investment counsel, and to delegate discretionary powers to, and rely upon information and advice furnished by, such agents, experts, and counsel.

L. To receive additions to the Fund and to hold and administer such additions according to the terms and provisions of this Agreement of Trust, and to refuse to accept additions to the Fund in Trustee's discretion.

M. To register from time to time any property in the name of a nominee of the Trustee or in the name of the Trustee or hold it unregistered or in such form that title shall pass by delivery.

N. To do all such acts, take all such proceedings, and exercise all such rights and privileges, although not hereinbefore specifically mentioned, with relation to any such property as if the absolute owner thereof, and in connection therewith to make, execute, and deliver any instruments and to enter into any covenants or agreements binding the Fund.

Notwithstanding anything herein to the contrary, the Trustee is prohibited from exercising any power, authority or discretion granted under the laws of the State of Connecticut or this Agreement of Trust that would be inconsistent with the qualification of the Fund as a pooled income fund under Section 642(c)(5) of the Code and the corresponding regulations.

16. Trustee Compensation. All of the Trustee's regular compensation and all fees paid at least annually to banks, trust companies and registered investment advisers for investment advisory and custodial services, whether based on a percentage of principal or income, and other expenses reasonably incurred for current management of principal and/or application of income, shall be as determined by an agreement in writing between the Hospital and the Trustee or any successor or substitute Trustee.

17. Incorporation by Reference. The provisions of this Agreement may be, and are intended to be, incorporated by reference in any will, trust or other instrument by means of which property is transferred to the Fund. Any property

transferred to the Fund whereby an income interest is retained or created for the life of one or more named beneficiaries, where this Agreement is not incorporated by reference, shall become a part of the Fund and shall be held, managed and distributed in accordance with the terms and conditions of this document, unless the instrument of transfer is inconsistent with such terms and conditions, in which case the Trustee shall not accept the property.

18. Power of Amendment. This Agreement is irrevocable, except that the Hospital shall have the power, acting alone, to amend this Agreement and the associated instruments of transfer in any manner required for the sole purpose of ensuring that the Fund qualifies and continues to qualify as a pooled income fund within the meaning of Section 642(c)(5) of the Code and the corresponding regulations.

19. General Provisions.

a. The Trustee, and any successor or substitute trustee or trustees serving hereunder, shall be entitled to reasonable compensation for services rendered under this Agreement of Trust, as determined by an agreement in writing between the Hospital and the Trustee or any successor or substitute Trustee.

b. No person or corporation serving as trustee hereunder shall be required to give bond or security of any kind for any purpose in any jurisdiction.

c. All references herein to the Trustee shall include any successor or substitute Trustee acting hereunder at any time.

d. If any corporate Trustee acting hereunder is consolidated, merged or combined with any other institution, such consolidated corporation or the corporation with which it is consolidated, merged or combined, if such latter corporation is qualified to act as Trustee hereunder, shall immediately succeed to the title and powers hereby conferred and the duties imposed upon such corporate Trustee.

e. All references herein to any Section of the regulations thereunder shall mean that Section of the Internal Revenue Code of 1986, as amended, or any corresponding provision hereafter in effect.

IN WITNESS WHEREOF The Waterbury Hospital and Fleet Bank, N.A., by their duly authorized officers, have signed this Agreement this 20th day of August, 1993.

Signed, sealed and delivered in the presence of:

THE WATERBURY ~~HOSPITAL~~

By _____ 8/20/93

Its President

FLEET BANK, N.A.

By _____

Its _____

STATE OF CONNECTICUT)
) ss: Hartford
COUNTY OF HARTFORD )

Personally appeared John H. Tabin, a President of THE WATERBURY HOSPITAL, signer and sealer of the foregoing instrument, and acknowledged the same to be his/her free act and deed and the free act and deed of such organization, before me.

_____
LINDA J. TIPPING
NOTARY PUBLIC
MY COMMISSION EXPIRES DEC. 31, 1997

STATE OF CONNECTICUT)
) ss: Hartford
COUNTY OF HARTFORD )

Personally appeared Deborah L. Tasson, a Vice President of FLEET BANK, N.A., signer and sealer of the foregoing instrument, and acknowledged the same to be his/her free act and deed and the free act and deed of such association, before me.

_____
LINDA J. TIPPING
NOTARY PUBLIC
MY COMMISSION EXPIRES DEC. 31, 1997

D

## D. Permanent Bed Fund

| | | |
|---|---|---|
| 1. | Permanent Bed Fund | See Bed Fund Binder |

E

## E. General Endowment Fund/Not True Endowment/Board Designated

1. General Endowment Fund

# PERMANENT BED FUNDS

| | |
|---|---|
| Adt, Eugene C. Fund | Summary of bequest under Will of Adele M. Adt, Article First, do not have Will, date unknown |
| Benedict, George H. Fund | Summary of bequest under Will<br>Excerpt only, date unknown |
| Blakesley, Edyth Fund | Bequest under Will dated 3/08/61 |
| Bristol, Benjamin Memorial Fund | Summary of gift letter dated 12/23/1924 |
| Bronson, Henry Bed Fund | Gift letter dated 3/09/1889 |
| Bull, Helen Smith | Summary of bequest under Will, Article Sixth<br>Don't have will, date unknown |
| Burdsall, Margaret and Burritt, Harriett Bed Funds | Summary of bequest under Will of Edith Porter Burritt, Article Fourth, excerpt only, date unknown |
| Burritt, Edith & Melrose Bed Fund | Summary of bequest under Will of Edith Porter Burritt, Article Fourth, excerpt only, date unknown |
| Castle, Margaret F. Memorial Bed Fund | Summary of bequest under Will of Frank E. Castle, Article Fourth, excerpt only, date unknown |
| Chase, Edith | Bequest under Will dated 1/24/1972 |
| Chase, Martha Starkweather Bed Fund | Established by Mrs. Arthur Reed Kimball<br>Gift letter dated 2/18/1918 |
| Coffin, Henrietta Louise Adrienne Free Bed Fund | Summary of bequest under Will, Article Fifth<br>Don't have Will, date uknown |
| Curtis, Mary A. Bed Fund | Summary of bequest under Will of William E. Curtis, Article Third, don't have Will, date unknown |
| Driggs, George A. Fund | Gift letter from Anne H. Driggs dated 2/17/1922 |
| Field, Edward Bed Fund | Established by Charlotte B. Merriman<br>Summary of bequest under Will Article V<br>Don't have Will, date uknown |
| First Church in Waterbury, Inc. Bed Fund | Gift letter dated June 18, 1940 |
| First Congregational Church | Summary of gift |
| Fitzsimmons, Louis E. | Summary of bequest under Will of Mary E. Fitzsimons, Article Sixth, don't have Will, date uknown |
| Florence Nightingale Cot Fund | Memorandum of Agreement dated July 7, 1977 |

| | |
|---|---|
| Goss, Chauncey Porter Memorial Fund | Established by Children of Chauncey P. Goss<br>Instrument of Gift dated December, 1923 |
| Graves, Anna E. Bed Fund | Established by Dr. Frederick G. Graves<br>Summary of gift letter dated May 21, 1947 |
| Greenburg, William B. Fund | Summary of bequest under Will, Article Fourth<br>Don't have Will, date unknown<br>9/15/1980 notification of additional gift under Mrs. Greenburg's Will |
| Gross, Marion R. | Will dated May 3, 1967 |
| Hart, Bertha Platt | Bequest under Will of Bertha Platt Hart, Paragraph 4<br>Excerpt only, date unknown |
| Harvey, George S. | Established by Hattie Rachel Stone<br>Summary of gift under Will, Paragraph 6<br>Do not have Will, date unknown |
| Hayden, Elizabeth K. Fund | Bequest under Will of Margery K. Hayden dated 2/03/1975, Article Sixteenth |
| Hellman, Rhoda | Addition to fund established by Charles Hellman<br>Included in other chart; held by Bank of America, Trustee |
| Hellman, Sibilla | Included in other chart; held by Bank of America as Trustee |
| Heminway, Merritt | Summary of gift and copy of 10/31/1960 letter |
| Hill, Charlotte Benedict Bed Fund | Established by N.A. Pomeroy and Gilman C. Hill<br>Gift letters dated 2/23/1915 and 6/26/1926 |
| Hill, Robert W. and Susie E. Bed Fund | Established by Susie E. Hill<br>Gift letter dated March 2, 1910 |
| Hopkins Memorial<br>Abbie C. Hopkins Bed Fund | Bequest under Will of Abbie C. Hopkins<br>Article Seventh dated 4/30/1938 |
| Judson, Winnifred H. Free Room Fund | Summary of bequest under Will of Fletcher W. Judson, Article Sixth, excerpt only, date unknown |
| Kazanjian, Calvin K. Memorial Fund | Established by Sarann B. Kazanjian<br>Summary of gift letter from Guerin B. Carmody<br>Excerpt only |
| Kellogg, Stephen Wright and Lucia Hosmer | Summary of bequest under Will of Charles Poole Kellogg, Article Second, don't have Will, date unknown |
| Kirk, Beth Memorial Fund | Summary of gift letter from Harriet Kirk dated 9/06/1944 |

| | |
|---|---|
| Kirk, Henry and Bethia Fund | Established by the Misses Kirk<br>Acknowledgment of gift by Treasurer |
| Kirk, Margaret Bed Fund | Gift letter from Bethia W. Kirk and family dated April 4, 1918 |
| Leavenworth, Cynthia Free Bed Fund | Summary of bequest under Will of Elisha Leavenworth,<br>Article Twentieth, don't have Will, date unknown |
| Lewis, E.C. Bed Fund | Gift letter dated 9/20/1898 |
| Lott, Rose A. | Summary of bequest under Will Paragraph 8<br>Don't have Will, date unknown |
| Meigs, Mary L. | Bequest under 7/17/1952 Will Article Twelve |
| Merchant, May Lew and Bennett Merchant Fund | Summary of bequest under Will of Charlotte J. Merchant,<br>Article Twelve, excerpt only, date unknown |
| Merriman, Helen Bed Fund | Established by: Buckingham P. Merriman<br>Summary of gift letter dated March 5, 1924 |
| Merriman, William Buckingham, Jr. Bed Fund | Summary of bequest under Will of Buckingham P.<br>Merriman, Article Twentieth, excerpt only, undated |
| Merriman, William Buckingham and Sarah Kingsbury Parsons Merriman Bed Fund | Summary of bequest under Will of Buckingham P.<br>Merriman, Article Twenty First, excerpt only, undated |
| Mitchell, Mary L. Bed Fund | Gift letter dated January 30, 1896 |
| Montague, Nellie M. | Summary of beqeust under Will Article Sixth<br>Don't have Will, date unknown |
| Naugatuck, CT Bed Fund | Established by: Mary A. Tuttle<br>Gift letter dated June 10, 1899 |
| Northrop, Otis | Established by: Henry D. Minor and Edwin C. Northrop<br>Gift letter dated 9/22/1926 |
| Peck, Franklin L. Fund | Summary of beqeust under Will of Henrietta Jeanette Peck,<br>Paragraph 4, don't have Will, date unknown |
| Peck, Henry | Bequest under 6/12/1918 Will, Paragraph 16 |
| Permanent Beds | 9/27/1929 Treasurer's Memorandum |
| Powell, Emily Augusta Bed Fund | Established by Edward Powell<br>Summary of gift, undated |
| Rosemary Cot Fund | Established by Friends of Mary Rose Anderson Munger<br>Letter from Committee Rosemary Cot Fund Committee<br>dated 11/10/1892 |

| | |
|---|---|
| Scovill, Mother's Endowed Room Fund | Established by Mr. & Mrs. Henry W. Scovill<br>Receipt of gift dated 9/22/1916 |
| Second Congregational Church Bed Fund | Summary of bequest under Will of Helen E. Chase<br>Excerpt only, date unknown |
| Shipley, Alfred J. | Summary of bequest under Will, Paragraph 3<br>Don't have Will, date unknown |
| Skilton, Eugene S. Memorial Fund | John H. Skilton Agreement dated 12/07/1938 |
| Smith, Curtis Hurlbut Bed Fund | Summary of gift established by Flora S. Page and<br>George W. Smith |
| Smith, Richard Memorial Bed Fund | Summary of bequest under Will, Article Fourth<br>Don't have Will, date unknown |
| Smith, W. Easton | The Howard Easton Smith Fund<br>Will dated 5/31/44 |
| Spencer, Edward Memorial Bed Fund | Summary of bequest under Will of Elizabeth L. Spencer,<br>Paragraph Nine, excerpt only, date unknown<br>Acceptance of Gift dated August 8, 1907 |
| Spencer, Julia V. Warner Fund | Summary of bequest under Will Paragraph 3<br>Don't have Will, date uknown, recorded in Wtby<br>Probate Records, V 136, P. 305 |
| Sperry, Mark L. and Julia P. Sperry Bed Fund | Gift by Ruth Sperry<br>Acknowledgment of gift |
| Stiles, Augusta Bed Fund | Established by Anne Stiles<br>Summary of acknowledgment of Gift |
| Swenson, John | Bequest under Will, Paragraph III C)<br>Excerpt only, date unknown |
| Terry, Dwight H.Fund | Bequest under 3/8/1919 Will, Paragraph 11 |
| Terry, Martha J. Fund | Bequest under 11/21/1918 Will, Paragraph 4 |
| Upson, Jennie | Acknowledgment of Gift |
| Wade, Henry L. Bed Fund | Summary of bequest under Will, Article XIX<br>Don't have Will, date unknown |
| Warner, Emeline D. Bed Fund | Summary of bequest under Will of Julia V. Warner Spencer,<br>Paragraph 3, don't have Will, date unknown |
| Warner, Olive Fund | Established by Oscar L. Warner<br>Summary of letter of acknowledgment of endowment fund<br>to be established by Oscar L. Warner dated March 24, 1928 |

| | |
|---|---|
| Warner, Oscar L. | Bequest under 2/29/1932 Will, Paragraph 9 |
| Warner, Richard V. Memorial Fund | Summary of bequest under Paragraph 6 of Will of Olive Warner dated March 10, 1921 |
| Welton, Nelson J. Bed Fund | Summary of bequest under Will, Article Fourteenth Don't have Will date unknown |
| Whittemore, J.H. Endowed Room | Established by: Family of John Whittemore Summary of undated gift |
| Whittemore, Julia S. Memorial Room | Established by: Gertrude B. and Mr. Harris Whittemore Summary of undated gift |

Original Principal of Non-Accumulative Bed and Room Funds

The securities held in various non-accumulative bed and room funds of the Waterbury Hospital were consolidated under the authority of the Executive Committee of the Waterbury Hospital in October, 1929 into one fund to be hereafter known as "Waterbury Hospital Permanent Bed Funds". The individual funds and the original principal of said funds are as follows:

| | | Valuation in Ledger Dec 19-9 |
|---|---|---|
| Adt Fund, The Eugene C. | $5,000.00 | 5,010.00 |
| ~~Baldwin Fund, The George R.~~ Trans. to General Endowment Fund | ~~-6,000.00~~ | 1,978.70 |
| ~~Benedict Fund, The Cornelia J.~~ Trans. to General Endowment Fd. | ~~-5,000.00~~ | 5,192.50 |
| Benedict Fund, TheGeorge H. | 5,000.00 | 5,037.50 |
| Bristol Fund, The Benjamin Hiel | 10,000.00 | 10,000.00 |
| Bronson Fund, The Henry | 15,500.00 | 15,500.00 |
| BurrittFund, The Edith & Melrose | 5,000.00 | 5,000.00 |
| Burdsall Fund, Margaret and Burritt Fund, Harriet | 5,000.00 | 5,000.00 |
| Castle Fund, The Margaret F. | 10,000.00 | 10,093.75 |
| ChaseFund, Martha Starkweather | 10,000.00 | 10,011.50 |
| Coffin Fund, Henrietta Louise | 9,213.00 | 10,140.69 |
| Curtis Fund, The Mary A. | 10,000.00 | 10,000.00 |
| Driggs Fund, TheGeorge A. | 10,000.00 | 10,367.31 |
| ~~Elton Fund, The Olive M.~~ Trans. to General Endowment Fund | ~~-5,000.00~~ | 5,000.00 |
| Field Fund, The Edward | 5,000.00 | 4,537.50 |
| First Congregational Church Fund, The | 115.83 | 115.83 |
| ~~Gaylord Fund, The Jared E.~~ Trans. to General Endowment Fund | ~~10,000.00~~ | 10,000.00 |
| Goss Fund, The Chauncey Porter | 25,000.00 | 25,050.74 |
| Hill Fund, R. W. & Susie E., The | 5,000.00 | 5,000.00 |
| Hill Fund, TheCharlotte Benedict | 10,000.00 | 10,044.14 |
| Kellogg Fund, The Lucia H. | 2,000.00 Est. | 2,000.00 |
| Kirk Fund, The Henry & Bethia | 5,000.00 | 5,000.00 |
| Kirk Fund, The Margaret | 5,000.00 | 5,392.93 |
| Lewis Fund, The E. C. | 5,000.00 | 4,980.00 |
| Leavenworth Fund, TheCynthia | 10,000.00 | 9,975.00 |
| Lott Fund, TheRose A. | 5,000.00 | 5,410.00 |
| Merriman Fund, The Helen | 5,000.00 | 5,182.79 |
| Mitchell Fund, The Mary L. | 5,000.00 | 4,890.00 |
| Naugatuck Fund, The | 5,000.00 | 5,039.55 |
| Northrop Fund, The OtisS. | 5,000.00 | 5,000.00 |
| Peck Fund, The Henrietta J. | 5,000.00 | 5,480.00 |
| Powell Fund, The Emily Augusta | 5,000.00 | 5,132.86 |
| Rosemary Fund, The | 3,000.00 | 3,213.50 |
| Scovill Room Fund, The Mother | 10,000.00 | 10,025.00 |
| Second Congregational Church Fund, The | 5,000.00 | 5,079.16 |
| Shipley Fund, The Alfred J. | 623.50 | 849.45 |
| Spencer Fund, TheEdward | 5,000.00 | 7,034.32 |
| SpencerFund, The Julia V. Warner | 25,000.00 Est. | 25,000.00 |
| Stiles Fund, TheAugusta M. | 5,000.00 | 5,000.00 |
| Terry Fund, The Martha J. (Non-Accumulative) | 15,000.00 | 15,790.07 |
| Wade Fund, The Henry L. | 5,000.00 | 5,000.00 |
| Warner-SpencerFund, The | 5,000.00 | 5,446.46 |
| Warner Fund, The Oscar | 5,000.00 | 5,211.31 |
| Welton Fund, The Nelson J. | 5,000.00 | 5,000.00 |
| Whittemore Fund, The J. H. | 10,000.00 | 9,800.00 |
| WhittemoreFund, The Julia S. | 10,000.00 | 9,800.00 |
| Whittemore Fund, The Harris | 10,000.00 | 10,000.00 |
| Subsequent Funds added | 346,452.33 | 388,872.56 |
| 3-27-30 Adams Fund, TheFrederick Lyman | 10,000.00 | |
| 9-10-31 Estate Bertha Platt Hart | 5,000.00 | |
| 8-15-35 Estate Mary E. Fitzsimons | 3,000.00 | |
| 12-14-38 The Eugene S. Skilton Memorial Fund | 5,000.00 | |
| 12-2-39 Harriet M. Peck CotFund | 10,000.00 | |
| 5-20-40 TheFirst Church in Waterbury, Inc. | 5,000.00 | |
| 9-11-44 Harriet Kirk for the Beth Kirk Memorial | 5,000.00 | |
| 5-27-46 Transfer to Waterbury Hospital General Endowment Fund A1959: | | |
| Jared E. Gaylord Fund | | 10,000.00 10,000.0 |
| George R. Baldwin Fund | | 6,000.00 1978.7 |
| Cornelia J. Benedict Fund | | 5,000.00 5,192. |
| Olive M. Elton Fund | | 5,000.00 5,000.0 |

| | | | |
|---|---|---|---|
| 10-2-46 | Howard Easton Smith Fund - Appraisal for distribution as of 9-4-46 | 21,152.94 | |
| 5-5-47 | Howard Easton Smith Fund | 777.57 | |
| 6-4-47 | Est. Frederick G. Graves | 5,000.00 | |
| 12-8-47 | Ruth S. Sperry Bed Fund | 2,500.00 | |
| 1-12-49 | Edwin C. Northrop - Cash - Balance Ruth S. Sperry Bed Fd. | 2,500.00 | |
| 6-19-50 | Cash rec'd from "Children of The American Revolution" thru Sallie Miller Smith | 200.00 | |
| 8-2-51 | Transfer to A2346 Wat. Hosp. Mark L. Sr. & Julia P. Sperry BedFund for Gifts of $2500. on 12-8-47 and $2500. on 1-12-49 | | 5,000.00 |
| 8-14-51 | Cash Rec'd from E.C. Northrop Treasure Bequest under Par. 6 u/w/o Hattie Rachel Stone to be known as "TheGeorge S. Harvey Fund" | 10,000.00 | |
| 10-2-53 | Cash rec'd from E.C. Northrop, Treasurer as follows: u/par 20 of Will of Buckingham P. Merriman, to be known as "The William Buckingham Merriman, Jr. Fd. | 5,000.00 | |
| | u/par 21 of Will of Buckingham P. Merriman, to be known as "The William Buckingham Merriman and Sarah Kingsbury Parsons Merriman Fund | 5,000.00 | |
| 6-1-54 | Bequest under Par. "M" u/w/o Helen E. Chase to be added to fund standing in name of Second Cong. Church | 1,000.00 | |
| 12-27-57 | Bequest from Waterbury Nat'l Bank Exec. Est. Fletcher W. Judson | 50,000.00 | |
| 1-15-58 | Est. Wm. B. Greenburg bequest for "The William B. Greenburg Fund | 1,000.00 | |
| 1-19-59 | Bequest u/w Charles P. Kellogg | 3,000.00 | |
| | Balance as of December 16, 1959 | | 465,582.84 |
| | TOTAL VALUE OF GIFTS AT VALUE CONCERNING IN 1959 PLUS AMOUNT OF SUBSEQUENT GIFTS + D.F. DEC. 16. 1959. | | 507,831.87 20,378.11 |
| 5-23-60 | Bequest u/w H.S.Bull for J.R.Smith Mem'l Bed Fund | 10,000.00 | 9/30/60 528,209.98 |
| 5-23-60 | Bequest u/w H. S. Bull for C.S.Bull Mem'l Bed Fund | 10,000.00 | |
| 9-23-60 | Estate William B. Greenberg, Dist. to Greenberg Bed Fund | 328.11 | 485,910.95 |
| 4-10-62 | Bequest u/w Nelson Pomeroy | 25,000.00 | |
| 4-26-62 | Bequest u/w Charlotte J. Merchant | 10,000.00 | |
| 6-6-62 | Bequest u/w Mary B. Mannweiler | 5,541.48 | 526,452.43 |
| 3-18-63 | The First Church Guild Inc.-For Rosemary Cot Fund | 200.00 | |
| 3-26-63 | Bequest u/w Nellie M. Montague | 5,000.00 | |
| 3-26-63 | Bequest u/w Mary B. Mannweiler | 4,786.51 | |
| 7-3-63 | Rec'd. from Waterbury Hospital-9 stocks valued at | 14,623.82 | |
| 11-20-63 | Ck. from E. C. Northrop | 2,941.00 | |
| 1964 | None | | |
| 1965 | None | | 27,551.33 |
| 1966 | Bequest u/w John Swenson | 113,185.62 | 554,003.76 |
| 1967 | Bequest u/w Mary B. Mannweiler | 5,637.53 | |
| 1968 | None | | |
| 1980 | William B. Greenburg - bequest | 4,676.46 | 677,503.57 |

THE WATERBURY HOSPITAL
Waterbury, Connecticut

M E M O R A N D U M

August 28, 1974

To: Mr. R. A. Derr

From: John H. Tobin

Subject: Endowment Funds

Sorry for the delay. I was waiting for some information from the Colonial. There are still a couple of pieces of information missing (details on the Frederick Lyman Adams, Harriet M. Peck and Harris Whittemore Funds). I was able to find nothing else on these, and the Colonial had nothing in their records either (they probably have been lumped together with other Bed Funds).

Also, the Merritt Heminway Fund is not an accumulative fund, although the bank has been treating it as such. Bob Bean knows of no reason for this--probably due to some verbal agreement years ago. The original gifts, $5,000 and $10,000, are now worth about $17,000 and $34,000 respectively.

JHT:jtr
Attachment

WATERBURY HOSPITAL HEALTH CENTER

# WATERBURY HOSPITAL ENDOWMENT FUNDS

Report Submitted
by
John H. Tobin

# ENDOWMENT FUND REPORT

1. Attached hereto is a listing of the permanent endowment funds of The Waterbury Hospital. Funds have been grouped by category: Room and Bed Funds, General Purpose Funds, and Special Funds. Unrestricted gifts and bequests which were placed by the hospital in the General Endowment Fund have been listed separately, as have a group of unrestricted bequests for which the disposition is unknown -- although they have probably been expended.

2. Explanation of Terms:

   a. Name of fund (Column 2): The name of the fund as established by the deed of gift or bequest was used wherever possible. Otherwise, the fund is identified by the name normally used by the hospital.

   b. Established by (Column 3): The approximate date of the establishment of each fund is usually included. If possible, the date of receipt of funds by the hospital was used. Otherwise, the date of death of the donor or the date the fund first appears in a source document was used to establish the beginning date of the fund.

   c. Memory of (Column 4): Although almost all funds are memorial in nature, this column was only completed if the bequest or deed of gift specifically stated that the fund was "in memory of" or a "memorial to" someone.

   d. Amount (Column 5): This figure is the amount of principal in the fund at the time the gift was made unless otherwise noted.

   e. Classification (Column 8): The following abbreviations apply: P = principal, I = income, R = restricted, UR = unrestricted, SP = special restriction or condition. An H or a B following a dash (-) indicates whether the hospital or a bank (the specific bank is included in paren-

thesis) is the trustee of the fund. The bank is indicated as trustee only when specifically so empowered by the bequest or deed of gift, not when it is acting as an agent of the hospital.

The income of bed and room funds are listed as "unrestricted" unless there was a clear indication that the fund income could be used for a specific purpose or purposes only. While this classification is not entirely accurate, it seemed to be the more appropriate term. The special conditions attached to some funds are rather broad. Unused income in each year can be used for general purposes or for the "benefit of the sick poor" (also a rather broad phrase). The donor's privilege of naming fund beneficiaries was apparently not intended to be perpetual. Further, most bed funds have not been treated as separate, distinct funds for many years, but have been consolidated into a single permanent bed fund account. Each year, estimates of the incomes of various funds are applied against the accounts of fund beneficiaries (e.g., the poor of Southbury), but there is almost always unused income which is spent for general purposes, including capital purchases. Thus, although one year's income from most bed funds is at least partially restricted to the purpose for which these funds were established, the term "restricted" was reserved for funds where restrictions were more clearly defined. The following excerpts from various source documents may help to outline the development of bed fund policy since 1893:

Directors Meeting 1/12/93 "A gift of Five Thousand ($5,000) dollars endows a bed in perpetuity, the donor having the privilege of naming the bed and of nominating its occupants, or designating the class of persons for which it shall be used; but, until the income from the permanent fund is very considerably increased, the hospital cannot take to be at a charge for the free bed beyond the income from the endowment but unused income from any one year will be carried forward and applied in succeeding years.

Directors Meeting 12/10/01 Accumulated interest on the George H. Benedict Free Bed Fund amounted to $1,650. Of this, the directors voted to transfer $1,000 to the general fund.

Directors Meeting 4/5/17 "It was voted: That the Executive Committee be requested to charge for the occupancy of the Free Beds the actual cost of maintenance, in place of the nominal sum of $7.00 per week as in the present custom."

Annual Meeting 12/10/17 Changed the wording of the statement (above) of 1/12/93. The wording is identical through ... "cannot take to be at a charge for the free bed beyond the income from the endowment, and the income to the credit of the free bed shall not be accumulative. Unexpended balances shall pass to the Hospital administration for the benefit of the sick poor at the end of each fiscal year."

Annual Meeting 12/12/21 "On motion it was voted: That where the right to name beneficiaries of the income of free cot funds is not reserved or granted, either in the original deed of gift or bequest under will, or where such right has expired by lapse of time, said right to name beneficiaries is hereby vested in the Executive Committee."

Directors Meeting 12/10/45 "On motion it was voted: ... that there be placed in [The Waterbury Hospital General Endowment Fund] the principal of all gifts previously or in future made to the hospital in which it is directed or intended by the donor that the principal be maintained indefinitely and the income only be used for general or specific purposes, including Bed and Cot Funds and also any other Funds of the Hospital that the Directors may from time to time direct shall be included, but not including any gifts or bequests which by their terms or other legal restrictions are required to be maintained as separate Funds."

Letter from B. Henry Mason, Superintendent, to Oscar L. Warner, 3/24/28 "Although the benefits of an endowment fund of $5,000 are only supposed to apply during the donors life, an extension of that period could be made by the Executive Committee, and as a matter of fact, requests from the nearest relative for the admission of a patient has (sic) as a rule always been recognized."

3. LISTING OF FUNDS

a. Room and Bed Funds

| SOURCE | NAME OF FUND | ESTABLISHED BY | MEMORY OF | AMOUNT | DESIGNATES BENEFICIARY | PURPOSE, SPECIAL RESTRICTIONS, COMMENTS | CLASS |
|---|---|---|---|---|---|---|---|
| | Frederick Lyman Adams Fund | Estate: Mrs. Mary Lane Adams | | $ 10,000.00 | H | Bed Fund | |
| Minutes 228, 248 T.R. 12/10/17 T.R. 12/10/19 | Eugene C. Adt Free Cot Fund | Estate: Adele C. Adt | | 5,000.00 | H | Bed Fund - Income unrestricted | P/R - H I/UR - H |
| Minutes 76 T.R. 12/9/01 Endowment Book | George H. Benedict Fund | Estate: George H. Benedict | | 5,650.00 | H | Bed Fund - $6,650 received. $1,000. transferred to General Fund | P/R - H I/UR - H |
| Endowment Book | Benjamin Hill Bristol | Gift: Bennet Bristol, Bertha Bristol Tracy, Edgar H. Bristol, Sarah Bristol Smith. 12/23/24 | Benjamin Hill Bristol | 10,000.00 | H | Endowed Room | P/R - H I/UR - H |
| Minutes 17-18 BOT 3/19/89 | Henry Bronson Free Bed Fund | Gift: Henry Bronson 3/9/89 | | 15,500.00 (Original gift of $10,000 - Income Accum. for 5 years) | H | Free Beds - No provision for general purpose use of unspent income. In a note 5/11/94, F.J. Kingsbury concluded that unspent income had to be accumulated. | P/R - H I/UR - H SP |
| Endowment Book | C. Sanford Bull Memorial | Estate: Helen Smith Bull 5/16/60 | C. Sanford Bull | 10,000.00 | H | Bed Fund - Establish and maintain bed for use of worthy and needy patients. | P/R - H I/UR - H |
| Endowment Book | Margaret Burdsall & Harriet Burritt Bed Fund | Estate: Edith Porter Burritt 1927 | | 5,000.00 | H | Bed Fund | P/R - H I/UR - H |
| Endowment Book | Edith & Melrose Burritt Bed Rund | Estate: Edith Burritt | | 5,000.00 | H | Bed Rund | P/R - H I/UR - H |

| SOURCE | NAME OF FUND | ESTABLISHED BY | MEMORY OF | AMOUNT | DESIGNATES BENEFICIARY | PURPOSE, SPECIAL RESTRICTIONS, COMMENTS | CLASS |
|---|---|---|---|---|---|---|---|
| Endowment Book | Margaret Castle Memorial Bed Fund | Estate: Frank E. Castle | | $ 10,000.00 | H | Bed Fund | P/R - H<br>I/UR - H |
| Endowment Book | Martha Starkweather Chase Bed Fund | Gift: Mrs. Arthur Reed Kimball | Martha Starkweather Chase | 10,000.00<br>($5,000 )<br>(2/18/18 )<br>($5,000 1926) | H | Bed Fund - Free Bed "In accordance with conditions stipulated by the Hospital" | P/R - H<br>I/UR - H |
| Minutes 343 Ex.Com. 12/10/23 Endowment Book | Henriette Louise Adrienne Coffin | Estate: H.L.A. Coffin | | 9,213.00 | H | Bed Fund | P/R - H<br>I/UR - H |
| Endowment Book | Mary A. Curtis Bed Fund | Estate: William E. Curtis 1924 | Mary A. Curtis | 10,000.00 | H or Judge of Probate, Postmaster, First Select-man of Water-town | Bed Fund - Occupants may be nominated by any two of those listed, in writing, to the officers of the Hospital. | P/R - H<br>I/UR - H<br>SP |
| Minutes 316 T.R.10/1/21-22 | George A. Driggs Memorial Bed Fund | Gift: Mrs. Anne H. Driggs | | 10,000.00 | H and Mrs. Driggs | Bed Fund - Income non-accumulative | P/R - H<br>I/UR - H |
| Minutes 223 T.R. 12/10/17 | Charlotte Steele Elton Fund | Gift: James S. Elton | | 5,000.00 | H | Bed Fund - Used for benefit of graduate nurses of the Waterbury Hospital under direction of the Executive Committee. Income accumulative. | P/R - H<br>I/R - H<br>SP |
| Minutes 158 T.R. 12/9/12 Endowment Book | Dr. Edward Field Free Bed Fund | Estate: Charlotte B. Merriman | | 5,000.00 | H | Bed Fund - Money provided by Estate. Fund actually set up by family. | P/R - H<br>I/UR - H |
| Endowment Book | First Church in Waterbury, Inc. Free Bed Fund | Gift: First Church Guild 6/18/40 | | 5,000.00 | Minister of First Church or in his ab-sence, the Bd. of Deacons | Bed Fund - Established in accordance with Hospital regulations, income not accumu-lative. | P/R - H<br>I/UR - H<br>SP |

| SOURCE | NAME OF FUND | ESTABLISHED BY | MEMORY OF | AMOUNT | DESIGNATES BENEFICIARY | PURPOSE, SPECIAL RESTRICTIONS, COMMENTS | CLASS |
|---|---|---|---|---|---|---|---|
| Endowment Book | First Congregational Church Fund | Gift: Miss Ellen J. Whitton<br>Estate: Jennie Upson 6/2/62 | | $ 100.66<br>1,000.00<br>1,100.66 | H | Bed Fund - Was to serve as the nucleus for a $5,000. bed fund | P/R - H<br>I/UR - H |
| Endowment Book | Louis E. Fitzsimons Bed Fund | Estate: Mary E. Fitzsimons | Louis E. Fitzsimons | 3,000.00 | H | Bed Fund | P/R - H<br>I/UR - H |
| Endowment Book | Chauncy Porter Goss Memorial | Gift: Children of Chauncy P. Goss 1924 | | 25,000.00 | H | Bed Fund - Listed as a permanent bed fund in endowment book | P/R - H<br>I/UR - H |
| Endowment Book | Anna E. Graves Bed Fund | Estate: Dr. Frederick G.Graves 2/21/47 | Anna E. Graves | 5,000.00 | H | Bed Fund - Put in permanent bed funds account A865 6/4/47 | P/R - H<br>I/UR - H |
| Endowment Book | William B. Greenburg Fund | Estate: William B. Greenburg | | 1,328.11<br>(1,000.- 1957)<br>(328.11 -1960) | H | Bed Fund | P/R - H<br>I/UR - H |
| Minutes 459<br>T.R. 12/11/33 | Bertha P. Hart Fund | Estate: Bertha P. Hart | | 5,000.00 | | Bed Fund - Per Will 5/24/30, T.R. 12/11/33 mentions that Colonial Trust is trustee of estate. | P/R - H<br>I/UR - H |
| Endowment Book | George S. Harvey Fund | Estate: Hattie Rachel Stone | | 1,000.00 | H | Bed Fund | P/R - H<br>I/UR - H |
| Minutes 190<br>T.R. 12/13/15<br>Endowment Book | Merritt Heminway Bed Fund | Gift: Merritt Heminway 1914<br>Katherine H. Heminway 10/31/60 | Merritt Heminway | 15,000.00<br>(5,000. 1915)<br>(10,000. 1960) | H | Bed Fund - To maintain a bed for poor of Watertown. "Poor" meaning medically indigent. Provisos can be changed by Heminway Family. If there are no more members of Heminway Family, principal & interest to be used to best serve Watertown patients. Non-accumulative. | P/R - H<br>I/UR - H<br>SP |
| Endowment Book | Charlotte Benedict Hill Bed Fund | Gift: Gilman C. Hill & Katherine Pomeroy (Mrs.Nelson) 2/23/15 | | 10,000.00<br>(5,000. 1915)<br>(5,000 1926 | H | Bed Fund - Endow a free bed. | P/R - H<br>I/UR - H |

| SOURCE | NAME OF FUND | ESTABLISHED BY | MEMORY OF | AMOUNT | DESIGNATES BENEFICIARY | PURPOSE, SPECIAL RESTRICTIONS, COMMENTS | CLASS |
|---|---|---|---|---|---|---|---|
| Minutes 129<br>T.R. 9/13/10<br>Endowment Book | Robert W. & Suzie E. Hill Free Cot Fund | Gift: Suzie E. Hill 3/2/10 | | $ 5,000.00 | H | Bed Fund - "Foundation Of A Free Bed... According To The Bylaws Of The Hospital.. For All Time". | P/R - H<br>I/UR - H |
| Endowment Book | Winifred H. Judson Free Room Fund | Estate: Fletcher W. Judson 12/24/57 | | 50,000.00 | H | Room Fund - Establish and maintain "Winifred H. Judson Room." | P/R - H<br>I/UR - H |
| Endowment Book | Calvin K. Kazanjian Memorial Fund | Gift: Sarann B. Kazanjian (Mrs. Calvin K.) 12/26/50 | | 20,000.00 | H | Bed Fund - Used for a bed endowment fund. Mrs. Kazanjian, her daughter, son-in-law and grand childrep may use room free of charge up to extent of one years income. No other restrictions. Hospital to provide suitable plaque. | P/R - H<br>I/UR - H<br>SP |
| Minutes 135<br>T.R. 12/8/30<br>Endowment Book | Steven Wright & Lucia Hosmer Kellogg Free Bed Fund | Estate: Charles W. Poole 1959 | | 3,000.00 | H and Second Cong. Church Authorities | Bed Fund - Preference given to designees of Second Congregational Church authorities. Donor wished the $2,000. bequest of Lucia H. Kellogg combined with this, but the Executive Committee voted not to do so. 2/27/59. | P/R - H<br>I/UR - H |
| Annual Report<br>1945<br>Will Folder | Frank Woodruff Kellogg | Estate: Frank W. Kellogg 8/45 | | 10,000.00 | H | Bed Fund - Care and treatment of patients unable to pay for treatment is to be given in one of the private rooms to be designated the "Frank W. Kellogg Room." | P/R - B<br>I/UR - B<br>(Colonial) |
| Endowment Book | Beth Kirk Memorial Fund | Gift: Harriet Kirk 9/6/44 | Beth Kirk | 5,000.00 | Pastor of Second Cong. Church | Bed Fund - Use of members of Second Congregational Church and families. | P/R - H<br>I/UR - H<br>(City National) |
| Endowment Book | Henry & Bethia Kirk Fund | Gift: The Misses Kirk 1928 | | 5,000.00 | H | Bed Fund | P/R - H<br>I/UR - H |
| | Margaret Kirk Free Cot Fund | Gift: Mrs. Bethia Kirk & Family 4/4/18 | | 5,000.00 | H | Bed Fund | P/R - H<br>I/UR - H |

| SOURCE | NAME OF FUND | ESTABLISHED BY | MEMORY OF | AMOUNT | DESIGNATES BENEFICIARY | PURPOSE, SPECIAL RESTRICTIONS, COMMENTS | CLASS |
|---|---|---|---|---|---|---|---|
| Minutes 149 | Cynthia Leavenworth Free Bed Fund | Estate: Elisha Leavenworth | Cynthia Leavenworth | $ 10,000.00 | H | Bed Fund | P/R - H<br>I/UR - H |
| Minutes 55, 62<br>BOT 9/20/98 | E.C. Lewis Bed Fund | Gift: E. C. Lewis | | 5,000.00 | Rector or Senior Warden of Trinity Church | Bed Fund | P/R - H<br>I/UR - H<br>SP |
| Minutes 286<br>T.R. 12/13/20 | Rose A. Lott Fund | Estate: Rose A. Lott | | 5,000.00 | Minister in charge of the First Methodist Episcopal Church | Bed Fund | P/R - H<br>I/UR - H<br>SP |
| Endowment Book<br>Will Folder | Meigs Fund | Estate: Mary L. Meigs 1955 | | 307,000.00<br>Assets 6/30/74 | H | Bed Fund - Care of "Persons In Reduced Circumstances" per directives of the Board of Trustees, residue of trust for various legatees, fund increased in 1965. | P/R - H<br>I/UR - H |
| Endowment Book | May Lewis Merchant & Bennet Merchant Fund | Estate: Charlotte Merchant | | 10,000.00 | Committees of Second Cong. Church & Bunker Hill Cong. Church H | Bed Fund - Primarily for elderly dependent members or dependent members of Second Cong. and Bunker Hill Congregational Churches, secondarily for designees of the Executive Committee | P/R - H<br>I/UR - H<br>SP |
| Endowment Book | Helen Merriman Free Bed Fund | Gift: Buckingham P. Merriman 3/5/24 | | 5,000.00 | H | Bed Fund - "Mr. Northrop has details of this" | P/R - H<br>I/UR - H |
| Endowment Book | William Buckingham Merriman, Jr., Fund | Estate: Buckingham P. Merriman 9/22/53 | | 5,000.00 | H | Bed Fund | P/R - H |
| Endowment Book | William Buckingham Merriman & Sarah Kingsbury Parsons Merriman Fund | Estate: Buckingham P. Merriman | | 5,000.00 | H | Bed Fund | P/R - H<br>I/UR - H |

| SOURCE | NAME OF FUND | ESTABLISHED BY | MEMORY OF | AMOUNT | DESIGNATES BENEFICIARY | PURPOSE, SPECIAL RESTRICTIONS, COMMENTS | CLASS |
|---|---|---|---|---|---|---|---|
| Minutes 50 BOT 1/30/96 Endowment Book | Mary L. Mitchell Bed Fund | Gift: Mary L. Mitchell 1/30/96 | | 5,000.00 | H | Bed Fund - Benefit of persons suffering "disease, defect or injury of the eye or ear". Charge for bed must be minimum-same as that charged to the town of Waterbury. Any number of beneficiaries, but use income only, unused income can be used to purchase "instruments, optical apparatus, appliances for the cure or relief of impaired sight or hearing, or other supplies...at the direction of Dr. C.S. Rodman",unused income accumulates. | P/R - H<br>I/R - H<br>SP |
| Endowment Book | John V. Montague Fund | Estate: Nellie M. Montague Died 1/16/63 | John V. Montague | 5,000.00 | H per Will | Bed Fund - "For the purpose of providing free bed and medical care for such worthy and needy residents of said Middlebury as the Board of Trustees may designate" Bequest calls for a suitable plaque. | P/R - H<br>I/UR - H<br>SP |
| Minutes 66 T.R. 12/11/99 | Naugatuck Free Bed Fund | Gift: Mrs. Mary A. Tuttle 6/10/99 | | 5,000.00 | One or more M.D.'s practicing medicine in Naugatuck subject to rules & regulations of Hospital H | Bed Fund - Any person from Naugatuck, Conn. per approval of one or more Naugatuck M.D.'s. | P/R - H<br>I/UR - H<br>SP |
| Endowment Book | Otis S. Northrop Fund | Gift: Mrs. Henry D. Minot & Mr. Edward C. Northrop | | 5,000.00 | H | Bed Fund - Preference to be given to employees of Dime Savings Bank & Colonial Trust Co. and their families. | P/R - H<br>I/UR - H<br>SP |
| | | | | | | | |

| | NAME OF FUND | ESTABLISHED BY | MEMORY OF | AMOUNT | DESIGNATES BENEFICIARY | PURPOSE, SPECIAL RESTRICTIONS, COMMENTS | CLASS |
|---|---|---|---|---|---|---|---|
| ıtes 534<br>.R. 10/1/43-<br>9/30/44 | Florence Nightingale Cot Fund | Gifts & Bequests:<br>Nurses Assoc. of Wtby.Hosp.5/11/37<br>Dr.Charles Engelke* 5/22/44<br>William C. Brooks 9/21/45<br>Charles Swenson* 10/16/56<br>Private Duty Section 10/23/61<br>Alumnae Assoc. 10/23/61<br>Elizabeth Wassaic* 3/12/59<br>*Bequest to Hosp. | | G $ 10,000.00<br>B 2,000.00<br>G 500.00<br>B 500.00<br>G 100.00<br>G 1,000.00<br>B 1,000.00<br>$ 15,100.00 | Rules & regulations of Alumnae Assoc. of Wtby. Hosp. Training School of Nurses | Special Bed Fund - Benefit of members in good standing of Waterbury Hospital School of Nursing Alumnae Association under rules and regulations established by same. Income accumulative. Fund is apparently administered by the Hospital but was not intended to be a "Bed Fund" in the sense that others are. In the absence of a deed of gift however, this is difficult to establish. It appears that hospital officials have always considered it a "Bed Fund". | P/R -<br>I/R -<br>SP |
| Minutes 204-205<br>T.R. 12/11/16<br>Endowment Book | Franklin L. Peck Fund | Estate: Henrietta J. Peck | | 5,000.00 | H | Bed Fund - Trustees Report of 12/11/16 lists as "Henrietta J. Peck Free Bed Fund" | P/R - H<br>I-UR - H |
| Minutes 248<br>T.R. 1/10/19 | Emily Augusta Powell Bed Fund | Gift: Mr. Edward Powell 1918 | | 5,000.00 | H | Bed Fund | P/R - H<br>I/UR - H |
| Minutes<br>BOT 4/13/62 | Nelson A. Pomeroy Bed Fund | Estate: Nelson A. Pomeroy 4/2/62 | | 2,500.00 | | Bed Fund - Use of attending medical and surgical staff of Hospital. | P/R - H<br>I/UR - H<br>SP |
| Will Folder | Francis A. and Florence F. Poole Fund | Estate: Edith Poole 7/29/64 | | 10,000.00 | H | Bed Fund - Patients designated by Minister in charge of Second Congregational Church | P/R - H<br>I/UR - H |
| Minutes 27-28, 32,34.<br>BOT 11/10/92<br>Endowment Book | Rosemary Cot Fund | Gift: Friends of Mary Rose Anderson Munger 11/10/92<br>First Church Guild 3/18/63 | | 3,000.00<br>200.00<br>$3,200.00 | Anderson & Munger Families<br>H | Bed Fund - Endow a cot for children. | P/R - H<br>I/UR - H |

| SOURCE | NAME OF FUND | ESTABLISHED BY | MEMORY OF | AMOUNT | DESIGNATES BENEFICIARY | PURPOSE, SPECIAL RESTRICTIONS, COMMENTS | CLASS |
|---|---|---|---|---|---|---|---|
| Minutes 204-205 T.R. 12/11/16 | Mother Scovill's Endowed Room Fund | Gift: Mr. & Mrs. Henry W. Scovill 9/22/16 | | $ 10,000.00 | H | Bed Fund (Endowed Room) Preference to designees of Mr. & Mrs. Scovill, or Scovill Mfg. Co. Unexpended income to benefit of sick poor. | P/R - H<br>I/UR - H |
| Minutes 194 BOT 12/6/15 Endowment Book | Scovill-Kingsbury Bed Fund | Gift: Miss Alice Kingsbury 1915 | William Henry Scovill<br>Eunice Ruth Davies Scovill<br>Althea Ruth Scovill Kingsbury<br>Frederick John Kingsbury | 5,000.00 | Rectors of St. John's Parish "Now And Forever" | Bed Fund - Benefit of poor of St. John's Parish. | P/R - H<br>I/UR - H<br>SP |
| Endowment Book | Second Congregational Church Bed Fund | Gifts: Second Congregational Church 1924<br>Estate: Helen E. Chase 1954 | | 5,000.00<br>1,000.00<br>6,000.00<br>Fund Begun 1912 | H | Bed Fund - Presumed for use of Second Congregational Church patients. | P/R - H<br>I/UR - H<br>SP |
| Endowment Book | Alfred J. Shipley Fund | Estate: Alfred J. Shipley | | 623.50 | H | Bed Fund - Used toward the support of a free bed | P/R - H<br>I/UR - H |
| Endowment Book | Eugene S. Skilton Memorial Fund | Gift: John H. Skilton 12/7/38 | | 5,000.00 | H | Bed Fund - Mr. Skilton had right to name beneficiaries during his lifetime. | P/R - H<br>I/UR - H |
| Minutes 227 T.R. 12/10/17 Endowment Book | Curtiss Hurlbut Smith Bed Fund | Gift: Mrs. Flora Page & George W. Smith 1917 | | 5,000.00 | H | Bed Fund - Benefit of the worthy poor of Southbury. | P/R - H<br>I/UR - H |
| Endowment Book | J. Richard Smith Memorial Bed Fund | Estate: Helen Smith Bull 5/16/60 | J. Richard Smith | 10,000.00 | H | Bed Fund - Benefit of worthy and needy | P/R - H<br>I/UR - H |

| SOURCE | NAME OF FUND | ESTABLISHED BY | MEMORY OF | AMOUNT | DESIGNATES BENEFICIARY | PURPOSE, SPECIAL RESTRICTIONS, COMMENTS | CLASS |
|---|---|---|---|---|---|---|---|
| Minutes 114<br>T.R. 12/9/07<br>Endowment Book | Edward Spencer Memorial Fund | Estate: Elizabeth L. Spencer | | $ 5,000.00 | H | Bed Fund - Patients from Naugatuck to have preference "In Perpetuity" | P/R - H<br>I/UR - H<br>SP |
| Endowment Book | Julia V. Warner Spencer Fund | Estate: Julia V. Warner Spencer 1916 | Charles Warner Family | 25,000.00 | H | Bed Fund - Room Endowment "Warner Room" | P/R - H<br>I/UR - H |
| Minutes 204-205<br>Endowment Book | Julia V. Warner Spencer - Memorial for Emmeline D. Warner | Estate: Julia V. Warner | | 5,000.00 | H<br>St. John's Rector | Bed Fund - Use of such persons as St. John's Episcopal Church shall designate. | P/R - H<br>I/UR - H<br>SP |
| Endowment Book | Mark L. Sr. and Julia P. Sperry Bed Fund | Gift: Miss Ruth Sperry - 1947 | | 5,000.00 | Per Gift, The Ministers of The First Congregational Church, & Miss Sperry | Bed Fund - For benefit of employees and families of Scovill Mfg. Co., members of Sperry family, Makepeace family, designees of the Minister of the First Congregational Church, designees of Miss Sperry. Income accumulative per letter. 1969 | P/R - H<br>I/R - H<br>SP |
| Minutes 178<br>T.R. 12/14/14 | Augusta M. Stiles Free Bed Fund | Gift: Miss Anne F. Stiles | Augusta M. Stiles | 5,000.00 | H | Bed Fund | P/R - H<br>I/UR - H |
| Endowment Book | John Swenson Bed Fund (No official name) | Estate: John Swenson - 1965 | | 113,185.62 | H | Bed Fund | P/R - H<br>I/UR - H |
| Minutes 435<br>T.R. 10/1/30<br>Endowment Book<br>Will File | Martha J. Terry Fund (Non-accumulative) | Estate: Martha J. Terry - 9/24/25<br><br>NOTE: Will calls for a memorial tablet stating that fund was established by Martha J. Terry & Dwight H. Terry in memory of "Eli Terry, Late of Plymouth, deceased. Inventor, Pioneer, Clock Maker, & Founder of Clock Manufacturing in the State of Connecticut." | Eli Terry | 15,120.00 | H<br>(Per Will) | Bed Fund - Established under para. 5 of Will for providing "Free Beds and Medical Care and Attention for the Poor and Needy" of Plymouth & Thomaston. Surplus income can be used for general purposes. This was listed in 1930 as "Special Bed Fund" | P/R - H<br>I/UR - H<br>SP |
| | | | | | | | |

| SOURCE | NAME OF FUND | ESTABLISHED BY | MEMORY OF | AMOUNT | DESIGNATES BENEFICIARY | PURPOSE, SPECIAL RESTRICTIONS, COMMENTS | CLASS |
|---|---|---|---|---|---|---|---|
| Endowment Book | Martha J. Terry Fund Accumulative No Official Title | Estate: "Martha J. Terry" 9/24/25 | | $ 16,328.76 | H (Per Will) | Bed Fund - Established under para. 9 of Will to provide "Medical care and attention for the poor and needy" of Plymouth & Thomaston. Because the wording is slightly different and because there is no provision for disposal or surplus income, it was decided that Mrs. Terry intended this to be a separate accumulative fund. | P/R - H<br>I/R - H<br>SP |
| Endowment Book | Olive Warner Fund | Gift: Oscar L. Warner - 1929 | Olive Warner | 5,000.00 | H | Bed Fund | P/R - H<br>I/UR - H |
| Endowment Book | Richard Vincent Warner Memorial Fund | Estate: Olive R. Warner 5/20/42 | | 130,102.93<br>220,000.00 approx. assets 8/74 | H | Bed Fund - To provide "Accommodations & Medical Care and Attention to the Residents of Naugatuck". - Non-accumulative. | P/R - H<br>I/UR - H<br>SP |
| Endowment Book | Henry L. Wade Bed Fund | Estate: Henry L. Wade - Died 10/31/12 | | 5,000.00 | H | Bed Fund | P/R - H<br>I/UR - H |
| Minutes 248<br>T.R. 1/10/19<br>Endowment Book | Nelson J. Welton Bed Fund | Estate: Nelson J. Welton 1918 | | 5,000.00 | H | Bed Fund | P/R - H<br>I/UR - H |
| Minutes 158<br>T.R. 12/9/12<br>Endowment Book | John Howard Whittemore Endowed Room | Gift: Family of John Whittemore | | 10,000.00 | H Whittemore Family | Bed Fund - To furnish and endow a room. | P/R - H<br>I/UR - H |
| Minutes 285<br>T.R. 12/13/20 | Julia S. Whittemore Memorial Room | Gift: Miss Gertrude B. Whittemore<br>Mr. Harris Whittemore 1919 | | 10,000.00 | H | Bed Fund - To furnish and endow a room in the Childrens Ward. | P/R - H<br>I/UR - H<br>SP |
| | | | | | | | |

| NAME OF FUND | ESTABLISHED BY | MEMORY OF | AMOUNT | DESIGNATES BENEFICIARY | PURPOSE, SPECIAL RESTRICTIONS, COMMENTS | CLASS |
|---|---|---|---|---|---|---|
| Harris Whittemore Fund | Family of Harris Whittemore | | $ 10,000.00 | | Presumably a bed fund, but no further information available. | |

3. LISTING OF FUNDS

b. General Purpose Funds

| SOURCE | NAME OF FUND | ESTABLISHED BY | MEMORY OF | AMOUNT | DESIGNATES BENEFICIARY | PURPOSE, SPECIAL RESTRICTIONS, COMMENTS | CLASS |
|---|---|---|---|---|---|---|---|
| Will Folder | The Amelung Fund | Estate: William A. Amelung Died: 10/23/70 | | $ 15,071.96 | H | General Purpose | P/R - H<br>I/UR - H |
| Endowment Book | (David C. Bacon Fund) | Estate: David C. Bacon | | 3,898.00 | H | General Purpose - Has been uncorrectly listed as an outright gift in annual reports, but was left as a trust by the donor. | P/R - H<br>I/UR - H |
| Minutes 57 Ex.Cmte. 12/13/97 | George R. Baldwin Fund | Estate: George R. Baldwin | | 6,000.00 | H | General Purpose - 5/46 transfer to general endowment fund. | P/R - H<br>P/UR - H |
| Will Folder | Edyth A. Blakesley | Estate: Edyth Blakesley 1961 | | 420,000.00 (Approx.) | H | General Purpose | P/R - B<br>I/UR - B<br>City Nat. |
| Endowment Book | Howard H. Bristol Fund | Gift: Mrs. Howard H. Bristol 12/22/64 | Howard H. Bristol | 5,000.00 | H | General Purpose - Donor hoped funds would be used to provide $200.00 grants in aid for nursing students from Naugatuck, but did not require this. | P/R - H<br>I/UR - H |
| Will Folder | Charles E. Brust | Estate: Charles E. Brust 1/11/74 | | 15,000.00 | H | General Purpose | P/R - H<br>I/UR - H |
| Minutes 402 T.R. 12/10/28 Endowment Book | Charles F. Brooker Fund | Estate: Charles B. Brooker | | 49,190.83 | H | General Purpose - Preference to be given to employees of American Brass Co. or its successors. | P/R - H<br>I/UR - H<br>SP |
| Endowment Book | John Allen Coe Fund | Estate: John Allen Coe - Died: 8/4/48 | | 1,000.00 | H | General Purpose - Donor requested but did not direct that permanent fund be set up, income for general purpose. | P/UR - H<br>I/UR - H |
| Will Folder | Almon B. Dayton Fund | Almon B. Dayton | | Assets 3/31/73 405,847.80 | | Hospital benefits from income of fund (1/15 share) | P/R - B<br>I/UR - B |

| SOURCE | NAME OF FUND | ESTABLISHED BY | MEMORY OF | AMOUNT | DESIGNATES BENEFICIARY | PURPOSE, SPECIAL RESTRICTIONS, COMMENTS | CLASS |
|---|---|---|---|---|---|---|---|
| BOT 10/9/59 | Arthur Mortimer Dickinson Fund | Estate: Arthur M. Dickinson Died: 4/3/41 | | See Note | | $20,000 bequests plus residue of two Trusts. Principal of approximately $780,000 placed in Building Fund and $20,000 went to capital purchase and replacement fund. | P/UR - H I/UR - H |
| Endowment Book | John P. Elton Fund | Estate: John P. Elton | | 1/2 income of Trust of $ 105,481.76 (Book value) | H (Per Will) | General Purpose | P/R - B I/UR - B Colonial |
| Minutes 45 T.R. 12/9/95 Endowment Book | Olive M. Elton Fund | Gift: Mr. J.S. Elton, Mrs. Lucy E. Wayland 12/13/93 | Olive M. Elton | 5,000.00 | H | General Fund - To general endowment fund A1959 5/46 | P/R - H I/UR - H |
| Will Folder | Edward L. Frisbie Fund | Estate: Edward L. Frisbie | | 51,966.00 | H | General Purpose - Residue of Trust Fund | P/UR - H I/UR - H |
| Endowment Book | Ida L. Fulton | Gift: William Shirley Fulton | Ida L. Fulton | 10,000.00 Shown in Annual Rpts. as $10,005.88 | | General Purpose - Placed in general endowment pending transfer of principal (at donors request) to a specific purpose. | P/R - H I/UR - H |
| Endowment Book | I.K. Fulton Fund | Estate: I. Kent Fulton Died: 6/6/44 | | Assets 1921 $1,156,834.14 (Book value) 1,271,725.11 in 1973 | H | General Purpose - Fund consists of a $25,000 bequest plus part of the residual estate. | P/R - B I/UR - B Hartford National |
| Minutes 288 Endowment Book | Jared E. Gaylord Fund | Bequest: Jared E. Gaylord 8/21 | Grace Emma Farrell Gaylord | 10,000.00 | H | General Purpose - Transferred to general endowment fund 5/46. This was a bequest put into trust by the Hospital because gift was "In Memory Of". A second bequest of $10,000.00 (4/44) was apparently just used, or went to general endowment. | P/UR - H I/UR - H |
| | | | | | | | |

| SOURCE | NAME OF FUND | ESTABLISHED BY | MEMORY OF | AMOUNT | DESIGNATES BENEFICIARY | PURPOSE, SPECIAL RESTRICTIONS, COMMENTS | CLASS |
|---|---|---|---|---|---|---|---|
| Endowment Book | Eunice Hagopian Fund | Estate: Eunice Hagopian 6/26/52 | | $ 3,000.00 | H | General Purpose - Specifically to be part of permanent endowment. | P/R - H<br>I/UR - H |
| Endowment Book | Jacob H. Hagopian Fund | Estate: Jacob H. Hagopian | | 2,000,00 | H | General Purpose - Specifically to be part of permanent endowment. | P/R - H<br>I/UR - H |
| Endowment Book | Addie Upson Hall | Estate: Addie Upson Hall 11/15/45 | | 500.00 | H | General Purpose - Specifically to be part of general endowment. | P/R - H<br>I/UR - H |
| Will Folder | R. W. Hampson | Estate: R. William Hampson 1956 | | Assets approx 100,000.00 | H | General Purpose -.% of income of estate valued at approximately $100,000. Also, contingency interest in residue upon deaths of other life tenants. | P/R - B<br>I/UR - B<br>Colonial |
| | | | | | | | |
| Endowment Book | Frank Keeling Fund | Estate: Frank Keeling | | Assets 474,495.16 1973 | H | General Purpose | P/R - B<br>I/UR - B<br>(Colonial) |
| Endowment Book | Jacob Keeling Fund | Estate: Jacob Keeling Died: 5/27/54 | | Assets 650,635.50 1973 | H | General Purpose | P/R - B<br>I/UR - B<br>(Colonial) |
| Endowment Book | Lucia H. Kellogg Fund | Estate: Lucia H. Kellogg Died: 5/4/15 | | 2,000.00 | H | General Purpose - Put in general endowment fund 5/46 | P/R - H<br>I/UR - H |
| Will Folder | Harriet Kirk Trust | Estate: Harriet Kirk 1954 | | 729,154.00 Book value of assets Hosp. gets 1/10 income. | | General Purpose | P/R - B<br>I/UR - B<br>City National |

| SOURCE | NAME OF FUND | ESTABLISHED BY | MEMORY OF | AMOUNT | DESIGNATES BENEFICIARY | PURPOSE, SPECIAL RESTRICTIONS, COMMENTS | CLASS |
|---|---|---|---|---|---|---|---|
| Will Folder | Ellen Chittenden Ives Fund | Estate: Ellen Chittenden Ives 12/27/61 | | $ 23,485.16 | H | General Purpose | P/R - H<br>I/UR - H |
| Will Folder | Laura Oliver Lewis Fund | Estate: Laura Oliver Lewis | | 5,000.00 | H | General Purpose - Put in bed funds. | P/R - H<br>I/UR - H |
| Endowment Book<br>Minutes<br>BOT 3/16/67 | George B. Lamb & Harriet Welton Lamb Endowment Fund | Estate: G. B. Lamb & H. W. Lamb | G. B. Lamb & H. W. Lamb | 162,914.75<br>Book value of assets in 1967 | H | General Purpose "Promoting and maintaining the hospital and its work". Bank is trustee per trust agreement. | P/R - H<br>I/UR - H |
| Endowment Book<br>Will Folder | Mary B. Mannweiler Fund | Estate: Mary B. Mannweiler 1962 | Mary B. Mannweiler | 23,526.08<br>Received by 3/25/68 | H | General Purpose - Residuary benefits of a $250,000 trust (14%). Originally for a bed fund but used to build a room in the new building. Probably no longer exists as such. | P/UR - H<br>I/UR - H |
| Minutes 445<br>Income statement 10/1/30 9/26/31 | Henry H. Peck Fund | Estate: Henry H. Peck | | 1,800,000.00<br>Assets 7/30/74 | H | General Purpose - Trust consists of 1/2 of residual estate (in general endowment fund). | P/R - B<br>I/ B<br>Colonial |
| Will Folder | Edith F. Poole Fund | Estate: Edith Poole | | Assets in 1/17/65 86,649.88 | H | General Purpose - 1/2 interest in income. | P/R - B<br>I/UR - B |
| Minutes<br>T.R. 1909-28<br>Endowment Book | Spencer Fund | Estate: Frederick A. Spencer | | 143,109.84 | H | General Purpose | P/R - H<br>I/UR - H |
| Endowment Book | Margaret W. Steele Memorial Fund | Estate: Hiram Milroy Steele | Margaret W. Steele | 5,000.00 | H | General Purpose | P/R - H<br>I/UR - H |
| | | | | | | | |

| SOURCE | NAME OF FUND | ESTABLISHED BY | MEMORY OF | AMOUNT | DESIGNATES BENEFICIARY | PURPOSE, SPECIAL RESTRICTIONS, COMMENTS | CLASS |
|---|---|---|---|---|---|---|---|
| Endowment Book | Carlisle B. Tuttle Bequest | Estate: Carlisle B. Tuttle | | $ 10,000.00 | H | General Purpose - Outright bequest placed in general endowment fund pending possible later earmarking for specific purpose (Ex. Comm. 4/10/59) | P/UR - H<br>I/UR - H |
| Colonial Bank | Oscar Warner Fund | Estate: Oscar Warner 2/29/32 | | Original Assets approx. 480,000.00 | H | General Purpose - Like Hopkins Trust, however, if a Hospital is ever built in Naugatuck, the fund reverts to the Naugatuck Hospital. | P/R - B<br>I/UR - B<br>(Colonial)<br>SP |

3. LISTING OF FUNDS

c. Special Funds

| SOURCE | NAME OF FUND | ESTABLISHED BY | MEMORY OF | AMOUNT | DESIGNATES BENEFICIARY | PURPOSE, SPECIAL RESTRICTIONS, COMMENTS | CLASS |
|---|---|---|---|---|---|---|---|
| Will Folder | Adolf C. Blechner Fund | Gift: Mrs. Adolf C. Blechner | | $ 4,000.00 | H | Special Fund - To defray expenses of student nurses. | P/R - H<br>I/R - H<br>SP |
| Minutes 286,301<br>T.R. 12/13/20<br>T.R. 12/12/21 | Mary Kingsbury Bull Fund | Gift: Miss Edith D. Kingsbury | | 10,000.00 | H | Endowment - Furnish and endow childrens' ward. Sufficient principal was to be sold for payment of furnishing with balance held in trust. "Interest accruing against future withdrawal for replenishment." [Of Furnishings?] | P/R - H<br>I/R - H<br>SP |
| Fund File | Theodore F. Bevans Memorial Fund | Subscriptions 63-? | | 1,666.11 in 1964 | H | Special Fund - To be used for benefit of children hospitalized in Waterbury Hospital. | P/R - H<br>I/R - H<br>SP |
| Minutes 476<br>T.R. 10/1/34<br>T.R. 9/30/35<br>Endowment Book | Alice Morton Chase Fund | Estate: Alice H. Chase<br>Died: 5/6/33 | | 10,000.00 | H | Chase Dispensary Endowment - Income for maintenance and operation of Chase Dispensary. Income reverts to Waterbury Foundation if dispensary is discontinued. | P/R - H<br>I/R - H |
| Minutes 416-419 | Henry Sabin Chase Memorial Dispensary | Gift: H.S. Chase Company 1929<br>Mrs. H.S. Chase<br>Miss Edith Chase<br>1927-29 | | Dispensary Building and 18,000.00<br>300,000.00 added | | Chase Dispensary Endowment - For maintenance and operation of the Chase Dispensary. Principal reverts to Waterbury Foundation if dispensary is discontinued. Additional gifts must be administered under same terms unless otherwise stated. | P/R - H<br>I/R - H<br>SP |
| Minutes 435<br>T.R. 12/8/30<br>Endowment Book | Henry Matthew Chipman Fund | Estate: Henry Matthew Chipman 8/3/17 | | 300.00 | Per Will H | Special Fund - To provide medical care for Mr. Chipmans 3 nephews. Upon their deaths, $300 becomes property of Hospital. Nephews considered "Probably Dead" in 1956. | P/UR - H<br>I/UR - H<br>(if nephews dead) |
| | | | | | | | |

| SOURCE | NAME OF FUND | ESTABLISHED BY | MEMORY OF | AMOUNT | DESIGNATES BENEFICIARY | PURPOSE, SPECIAL RESTRICTIONS, COMMENTS | CLASS |
|---|---|---|---|---|---|---|---|
| Minutes BOT 4/13/62 | Katherine L. Conroy Fund | Gift: Katherine L. Conroy 7/8/71 | | $ 25,000.00 | | Special Fund - Placed in Building Fund pending transfer to endowment. Mrs. Conroy made other large contributions for capital purchases (memory of W.H. Conroy) and scholarship aid which have apparently been used. | P/UR - H<br>I/UR - H |
| | Chase Dispensary Eyeglass Fund | Gift: Waterbury Hospital Aid Society 1966 | | 1,500.00 | | Special Fund - Money in capital purchase and replacement fund. | P/R - H<br>I/R - H |
| Will Folder | Doctor's Prize | Gift: Mrs. Frank H. Sebring 9/19/65 | | 50 Shares Sears & Roebuck Stock | H | Provides annual prize of $350. to Senior Resident in Medicine and/or Surgery who completes & publishes a research project while at Hospital. Both principal and income may be used. Unused income may be used for general purpose. Both principal and income become unrestricted in 1975. | P/R - H<br>I/R - H<br>Until 1975 |
| | Educational Fund | Physicians Donations | | 2,958.00 in 1966 | | Special Fund for further education of interns and residents. A savings account. | |
| Endowment Book | Education Seminar Fund (Was "Sarann B. Kazanjian Student Nurse Scholarship Fund") | Gift: Mrs. Sarann B. Kazanjian | | 10,000.00 | H | Special Fund - To defray expenses of student nurses during training (Grants & Loans). Special consideration to Miss Rita Fidalgo and students from Waterbury and surrounding towns. Mrs. Kazanjian is to receive an annual report of the uses of this money.<br>(Mrs. Kennelly directed income to be used for education of hospital employees.) | P/R - H<br>I/R - H<br>SP |
| | | | | | | | |

| SOURCE | NAME OF FUND | ESTABLISHED BY | MEMORY OF | AMOUNT | DESIGNATES BENEFICIARY | PURPOSE, SPECIAL RESTRICTIONS, COMMENTS | CLASS |
|---|---|---|---|---|---|---|---|
| | Graduate Nurses Education Fund | Nursing School Alumnae Association | | Varies | Alumnae Assoc | Special Fund - To provide loans to graduate nurses for further education - not a Hospital Fund. | |
| Endowment Book Will Folder | Walter W. Holmes Fund | Gift: 12/26/23 | Margaret Torrance Holmes | $ 145,000.00 $45,000 to be used as noted the remainder apparently unrestricted. | H | Special Fund - Originally to be used to finance a recreation hall. After 11/39 Hospital free to use principal and income for general purpose. If hospital ever builds recreation hall, Mr. Holmes or his executor may, if stocks are still unsold, require hospital to sell stocks and apply proceeds of sale plus income, or an equivalent amount, to the cost of constructing the recreation hall. | P/UR - H<br>I/UR - H<br>SP |
| Endowment Book | "The Hopkins Memorial" (Abbie C. Hopkins Trust) | Estate: Abbie C. Hopkins Died: 12/28/39 | | 1,051,000.00<br><br>Assets 6/30/74 | Per Will | Special Fund - Set up to endow a hospital in Naugatuck. Income accrued for 20 yrs. (until 1959). If Naugatuck Hospital Corp. did not build hospital, income goes to Waterbury Hospital to benefit poor of Naugatuck, within unexpended money going to general fund. If Naugatuck Hospital Corp. ever builds, Hospital Fund reverts to Naugatuck Hospital. However, Naug. Hosp. Corp. dissolved in 1951. | P/R - B<br>I/R - B<br>SP<br>Colonial |
| Will Folder | Anne Kaye Memorial Fund | Subscription | Anne Kaye | 210.00 Rec'd by 8/29/72 | H | Special Fund - To support or partially support a fellowship in medical oncology. | P/R - H<br>I/R - H<br>SP |
| | Lewis J. Mayo Memorial Fund | Gift: Lewis J. Mayo and subscription | | 2,815.92 | H | Special Fund - Scholarships for nursing students. In savings account and seldom used. | P/R - H<br>I/R - H |
| | | | | | | | |

| SOURCE | NAME OF FUND | ESTABLISHED BY | MEMORY OF | AMOUNT | DESIGNATES BENEFICIARY | PURPOSE, SPECIAL RESTRICTIONS, COMMENTS | CLASS |
|---|---|---|---|---|---|---|---|
| | Improvements for Maternity Patient Care Fund | Gift: George Goss | | $ 2,000.00 Original gift now worth about $2,600. In a savings account. | H | Special Fund - Given to Hospital prior to construction of West Wing. Seldom if ever used. | P/UR - H<br>I/UR - H |
| Will Folder | Merritt Heminway Merriman Memorial Fund | Various Gifts | Merritt Heminway Merriman, M.D. | 1,060.00 by 8/30/66 | Hospital Committee | Special Fund - To defray expenses of lab personnel attending scientific meetings. | P/R - H<br>I/R - H<br>SP |
| Endowment Fund | Special Medical Fund (or Junior League Fund) | Gift: Junior League of Waterbury 2/37 | | 2,000.00 9/30/70 | H | Special Fund - To purchase drugs for clinic patients (per 1937 annual report) | P/R - H<br>I/R - H<br>SP |
| | Eunice Panneton Fund 1966 | Will: George Panneton - Set up special trust for poor and needy | | Pays $400.- $500. annually | | Special Fund - For poor and needy as deemed by Social Services department. Hospital is apparently one of many income beneficiaries. This is <u>not</u> a hospital fund. | P/R - B<br>I/R - B<br>SP |
| Will Folder | Morris Stein Fund | Gift: Friends of Morris Stein and Dorothy Stein | | 300.00 | H | Special Fund - Student Nurse Scholarship | P/R - H<br>I/R - H<br>SP |
| Will Folder | Charles H. Swenson | 10/10/56 | | 250.00 | H | Special Fund - For magazine subscriptions | |
| | Elizabeth Wassaic | Estate: Elizabeth Wassaic 3/12/59 | | 1,000.00 | H | Special Fund - To be used as scholarship aid to students. Apparently intended for housekeeping personnel, but has been used by the Nursing School. | P/R - H<br>I/R - H<br>SP |
| | X-Ray Student Fund | Students contributions | | 1,050.00 in 1966 | | Special Fund - To pay cost of x-ray course. This fund (a savings account - Auxiliary Fund #539-5) is no longer active & has propably been spent. | |

B. LISTING OF FUNDS

d. Unrestricted Gifts to General Endowment Fund

The following is a list of outright gifts and bequests which were placed in the General Endowment Fund at the Hospital's option. Hence, neither principal nor income are restricted in any way. (Except, note comment on bequest of Theresa M. Platt).

| NAME | DATE | AMOUNT | SPECIAL CONDITIONS OR COMMENTS |
|---|---|---|---|
| Adele M. Adt | Died 6/8/17 | $ 1,511.65 | |
| Alice R. Baker | 1947 | 435.25 | |
| Amelia C. Benedict | Died 5/6/21 | 54,015.00 | Paid 4/26/22 - 4/6/25 |
| Amelia C. Benedict | 4/24/39 | 8,000.00 | Principal of fund set up for E. H. Johnson - Died 4/5/39 |
| Charlotte F. Blackman | Died 11/14/10 | 2,000.00 | Received 1911 |
| Daniel B. Blackmar | | 440.00 | Annual Report 1932-33 |
| Frances R. Bryan | Died 4/11/18 | 6,024.70 | Received 1927 |
| Edmund S. Burke | Died 1/21/66 | 5,000.00 | Received 8/66 - 5/67 |
| John M. Burrall | Died 2/12/08 | 1,000.00 | |
| Herbert P. Camp | Died 11/24/12 | 1,000.00 | Received 1927 |
| Frank E. Castle | Died 9/4/23 | 96,889.96 | T.R. says $75,299.58 |
| Irving Hall Chase | 1/21/52 | 3,000.00 | |
| Sarah V. Chipman | Died 3/3/45 | 49,995.22 | Received 8/30/46 |
| Charles A. Colley | Died 4/8/26 | 39,965.62 | |
| Ralph Marshal Dawson | 12/4/72 | 56,977.38 | |
| Abbie T. Dudley | Died 7/6/90 | 475.00 | Received 1911 |
| Jared E. Gaylord | | 10,000.00 | |
| Margaret Gorman | Died 12/21/91 | 9,441.40 | Received 1893 |
| Alice A. Hall | 1909 | 5,881.11 | |
| Robert W. Hill | Died 7/16/09 | 500.00 | Received 1910 |
| Samuel Joseloff | 1956-57 | 142,885.49 | |
| Babette Kaiser | Died 6/25/25 | 200.00 | Received 1926 |
| Mary Chase Kimball | 7/26/51 | 2,516.01 | |

| NAME | DATE | AMOUNT | SPECIAL CONDITIONS OR COMMENTS |
|---|---|---|---|
| Elisha Leavenworth | Died 1/6/11 | $ 62,979.45 | Received 1912-1925 (Plus $200. in 1966) |
| E. C. Lewis | Died 2/24/01 | 4,850.00 | Received 1903 |
| Marguerite Margow | 5/24/66 | 1,321.69 | |
| Mary B. Mannweiler | 6/22/67 | 15,962.52 | To Building Fund |
| Edward F. Merriman | Died 6/28/09 | 200.00 | Received 1910 |
| Sarah M. Merriman | Died 2/20/03 | 1,000.00 | |
| Mary L. Mitchell | 10/1/04 | 8,000.00 | |
| Mary L. Mitchell | Died 4/19/11 | 5,000.00 | |
| Robert W. Nelson | 5/21/74 | 500.00 | |
| Rev. William M. Owen | Died 1952 | 100.00 | |
| Ralph H. Paine | 5/10/74 | 1,000.00 | Principal of a Trust |
| George Partree | 5/2/25 | 15,500.00 | Original Book Value $6,874.98 (i.e. amount may be market value) |
| Henry H. Peck | Letter 5/13/21 | 317,328.36 | Of this, $188,446.09 was received during Mr. Peck's life time, and $128,882.27 received from his estate. |
| Emerette A. Perkins | 5/13/31 | 1,000.00 | |
| Agnes DuBois Phillips | Died 6/28/16 | 10,000.00 | Received 1917 |
| Edward T. Root | Died 10/6/10 | 1,000.00 | Received 1911 |
| Balthas Schlegel | Died 6/20/10 | 200.00 | Received 1912 |
| Charles Scott | Died 10/5/93 | 5,000.00 | Received 1894 |
| W. C. Scott | 1908 | 500.00 | |
| Mary A. Smith | Died 9/14/07 | 500.00 | Received 1909 |
| Algernon E. Taylor | 11/7/66 | 500.00 | |
| Thomas S. Tovey | 1948 | 4,893.93 | |
| Cornelius Tracy | Died 1/24/19 | 2,000.00 | Received 1920 |
| Bronson B. Tuttle | Died 9/12/03 | 10,000.00 | Received 1904 |
| Louis I. Watkins | 1947 | 500.00 | |
| Nelson J. Welton | Died 6/5/17 | 5,000.00 | Received 1918 |

| NAME | DATE | AMOUNT | SPECIAL CONDITIONS OR COMMENTS |
|---|---|---|---|
| Gertrude B. Whittemore | | $ 40,000.00 | Annual Report 1942 |
| Elizabeth Wassaic | | 1,160.76 | |
| Louis Ira Watkins | 5/20/47 | 500.00 | |

$1,014,600.00

e. Unrestricted Bequests For Which Disposition Is Unknown (but probably have been spent)

| NAME | DATE | AMOUNT | SPECIAL CONDITIONS OR COMMENTS |
|---|---|---|---|
| William P. Arnold | 11/17/71 | $ 1,000.00 | |
| Samuel H. Greenburg | 1970 | 1,000.00 | |
| Henrietta T. Greenburg | 1973 | 1,500.00 | |
| Wesley Jermoluk | 12/14/55 | 2,070.16 | |
| Alice Platt Jones | 1/9/41 | 17,427.81 | (Approximately) |
| Emily F. Kellogg | 5/63 | 5,000.00 | |
| James H. Lahey | 5/13/57 | 2,500.00 | Memory of Anna Costello |
| Joseph G. Levin | 5/15/57 | 100.00 | |
| Irving E. Prior | 1/18/57 | 500.00 | |
| Cora L. Ross | 1/6/56 | 5,000.00 | |
| Dora Winnikoff | 1/23/63 | 5,023.35 | |
| Abraham S. Zucker | 6/14/57 | 100.00 | |

J. H. Tobin/jtr
8/8/74

**ADT FUND, THE**
**EUGENE C.**

THE WATERBURY HOSPITAL

Endowment or Permanent Room or Bed Fund

Name of Fund The Eugene C. Adt Fund

Established by Will of Adele M. Adt, Waterbury, Conn.

Conditon of Gift.

The First Article of the Will of Adele M. Adt reads as follows:

FIRST ARTICLE.

I give and bequeath to the Waterbury Hospital, a corporation chartered by the General Assembly of the State of Connecticut and located in said Waterbury, the sum of five thousand dollars ($5,000) to be held by said corporation and its successors forever, as a fund to maintain a free cot in and under the auspices of said Hospital, to be known as the "Eugene C. Adt Free Cot".

Treasurer's Report 1918 shows receipt of this fund.

**BENEDICT, THE**
**GEORGE H.**

THE WATERBURY HOSPITAL

Endowment or Permanent Room or Bed Fund

Name of Fund George H. Benedict Bed Fund

Established by Will of George H. Benedict

Condition of Gift.

Mr. Benedict's Will provided for the life use of the residue of his estate to his wife, Susan M. Benedict. After her death he provides for a gift to the Waterbury Hospital as follows:

" * * to the Hospital in the City of Waterbury, in the State of Connecticut, the sum of Five Thousand ($5000) dollars, the same to be used for the founding of a free bed in said Hospital."

Will was probated in the Probate Court of Cambridge, Massachusetts.

Extract from Treasurer's Report 1901.

A. M. Blakesley, Treasurer,

In account with Geo. H. Benedict Free Bed.

| | | | |
|---|---|---|---|
| 1901 | | | |
| Dec. 2 | To Cash received from Executor of Estate | | $5,000.00 |
| | " " " " " " " | for int. | 1,650.00 |
| | | | $6,650.00 |

real purpose of the [illegible] and to the Hospital in the City of Hartford in the State of Connecticut the sum of Five Thousand ($5000.) Dollars, the same to be used for the founding of a free bed in said Hospital.

Seventh: All the rest, residue and remainder of my property, real and personal which shall exist at the decease of my said wife, after the payment of the foregoing legacies and bequests, I give, devise and bequeath to my three heirs at law, to have and to hold to them, their heirs and assigns forever in equal shares.

Eighth: I nominate and appoint Henry L. Hayden of Newton, Massachusetts, and Charles C. Read, of Cambridge, Massachusetts, to be the executors of this my Last Will and Testament, and I direct that no surety be required upon the official bond of any executor or trustee appointed by me under this will.

In testimony whereof, I hereunto set my hand and seal, and publish and declare this to be my Last Will and Testament in the presence of the witnesses named below, this fourth day of October in the year Eighteen Hundred and eighty-eight.

George H. Bennett

Signed, sealed, published and declared by the

# LAST WILL AND TESTAMENT

OF

EDYTH A. BLAKESLEY

DOC. NO. 1
ACCT. NO. C2125

BE IT KNOWN TO ALL PERSONS, THAT I, EDYTH A. BLAKESLEY, OF THE TOWN OF WATERBURY, COUNTY OF NEW HAVEN, AND STATE OF CONNECTICUT, BEING OF LAWFUL AGE, OF SOUND AND DISPOSING MIND, MEMORY AND JUDGMENT, DO HEREBY MAKE, PUBLISH AND DECLARE THIS TO BE MY LAST WILL AND TESTAMENT, HEREBY REVOKING ALL PREVIOUS WILLS AND CODICILS HERETOFORE BY ME MADE.

## ARTICLE FIRST

I direct that all my just debts, (except such as may be secured by Mortgage), funeral charges, and expenses of settling my estate, be paid and discharged by my Executor, hereinafter named. I direct that all legacy, succession, inheritance, transfer and estate taxes, levied or assessed upon or with respect to any property which is included as part of my gross estate for the purpose of any such tax, shall be paid by my Executor out of my estate in the same manner as an expense of administration and shall not be prorated or apportioned among or charged against the respective devisees, legatees, beneficiaries, transferees, or other recipients, nor charged against any property passing or which may have passed to any of them.

## ARTICLE SECOND

I direct that a suitable grave marker be purchased to match the marker on the Albert J. Blakesley Plot now in the Evergreen Cemetery.

## ARTICLE THIRD

I give and bequeath to MRS. ROBERT A. (Rosetta) CURRIE, of Waterbury, Connecticut, all my household furniture and furnishings, books, pictures, jewelry, wearing apparel, and all other articles of a similar and personal nature, to be hers absolutely, and because of my confidence in the said MRS. ROBERT A. (Rosetta) CURRIE, she is to distribute certain articles as I have instructed in my advice to her.

Should the said MRS. ROBERT A. (Rosetta) CURRIE predecease me, then I direct those personal effects I would have given to the said MRS. ROBERT A. (Rosetta) CURRIE, shall become a part of the residue of my Estate.

## ARTICLE FOURTH

I give and devise to the said MRS. ROBERT A (Rosetta) CURRIE, that certain piece or parcel of land, with dwelling house and improvements thereon, situated on the southeasterly side of Pine Street, in the City of Waterbury, County of New Haven, and State of Connecticut, bounded:

| | |
|---|---|
| Northwesterly: | Forty feet, six inches, on Pine Street; |
| Northeasterly: | Sixty-nine feet on land formerly of Burdon P. Hyde; |
| Southeasterly: | Thirty-six and one-half (36-1/2) feet on land formerly of Burdon P. Hyde and on land of Edwin H. Williams (A Passway); |
| Southwesterly: | On land of Ada C. Williams. |

Being the same premises conveyed to me from the Estate of Albert J. Blakesley by Certificate of Devise from the Probate Court for the District of Waterbury, dated October 16, 1931, and recorded November 6, 1931, in Waterbury Land Records, Volume 450, Page 638.

I direct that my Executor shall pay taxes, insurance, and water rents in connection with said property, for a period of one (1) year after my death, provided, however, that Mrs. Robert A. (Rosetta) Currie shall occupy the premises. As of the date, one year after my death, the said items shall be prorated in favor of my estate, or in favor of Mrs. Currie, in the manner customarily followed in connection with land conveyancing in the City of Waterbury.

Should the said MRS. ROBERT A. (Rosetta) CURRIE predecease me, then I direct this Devise I would have given to the said MRS. ROBERT A. (Rosetta) CURRIE, shall become a part of the residue of my Estate.

## ARTICLE FIFTH

I give and bequeath to the said MRS. ROBERT A. (Rosetta) CURRIE, the sum of Ten Thousand ($10,000.00) Dollars, to be hers absolutely and forever.

Should the said MRS. ROBERT A. (Rosetta) CURRIE predecease me, then I direct this legacy I would have given to the said MRS. ROBERT A. (Rosetta) CURRIE, shall become a part of the residue of my Estate.

## ARTICLE SIXTH

I give and bequeath to RUTH B. CLARKE, of Riverside, Connecticut, one hundred fifty (150) shares of the capital stock of The Scovill Manufacturing Company, to be hers absolutely.

Should the said RUTH B. CLARKE predecease me, then I direct the one hundred fifty (150) shares of the capital stock of The Scovill Manufacturing Company shall be distributed to her son, DEFRANCE CLARKE, JR., of Riverside, Connecticut, to be his absolutely.

Should the said RUTH B. CLARKE and DEFRANCE CLARKE, JR., predecease me, then I direct that this legacy be distributed to ELIZABETH JANE CLARKE, of Riverside, Connecticut, to be hers absolutely.

## ARTICLE SEVENTH

I give and bequeath to DEFRANCE CLARKE, JR., of Riverside, Connecticut, one hundred (100) shares of the capital stock of The Torrington Company, a Maine corporation, to be his absolutely.

Should the said DEFRANCE CLARKE, JR., predecease me, then I direct the one hundred (100) shares of the capital stock of The Torrington Company shall be distributed to his mother, RUTH B. CLARKE, to be hers absolutely.

Should the said DEFRANCE CLARKE, JR., and RUTH B. CLARKE, predecease me, then I direct that this legacy be distributed to ELIZABETH JANE CLARKE, of Riverside, Connecticut, to be hers absolutely.

## ARTICLE EIGHTH

I give and bequeath to CARRIE W. WOODRUFF, of Watertown, Connecticut, the sum of Five Thousand ($5,000.00) Dollars, to be hers absolutely.

Should the said CARRIE W. WOODRUFF predecease me, then I direct that this legacy shall become a part of the residue of my Estate.

ARTICLE NINTH

I give and bequeath to PAUL COOPER, of Oakville, Connecticut, the sum of Five Hundred ($500.00) Dollars, to be his absolutely.

Should the said PAUL COOPER predecease me, then I direct that this legacy shall become a part of the residue of my Estate.

ARTICLE TENTH

I give and bequeath to MARION COOPER, of Oakville, Connecticut, the sum of Five Thousand ($5,000.00) Dollars, to be hers absolutely.

Should the said MARION COOPER predecease me, then I direct that this legacy shall become a part of the residue of my Estate.

ARTICLE ELEVENTH

I give and bequeath to GRACE HALLOWELL COOPER, of Floral Park, Long Island, New York, the sum of Five Thousand ($5,000.00) Dollars, to be hers absolutely.

Should the said GRACE HALLOWELL COOPER predecease me, then I direct that this legacy shall become a part of the residue of my Estate.

ARTICLE TWELFTH

I give and bequeath to EDWARD C. WOODRUFF, JR., of Hazardville, Connecticut, the sum of Five Hundred ($500.00) Dollars, to be his absolutely.

Should the said EDWARD C. WOODRUFF, JR., predecease me, than I direct that the sum which he would otherwise have taken shall become a part of the residue of my Estate.

ARTICLE THIRTEENTH

I give and bequeath to ELSIE W. ROBERTS, of Thomaston, Connecticut, the sum of Five Hundred ($500.00) Dollars, to be hers absolutely.

Should the said ELSIE W. ROBERTS predecease me, then I direct that this legacy shall be distributed to CARRIE W. WOODRUFF, to be hers absolutely.

Should the said ELSIE W. ROBERTS and CARRIE W. WOODRUFF both predecease me, then I direct that this legacy shall become a part of the residue of my Estate.

ARTICLE FOURTEENTH

I give and bequeath to HELEN G. BANGS, of Waterbury, Connecticut, the sum of One Thousand ($1,000.00) Dollars, to be hers absolutely.

Should the said HELEN G. BANGS predecease me, then I direct that this legacy shall be distributed to her sister, GRACE E. BANGS, of Waterbury, Connecticut, to be hers absolutely.

Should the said HELEN G. BANGS and the said GRACE E. BANGS predecease me, then I direct that this legacy shall become a part of the residue of my estate.

ARTICLE FIFTEENTH

I give and bequeath to RICHARD W. COER, of Prospect, Connecticut, the sum of Five Hundred ($500.00) Dollars, to be his absolutely.

Should the said RICHARD W. COER predecease me, then I direct that this legacy shall become a part of the residue of my Estate.

ARTICLE SIXTEENTH

I give and bequeath to ROBERT CURRIE, of Waterbury, Connecticut, husband of MRS. ROBERT A. (Rosetta) CURRIE, the sum of One Thousand ($1,000.00) Dollars, to be his absolutely.

Should the said ROBERT CURRIE predecease me, then I direct that this legacy shall become a part of the residue of my Estate.

ARTICLE SEVENTEENTH

I give and bequeath to the WATERBURY DAY NURSERY ASSOCIATION, of Waterbury, Connecticut, the sum of One Thousand ($1,000.00) Dollars, to be used by the Trustees as they may so determine.

ARTICLE EIGHTEENTH

I give and bequeath to THE VISITING NURSES' ASSOCIATION, of Waterbury, Connecticut, the sum of One Thousand ($1,000.00) Dollars, to be used by the Trustees as they may so determine.

ARTICLE NINETEENTH

I give and bequeath to THE BUNKER HILL CONGREGATIONAL CHURCH, of Waterbury, Connecticut, the sum of One Thousand ($1,000.00) Dollars, to be used by the Trustees of said Church for the upkeep and benefit of the Church, as they may so determine.

ARTICLE TWENTIETH

I give and bequeath to THE EVERGREEN CEMETERY ASSOCIATION, of Watertown, Connecticut, the sum of Five Hundred ($500.00) Dollars, to be used by the Trustees of said Association for the general upkeep of the Cemetery.

ARTICLE TWENTY-FIRST

I give and bequeath to the SOUTHMAYD HOME, INC., of Waterbury, Connecticut, the sum of Five Thousand ($5,000.00) Dollars, to be used by the Trustees as they may so determine.

ARTICLE TWENTY-SECOND

I give and bequeath to THE WATERBURY BRANCH, CANCER SOCIETY, of Waterbury, Connecticut, the sum of Two Thousand ($2,000.00) Dollars, to be used by the Trustees thereof as they may so determine.

ARTICLE TWENTY-THIRD

I give and bequeath to the SHRINE HOME FOR CRIPPLED CHILDREN, of Springfield, Massachusetts, the sum of One Thousand ($1,000.00) Dollars, to be used by the Trustees as they may so determine.

ARTICLE TWENTY-FOURTH (a)

I give and bequeath to the UPLAND SANATORIUM, of Pleasant Hill, Tennessee, the sum of Two Thousand ($2,000.00) Dollars, to be used by the Trustees for the care of needy patients.

ARTICLE TWENTY-FOURTH (b)

I give and bequeath to the AMERICAN BIBLE SOCIETY, of 450 Park Avenue, New York, New York, the sum of One Thousand ($1,000.00) Dollars, to be used by the Trustees as they may so determine.

ARTICLE TWENTY-FIFTH

I give and bequeath to THE WATERBURY NATIONAL BANK, a Federal Banking Corporation, of Waterbury, Connecticut, the sum of Ten Thousand ($10,000.00) Dollars, IN TRUST, HOWEVER, for the following uses and purposes:

(a) To invest and reinvest the same, and to collect and receive the interest, income and profits therefrom, and, after paying all taxes and other expenses incident to the operation of said Trust or Trust Fund, to pay the net income therefrom to the WATERBURY GILR'S CLUB, of Waterbury, Connecticut, in installments, as shall be mutually agreed upon. In the event that the WATERBURY GIRL'S CLUB shall be terminated for any reason, the principal and any unexpended income shall be transferred to the ELISHA LEAVENWORTH FOUNDATION, of Waterbury, Connecticut, and this Trust shall thereupon terminate.

ARTICLE TWENTY-SIXTH

All the rest, residue and remainder of my Estate, of every kind and description, both real and personal, of whatsoever the same may consist, and wheresoever the same may be situated, of which I may die seized and possessed, or to which I may be entitled at the time of my death, I give, devise and bequeath the same to THE WATERBURY NATIONAL BANK, a Federal Banking Corporation, of Waterbury, Connecticut, IN TRUST, HOWEVER, and to be held in perpetuity for the charitable uses and purposes hereinafter expressed, that is to say:

(a) To invest and reinvest the same, and to collect and receive the interest, income, and profits therefrom, and, after paying all taxes and other expenses incident to the operation of said Trust Fund, which shall be known as the AUGUSTUS M. AND ALBERT J. BLAKESLEY FUND, to disburse the income thereof as hereinafter provided.

(b) To pay the net income of the Trust Fund to THE WATERBURY HOSPITAL, of Waterbury, Connecticut, to be used by it as a Free Bed Fund for the benefit of members of The Second Congregational Church of Waterbury, Inc., who are considered by the Trustees of The Second Congregational Church of Waterbury, Inc., as worthy ill cases requiring financial assistance. In such cases, it is my intention that The Waterbury Hospital shall use said Free Bed Fund to pay all hospital expenses incurred by such members of The Second Congregational Church of Waterbury, Inc., while patients therein.

(c) In the event that said The Waterbury Hospital shall be merged into or taken over by another private, nonprofit hospital, the said Trustee shall make payment to the successor corporation. In the event that the said The Waterbury Hospital shall terminate its existence the said Trustee shall have the power to send such income to such hospital, operating in the City of Waterbury, or serving the public of the City of Waterbury, as it may, in its judgment, select.

ARTICLE TWENTY-SEVENTH

I direct that all cash bequests be paid either in cash or in securities having an equivalent value, to be determined as my Executor may so desire.

ARTICLE TWENTY-EIGHTH

I do hereby authorize and empower my said Executor and Trustee, in its respective capacities, if, in its discretion it shall deem it expedient, to sell, either at public or private sale, and at such time and in such manner, and upon such terms and conditions as it may deem most advantageous and for the best interest of my Estate or Trusts, the whole or any part or interest in any stocks, bonds, mortgages, real estate (except such stocks specifically bequeathed above, and except such real estate specifically devised above), or other evidence of indebtedness belonging to my Estate or Trusts, and to execute and deliver any and all conveyances, deeds, mortgages, satisfactions, releases, assignments, or other instruments that may be necessary or proper to transfer said property or to carry out the intention of this provision and to give effect to the provisions contained in this, my Last Will and Testament.

ARTICLE TWENTY-NINTH

The Trustee shall not be limited or restricted by law relating to the investment of Trust Funds, but shall have authority to invest and reinvest the Trust Fund in securities deemed advisable by it, without liability for loss of, or on, such investments as are made by it in the exercise of honest judgment and good faith.

ARTICLE THIRTIETH

I hereby nominate, constitute and appoint THE WATERBURY NATIONAL BANK, a Federal Banking Corporation, of Waterbury, Connecticut, Executor of this, my Last Will and Testament, without bonds, and authorize it to sell and convey any or all of the property of my Estate, except as specifically bequeathed and devised above, without an Order of Court, and upon such terms and conditions as it may deem advisable.

IN WITNESS WHEREOF, I have hereunto set my hand and seal, at Waterbury, Connecticut, this 8th day of March, 1961.

EDYTH A. BLAKESLEY (L.S.)
Edyth A. Blakesley

Signed, sealed, published and declared as and for her Last Will and Testament by the Testatrix, EDYTH A. BLAKESLEY, in our presence, who, in her presence, and in the presence of each other, and at her request, have hereunto subscribed our names as witnesses, this 8th day of March, 1961.

HARRIET B. ANDERSON )
)
LILLIAN F. ABEL ) WITNESSES
)
EARL AVERY )

STATE OF CONNECTICUT)
)
COUNTY OF NEW HAVEN ) ss: Waterbury, March 8, 1961

We, the attesting witnesses to the foregoing Will of EDYTH A. BLAKESLEY, make affidavit and say: That we attested the within and foregoing Will and subscribed the same in the presence of and at the request of the Testatrix and in the presence of each other; that the said Testatrix signed, sealed, published and declared the said instrument as and for her Last Will and Testament, in our presence, on the 8th day of March, 1961; and at the time of the execution of said Will and Testament, said Testatrix appeared to be of full age, of sound and disposing mind, memory and judgment, and under no improper influence or restraint, to the best of our knowledge and belief, and we further depose and say that this affidavit is made at the request of said Testatrix, EDYTH A. BLAKESLEY.

HARRIET B. ANDERSON

LILLIAN F. ABEL

EARL AVERY

STATE OF CONNECTICUT)
COUNTY OF NEW HAVEN ) ss: Waterbury, March 8, 1961

Then personally appeared HARRIET B. ANDERSON, LILLIAN F. ABEL, and EARL AVERY, who subscribed the foregoing affidavit and made solemn oath to the truth of the same, before me,

MAX R. TRAURIG
Max R. Traurig
~~Notary Public~~
Commissioner of the Superior Court

July 1992

The Reverend Robert B. Patterson
Senior Minister
The First Congregational Church
222 West Main Street
Waterbury, Connecticut 06702

Dear Mr. Patterson:

THE EDYTH BLAKESLEY FUND

This letter should clarify the understanding we have reached regarding the disbursement of funds under the above-referenced estate.

Purpose of Fund:

To provide funds to be used to pay any remaining obligation payable to Waterbury Hospital for services rendered to members of the First Congregational Church (successor of the Second Congregational Church). "Remaining obligation" is defined as those balances on accounts which are outstanding after all other third-party payments have been received (i.e., the self-pay balance).

Eligibility Criteria:

Members of such church shall be eligible for application of these funds in payment of their self-pay balance at Waterbury Hospital if considered by the Trustees of such church to be "worthy ill cases requiring financial assistance."

Limitations:

Funds may only be made payable to Waterbury Hospital. Disbursements from the fund are considered payment of last resort, i.e., after all third-party payments have been made. Total disbursement of funds may not exceed available fund income.

In order to meet both the intent of the will and the obligation of the Hospital to see that the funds are used for the intended purpose, the Hospital proposed the following arrangement:

The attached form must be completed and submitted to our Patient Accounts Department along with a true copy of the minutes of the meeting where such discussion took place and was approved. Upon receipt of this request, the Patient Accounts Department will verify the patient name, account number, and self-pay balance. The Patient Accounts Department will then request a check from the bank in the amount authorized payable to Waterbury Hospital to satisfy the outstanding obligation.

I hope this letter clarifies our agreement on the process to be followed. Inquiries about verification of the appropriate account balance may be made by contacting Pat Smith at 573-6285.

A copy of this letter is for your files. Please sign and return a copy for our records.

Sincerely,

Colleen M. Scott, CPA
Vice President of Finance

cag/j07a

The Reverend Robert G. Patterson
Senior Minister
First Congregational Church

cc: B. Palmer, Esq.
T. Upson
A. Nalewaik
S. Constantion

FIRST CONGREGATIONAL CHURCH
Member Eligibility Certification
Edyth A. Blakesley Fund

Patient Name: _____

Waterbury Hospital
Account Number: _____

Funds Approved: _____
(Amount may not exceed true self-pay balance.)

The Trustees of the First Congregational Church of Waterbury, Inc., at its meeting of _____ :
(date)

CERTIFY: That the above-named patient is a member of the First Congregational Church.

CERTIFY: That the Trustees have determined that such member meets the eligibility criteria of "worthy ill requiring financial assistance" under the terms of the will of Edyth A. Blakesley.

RESOLVED: That the Trustees authorize payment of $ _____ payable to Waterbury Hospital to satisfy the remaining self-pay balance on member's account.

Signed by _____
Secretary of the Trustees

Attachment: Copy of true minutes

(Affix corporate seal here)

draft

Ltr

The Reverend Robert B. Patterson
Senior Minister
The First Congregational Church
222 West Main Street
Waterbury, Connecticut 06702

Dear Mr. Patterson:

RE: THE EDYTH BLAKESLEY FUND

This letter should clarify the understanding we have reached regarding the disbursement of funds under the above-referenced estate.

Purpose of Fund:

To provide funds to be used to pay any remaining obligation payable to Waterbury Hospital for services rendered to members of the First Congregational Church (successor of the Second Congregational Church). "Remaining obligation" is defined as those balances on accounts which are outstanding after all other third-party payments have been received (i.e., the self-pay balance).

Eligibility Criteria:

Members of such church shall be eligible for application of these funds in payment of their self-pay balance at Waterbury Hospital if considered by the Trustees of such church to be "worthy ill cases requiring financial assistance."

In order to meet both the intent of the will and the obligation of the Hospital to see that the funds are used for the intended purpose, the Hospital has proposed the following arrangement:

Limitations:

Funds may only be made payable to Waterbury Hospital. Funds disbursed from the fund are considered of last resort, i.e., after all third-party payments have been made. Total disbursement of funds may not exceed available fund income.

The attached form must be completed and submitted to our Patient Accounts Department along with a true copy of the minutes of the meeting where such discussion took place and was approved. Upon receipt of this request, the Patient Accounts Department will request a check from the bank in the amount authorized payable to Waterbury Hospital to satisfy the outstanding obligation.

I hope this letter clarifies our agreement on the process to be followed. Inquiries about verification of the appropriate account balance may be made by contacting Pat Smith at 573-6205.

A copy of this letter is for your files. Please sign and return a copy for our records.

Sincerely,

Colleen M. Scott, CPA
Vice President of Finance

cms/j07a

The Reverend Robert G. Patterson
Senior Minister
First Congregational Church

FIRST CONGREGATIONAL CHURCH
Member Eligibility Certification
Edyth A. Blakesley Fund

Patient Name: _____

Waterbury Hospital
Account Number: _____

Funds Approved: _____
(Amount may not exceed true self-pay balance.)

The Trustees of the First Congregational Church of Waterbury, Inc., at its meeting of _____ (date) :

CERTIFY: That the above-named patient is a member of the First Congregational Church.

CERTIFY: That the Trustees have determined that such member meets the eligibility criteria of "worthy ill requiring financial assistance: under the terms of the will of Edyth A. Blakesley.

RESOLVED: That the Trustees authorize payment of $_____ payable to Waterbury Hospital to satisfy the remaining self-pay balance on member's account.

Signed by _____
Secretary of the Trustees

(Affix corporate seal)

July 1, 1992

John Tobin, President
Waterbury Hospital
64 Robbins Street
Waterbury, Connecticut 06708

Re: #20080449 Edyth Blakesley t/u/w

Dear Mr. Tobin:

The Chase Manhattan Bank of Connecticut, N.A., as successor to Citytrust, is Trustee of the above referenced trust created under Article Twenty-Sixth of the Will of Edyth Blakesley, and provides as follows:

ARTICLE TWENTY-SIXTH

All the rest, residue and remainder of my Estate, of every kind and description, both real and personal, of whatsoever the same may consist, and wheresoever the same may be situated, of which I may die seized and possessed, or to which I may be entitled at the time of my death, I give, devise and bequeath the same to THE WATERBURY NATIONAL BANK, a Federal Banking Corporation, of Waterbury, Connecticut, IN TRUST, HOWEVER, and to be held inperpetuity for the charitable uses and purposes hereinafter expressed, that is to say:

(a) To invest and reinvest the same, and to collect and receive the interest, income, and profits therefrom, and, after paying all taxes and other expenses incident to the operation of said Trust Fund, which shall be known as the AUGUSTUS M. AND ALBERT J. BLAKESLEY FUND, to disburse the income thereof as hereinafter provided:

(b) To pay the net income of the st Fund to THE WATERBURY HOSPITAL, of Waterbury, Connecticut, to be used by as a Free Bed Fund for the benefit of members of The Second Congrega al Church of Waterbury, Inc., who are considered by the Trustees e Second Congregational Church of Waterbury, Inc., as worthy ill s requiring financial assistance. In such cases, it is my int ion that The Waterbury Hospital shall use said Free Bed Fund to pay all hospital expenses incurred by such members of The Second Congregational Church of Waterbury, Inc., while patients therein.

(c) In the event that said The Waterbury Hospital shall be merged into or taken over by another private, nonprofit hospital, the said Trustee shall make payment to the successor corporation. In the event that the said The Waterbury Hospital shall terminate its existence the said Trustee shall have the power to send such income to such hospital, operating in the City of Waterbury, or serving the public of the City of Waterbury, as it may, in its judgment, select.

As you know, The First Congregational Church of Waterbury, Inc. is the successor to The Second Congregational Church of Waterbury, Inc.. I understand that you will be meeting with representatives of the Church to work out the details of applying the net income in accordance with the provisions of the Trust.

Enclosed is a check in the amount of $103,103.77 which represents the net income of the trust as of December 31, 1991. As Trustee, we will be remitting net income distributions on September 30, 1992 and every three months thereafter on the 30th of each quarter. The quarterly net income distributions will be mailed to the attention of the Director of Patient Accounts at the hospital.

Please do not hesitate to contact me if you have any questions.

Sincerely,

Richard P. Cella

Richard P. Cella
Second Vice President
and Trust Officer

RPC/t
Enclosure

cc: Alan Birmingham, Esq.
Thomas F. Upson, Esq.
Rev. Robert Patterson, First Congregational
Church of Waterbury, Inc.
Chairman, Board of Trustees, First Congregational
Church of Waterbury, Inc.

CHASE

The Chase Manhattan Bank of Connecticut, N.A.
Bridgeport, Connecticut 06604

No. 1082335

51-36
211

AMOUNT

$103,103.77

DATE 06/29/92

PAY TO THE ORDER OF

ONE HUNDRED THREE THOUSAND ONE HUNDRED ---
THREE DOLLARS AND SEVENTY-SEVEN CENTS-----

THE WATERBURY HOSPITAL
BLAKESLEY FREE BED FUND FBO
MEMBERS OF FIRST CONG
CHURCH OF WATERBURY
64 ROBBINS ST
WATERBURY CT 06708

AUTHORIZED SIGNATURE

⑈1082335⑈ ⑆021600361⑆ 122⑈142⑈6⑈

The Chase Manhattan Bank of Connecticut, N.A.
Bridgeport, Connecticut 06604

PLEASE DETACH AND RETAIN THIS PORTION FOR YOUR RECORDS

06/29/92

ACCOUNT #20080449 DISP 0
OFF 26

EDYTH BLAKESLEY, TRUST UNDER WILL FOR THE BENEFIT OF
WATERBURY HOSPITAL, CITYTRUST, TRUSTEE

TRANSFER TO THE WATERBURY HOSPITAL
BLAKESLEY FREE BED FUND FBO MEMBERS OF FIRST CONG
CHURCH OF WATERBURY 64 ROBBINS ST
WATERBURY CT 06708 NET INCOME BALANCE AS OF
12/31/91 FOR DISTRIBUTION TO WATERBURY HOSPITAL

NET AMOUNT DEBITED
INCOME $103103.77

**BRISTOL, BENJAMIN**
**HIEL**

THE WATERBURY HOSPITAL

Endowment or Permanent Room or Bed Fund

Name of Fund The Benjamin Hiel Bristol Memorial Fund

Established by Bennet B. Bristol, Edgar H. Bristol, Sarah Bristol Smith and Bertha Bristol Tracy, children of Benjamin Hiel Bristol.

Condition of Gift.

Letter accompanying gift, addressed to the Waterbury Hospital, reads as follows:

December 23, 1924

Waterbury Hospital,
Waterbury, Conn.

Gentlemen:

I send you herewith check in the amount of $10,000, representing a gift to your institution from Bennet B. Bristol, Edgar H. Bristol, Sarah Bristol Smith, and Bertha Bristol Tracy, in memory of their father, Benjamin Hiel Bristol, for the purpose of endowing a room in the Waterbury Hospital to be known as the Benjamin Hiel Bristol Memorial Room.

It is not the desire of the donors to surround this gift with conditions, but they would appreciate an understanding whereby Mrs. Bertha Bristol Tracy, one of the donors and the only one residing in Waterbury, would have the privilege, during her lifetime, of nominating beneficiaries to receive hospitalization from the proceeds of this fund. Mrs. Tracy would exercise this privilege only occasionally, I believe, and at other times the nomination of beneficiaries would be left to the discretion of hospital officials.

If this arrangment is satisfactory to you, I would greatly appreciate from you an acknowledgement of the acceptance of this gift and an expression of your willingness that Mrs. Tracy should exercise the privileges above described.

Yours very sincerely

Thomas F. Moore

Assistant Trust Officer

Citizens and Manufacturers
National Bank

Acknowledged by Mr. Elton S. Wayland
January 22, 1925

Treasurer's Report 1925 shows receipt of this fund.

THE WATERBURY HOSPITAL

Endowment or Permanent Room or Bed Fund

Name of Fund The Henry Bronson Bed Fund

Established by Mr. Henry Bronson

Condition of Gift.

Letter accompanying gift received from Mr. Henry Bronson reads as follows:

New Haven, Mch 9, 1889

F. J. Kingsbury, Esq. Pres.

My dear Sir,

Inclosed you will find my check for $10000, the avails of which I give to the "Waterbury Hospital" on these conditions:-

I. The sum given is to constitute a perpetual fund for the support of Frèe beds in said Hospital.

II. It must be invested in some securities yielding a reliable income which income, as it accrues, must be invested with the same care as the original gift and added to the fund annually.

III. If losses accrue from any cause these must be made good, and better care taken of the remainder.

IV. When losses (if any) of every kind have been made good, & five years from this date have elapsed, the income from the entire fund, & the income only, may be used for the support of free beds, thus carrying out the purpose of the donor.

V. Changes may be made in the conditions above named with the consent of the parties interested.

Respectfully yours,

Henry Bronson

If this gift is accepted, please enter this letter on the Hospital record book and send a certified copy of that record to me.

H. B.

The following note was appended to above letter by Mr. F. J. Kingsbury.

It seems to me that this income is now available for any purpose to which the Ex. Com. see fit to apply it, and if unapplied I suppose it accumulates and does not go to general expense.

May 11, 1894. F. J. Kingsbury.

(For accumulations of first five years see next page.)

(part of Permanent Bed Funds)

New Haven, March 9/[illegible]

F. J. Kingsbury, Esq. Dear Sir,

My dear Sir,

Inclosed you will find my check for $1000, the avails of which I give to the "Waterbury Hospital" on these conditions:—

I. The sum given is to constitute a perpetual fund for the support of Free beds in said Hospital

II It must be invested in sound securities yielding a reliable income which income, as it accrues, must be invested in the same manner as the original gift is added to the fund annually.

III If losses occur from any cause these must be made good, & better care taken of the remainder, if any

IV When losses of any kind

can [illegible] made good, & fine
years, from this date have elap
sed, the income from the en
tire fund, & the income only
may be used for the support
of free beds. Then carrying
out the purposes of the donation.
Changes may be made in the
conditions above named with
the consent of the parties in-
terested.

Respectfully yours.

Henry Brandon

If this Deed is accepted,
please write this letter on the
back and send a copy certified
copy of that record to me.

H. B.

It seems to me that the income is not
available for any purpose beside the Salary
of the Physician — and if unapplied I suppose
it accumulates, does not go to general interest
May 11. 1894

F. Hemenway

**BULL, HELEN SMITH**

THE WATERBURY HOSPITAL

ENDOWMENT OR PERMANENT ROOM OR BED FUND

Will of Helen Smith Bull

late of Middlebury, Connecticut

Date of Death

Refer to letter, dated May 16, 1960 from
Edward G Hazen
Vice President and Trust Officer
The Colonial Bank & Trust Company

ARTICLE SIXTH.

I give and bequeath to THE WATERBURY HOSPITAL of Waterbury, Connecticut, the sum of Ten Thousand Dollars ($10,000.00), the income only thereof to be used for the establishment and maintenance of a bed in said Hospital for the use of needy and worthy patients, the same to be known as "The C. Sanford Bull Memorial Bed" in memory of my beloved husband, C. Sanford Bull, late of said Middlebury, deceased.

**MARGARET &**
**BURRITT, HARRIETT**

THE WATERBURY HOSPITAL

Endowment or Permanent Room or Bed Fund

Name of Fund Margaret Burdsall and Harriett Burritt Bed Fund

Established by Will of Edith Porter Burritt, Waterbury, Conn.

Condition of Gift.

Paragraph Fourth of the Will of Edith Porter Burritt reads as follows:

Fourth

I give and bequeath to The Waterbury Hospital, a corporation chartered by the State of Connecticut, located in Waterbury, Connecticut, * * * *
ALSO the sum of Five Thousand ($5,000.) Dollars for a free bed to be known as the "Margaret Burdsall and Harriet Burritt Bed Fund", both of the aforesaid sums to be to the said corporation and its successors forever.

Executive Committee and Treasurer's Reports 1927 acknowledge receipt of this fund.

Re: Margaret Burdsall and Harriett Burritt Bed Fund
Re: Edith and Melrose Burritt Bed Fund

(These are both a part of Permanent Bed Funds)

Edit Porter Burritt

I, EDITH PORTER BURRITT of Waterbury, New Haven County, State of Connecticut, make, publish and declare the following as and for my last WILL and TESTAMENT, hereby revoking any other wills by me heretofore made.

First

I give, devise and bequeath Fifteen Thousand ($15,000.) Dollars to The Waterbury Trust Company, a corporation organized under the laws of the State of Connecticut and having its office in the City of Waterbury, New Haven County, State of Connecticut, and Frederick W. Chesson of said Waterbury, IN TRUST, to hold, manage, sell, convey, lease, incumber, invest and re-invest according to their best judgment with authority to purchase rights and options for any additional issues of capital stock by companies, whose stocks or bonds are then held by said Trustees as a part of said fund and dispose of the principal and income as follows:

(a) To pay the net income thereof quarterly to Harriett M. Burritt of Waterbury during the term of her natural life.

(b) Upon the decease of Harriett M. Burritt, to divide the principal and any unexpended increment, equally among Bessie Temple of Brooklyn, New York, Gertrude Temple of Yonkers, New York, and Gertrude Finch of Larchmont, New York, the same to be theirs absolutely.

Second

I give and bequeath to Elton H. Burritt of Waterbury the sum of Five Thousand ($5,000.) Dollars, the same to be his and his heirs forever.

Third

I give and bequeath to Fannie E. D. Story of Westchester, the sum of Five Thousand ($5,000.) Dollars, the same to be hers and her heirs forever.

Fourth

I give and bequeath to The Waterbury Hospital, a corpora-

tion chartered by the State of Connecticut, located in Waterbury, Connecticut, the sum of Five Thousand ($5,000.) Dollars, as a fund for a free bed to be known as the "Edith and Melrose Burritt Bed Fund", also the sum of Five Thousand ($5,000.) Dollars for a free bed to be known as the "Margaret Burdsall and Harriett Burritt Bed Fund", both of the aforesaid sums to be to the said corporation and its successors forever.

Fifth

I give and bequeath to The Boy's Club, Incorporated of Waterbury, a duly organized corporation located in said Waterbury, the sum of Five Thousand ($5,000.) Dollars, the same to be to it and its successors forever.

Edith Porter Burritt

Sixth

I give, devise and bequeath to Allen L. Story of Westchester, New York, the sum of Five Thousand ($5,000.) Dollars, the same to be his absolutely.

Seventh

I give, devise and bequeath the sum of Ten Thousand ($10,000) Dollars to the said Waterbury Trust Company and Frederick W. Chesson, IN TRUST, to hold, manage, sell, convey, lease, incumber, invest and re-invest, according to their best judgment, with authority to purchase rights and options for any additional issues of capital stock by companies whose stocks or bonds are then held by said Trustees as a part of said fund, and dispose of the principal income thereof as follows:

(a) To pay the net income thereof quarterly to Ruth Burnham Story of Westchester, New York, until she arrives at the age of twenty-five years.

(b) Upon said Ruth Burnham Story arriving at the age of twenty-five years, the principal and any unexpended increment shall be paid to her by my said Trustees, provided it appears to my said Trustees, that she is then competent to manage it prudently or as soon thereafter as she may become thus competent.

**BURRITT, EDITH &**
**MELROSE**

THE WATERBURY HOSPITAL

Endowment or Permanent Room or Bed Fund

Name of Fund Edith and Melrose Burritt Bed Fund

Established by Will of Edith Porter Burritt, Waterbury, Conn.

Condition of Gift.

Paragraph Fourth of the Will of Edith Porter Burritt reads as follows:

Fourth

I give and bequeath to The Waterbury Hospital, a corporation chartered by the State of Connecticut, located in Waterbury, Connecticut, the sum of Five Thousand ($5,000.) Dollars, as a fund for a free bed to be known as the "Edith and Melrose Burritt Bed Fund", * * * both of the aforesaid sume to be to the said corporation and its successors forever.

Executive Committee and Treasurer's Reports 1927 acknowledge receipt of this fund.

Re: Margaret Burdsall and Harriett Burritt Bed Fund
Re: Edith and Melrose Burritt Bed Fund

(These are both a part of Permanent Bed Funds)

Edi Porter Burritt

I, EDITH PORTER BURRITT of Waterbury, New Haven County, State of Connecticut, make, publish and declare the following as and for my last WILL and TESTAMENT, hereby revoking any other wills by me heretofore made.

First

I give, devise and bequeath Fifteen Thousand ($15,000.) Dollars to The Waterbury Trust Company, a corporation organized under the laws of the State of Connecticut and having its office in the City of Waterbury, New Haven County, State of Connecticut, and Frederick W. Chesson of said Waterbury, IN TRUST, to hold, manage, sell, convey, lease, incumber, invest and re-invest according to their best judgment with authority to purchase rights and options for any additional issues of capital stock by companies, whose stocks or bonds are then held by said Trustees as a part of said fund and dispose of the principal and income as follows:

(a) To pay the net income thereof quarterly to Harriett M. Burritt of Waterbury during the term of her natural life.

(b) Upon the decease of Harriett M. Burritt, to divide the principal and any unexpended increment, equally among Bessie Temple of Brooklyn, New York, Gertrude Temple of Yonkers, New York, and Gertrude Finch of Larchmont, New York, the same to be theirs absolutely.

Second

I give and bequeath to Elton H. Burritt of Waterbury the sum of Five Thousand ($5,000.) Dollars, the same to be his and his heirs forever.

Third

I give and bequeath to Fannie E. D. Story of Westchester, the sum of Five Thousand ($5,000.) Dollars, the same to be hers and her heirs forever.

Fourth

I give and bequeath to The Waterbury Hospital, a corpora-

tion chartered by the State of Connecticut, located in Waterbury, Connecticut, the sum of Five Thousand ($5,000.) Dollars, as a fund for a free bed to be known as the "Edith and Melrose Burritt Bed Fund", also the sum of Five Thousand ($5,000.) Dollars for a free bed to be known as the "Margaret Burdsall and Harriett Burritt Bed Fund", both of the aforesaid sums to be to the said corporation and its successors forever.

Edith Potter Burritt

**Fifth**

I give and bequeath to The Boy's Club, Incorporated of Waterbury, a duly organized corporation located in said Waterbury, the sum of Five Thousand ($5,000.) Dollars, the same to be to it and its successors forever.

**Sixth**

I give, devise and bequeath to Allen L. Story of Westchester, New York, the sum of Five Thousand ($5,000.) Dollars, the same to be his absolutely.

**Seventh**

I give, devise and bequeath the sum of Ten Thousand ($10,000) Dollars to the said Waterbury Trust Company and Frederick W. Chesson, IN TRUST, to hold, manage, sell, convey, lease, incumber, invest and re-invest, according to their best judgment, with authority to purchase rights and options for any additional issues of capital stock by companies whose stocks or bonds are then held by said Trustees as a part of said fund, and dispose of the principal income thereof as follows:

(a) To pay the net income thereof quarterly to Ruth Burnham Story of Westchester, New York, until she arrives at the age of twenty-five years.

(b) Upon said Ruth Burnham Story arriving at the age of twenty-five years, the principal and any unexpended increment shall be paid to her by my said Trustees, provided it appears to my said Trustees, that she is then competent to manage it prudently or as soon thereafter as she may become thus competent.

**CASTLE, MARGARET F.**

THE WATERBURY HOSPITAL

Endowment or Permanent Room or Bed Fund

Name of Fund Margaret F. Castle Memorial Bed Fund

Established by Will of Frank E. Castle

Condition of Gift.

Latter part of Paragraph Fourth of Will of Frank E. Castle reads as follows:

FOURTH - * * * and to said WATERBURY HOSPITAL

I give the further sum of ten thousand ($10,000) dollars, the income, increment and profit arising therefrom to be used by said Hospital in providing and maintaining in said Hospital a free bed to be designated and known as the "Margaret F. Castle Memorial Bed."

Executive Committee's and Treasurer's reports 1925 show receipt of this fund.

I, FRANK E. CASTLE, of Waterbury, New Haven County, Connecticut, make this my last will and testament, hereby revoking, annulling and declaring void all former wills and codicils by me at any time heretofore made.

## FIRST

I direct that all my just debts, funeral expenses, and expenses of settling my estate be paid out of my estate by my executor hereinafter named.

## SECOND

Of my personal effects, I give, devise and bequeath as follows; to wit—

To BURTON CASTLE, my watch and chain;

To WATERBURY MEDICAL ASSOCIATION, my office furniture and furnishings, my entire library and surgical instruments.

## THIRD

I give and bequeath to THE WATERBURY MEDICAL ASSOCIATION of Waterbury, Connecticut, the sum of twenty-five thousand ($25,000) dollars, the same to be used by said Association in accordance with the provisions of Article Eight of the Constitution and By-Laws of said THE WATERBURY MEDICAL ASSOCIATION, for Building Fund and for said purpose only.

## FOURTH

I give and bequeath to THE WATERBURY HOSPITAL of said Waterbury, for its general purposes, the sum of thirty thousand ($30,000) dollars, and to said WATERBURY HOSPITAL I give the further sum of ten thousand ($10,000) dollars, the income, increment and profit arising therefrom to be used by said Hospital in providing and maintaining in said Hospital a free bed to be designated and known as the "Margaret F. Castle Memorial Bed."

**CHASE, EDITH**

Original in our vault.
Conformed copy delivered to
E.M.C. January 24, 1972.

1/24/71

Work Copy re INCOME TAX QUESTIONS!

I, EDITH MORTON CHASE, of the Town of Waterbury, County of New Haven, State of Connecticut, make, publish and declare the following as and for my last Will and Testament hereby revoking any other Wills and Codicils by me heretofore made.

FIRST

I direct that my funeral expenses and all my just debts be duly paid.

SECOND

I hereby make the following gifts and bequests:

1. Ten Thousand Dollars ($10,000.00) to my goddaughter, ANN TWITCHELL, now of New Haven, Connecticut, if she survives me.

2. Ten Thousand Dollars ($10,000.00) to my godson, THOMAS HART, now of Ross, California, if he survives me.

3. Ten Thousand Dollars ($10,000.00) to my godson, RUFUS STILLMAN, now of Litchfield, Connecticut, if he survives me.

4. Ten Thousand Dollars ($10,000.00) to RICHARD D. ELY (for whom I would have been godmother if it had been the custom of the Congregational Church), now of Woodbury, Connecticut, if he survives me.

5. Two Hundred Thousand Dollars ($200,000.00) to FLORENCE MARTIN CHASE, now of Watertown, Connecticut, if she survives me.

6. Fifty Thousand Dollars ($50,000.00) to JOHN ORINTAS, now of Waterbury, Connecticut, if he survives me, and if he does not survive me, to his wife, ISABELLE ORINTAS, if she survives me.

7. Twenty-Five Thousand Dollars ($25,000.00) to BERNARD STAIRS, now of Litchfield, Connecticut, if he survives me, and if he does not survive me to his wife, NORMA STAIRS, if she survives me.

8. Twenty-Five Thousand Dollars ($25,000.00) to NORMA STAIRS, now of Litchfield, Connecticut, if she survives me, and if she does not survive me to her husband, BERNARD STAIRS, if he survives me.

9. Ten Thousand Dollars ($10,000.00) to KENNETH MOORE, now of Litchfield, Connecticut, if he survives me, and if he does not survive me to his wife, BONNIE MOORE, if she survives me.

10. Ten Thousand Dollars ($10,000.00) to ALMA ANDERSON, now of Waterbury, Connecticut, if she survives me.

11. Ten Thousand Dollars ($10,000.00) to WALTER LIGNOR, now of Litchfield, Connecticut, if he survives me, and if he does not survive me to his wife, MARY LIGNOR, if she survives me.

12. Ten Thousand Dollars ($10,000.00) to ROSE MIKUTAVCH, now of Waterbury, Connecticut, if she survives me.

13. Ten Thousand Dollars ($10,000.00) to ROY LOCKARD, now of Waterbury, Connecticut, if he survives me.

14. Ten Thousand Dollars ($10,000.00) to IRMA LOCKARD, now of Waterbury, Connecticut, if she survives me.

15. I give and bequeath to THE ABBOTT COIN COUNTER COMPANY any shares of the stock of said company owned by me at the time of my death.

THIRD

1. I hereby make the following gifts and bequests:

A. Three Hundred Thousand Dollars ($300,000.00) to ST. JOHN'S PARISH, of Waterbury, Connecticut, the proceeds of

this bequest to be added to the principal of the fund known as the "Mary Frances Burrall Upkeep Fund."

B. Three Hundred Thousand Dollars ($300,000.00) to THE WATERBURY FOUNDATION, of Waterbury, Connecticut, if at the time of my death the same is a tax exempt organization within the meaning of Section 501(c)(3) of the Internal Revenue Code in effect at such time and if this bequest shall qualify, in its entirety, for a charitable deduction as allowed by the Federal Estate Tax Laws applicable to my estate, to be used by it for its general purposes.

C. Three Hundred Thousand Dollars ($300,000.00) to UNITED COUNCIL AND FUND OF GREATER WATERBURY, INC., of Waterbury, Connecticut, to be used by it for its general purposes.

D. Two Hundred Thousand Dollars ($200,000.00) to THE WATERBURY VISITING NURSES ASSOCIATION, INC., of Waterbury, Connecticut, this bequest to be maintained intact as a fund to be known as "The Jennie Hall Morton Memorial Nurse Fund", (which fund was originally established by her daughter, my mother, Alice Morton Chase) and the income therefrom and to the extent necessary, the principal, to be used to pay the salary of one member of the nursing staff of said Association.

E. One Hundred Thousand Dollars ($100,000.00) to MISS PORTER'S SCHOOL, INCORPORATED, of Farmington, Connecticut, to be used for its general purposes.

F. Ten Thousand Dollars ($10,000.00) to the RIVERSIDE CEMETERY ASSOCIATION, of Waterbury, Connecticut, to be used for its general purposes.

G. Three Hundred Thousand Dollars ($300,000.00) to THE WATERBURY HOSPITAL, of Waterbury, Connecticut, to establish

and maintain a dispensary under the name, "The Henry Sabin Chase Memorial Dispensary."

2. I am aware of the fact that due to the fluctuating values of my stocks and bonds, the intangible personal property of my estate, when liquidated, may not be sufficient to pay the bequests contained in the foregoing provisions of this Article THIRD and in Articles SECOND, TENTH and ELEVENTH of this Will and the taxes, administration costs and other expenses and claims necessary to settle my estate. In the event that my intangible personal property is insufficient to pay the same, I hereby direct that the foregoing bequests contained in this Article THIRD be abated proportionately, one as to the other, before other bequests, cash or otherwise, contained in this Will are so abated even though it may be necessary to abate the foregoing bequests in this Article THIRD in their entirety in order to leave all other bequests contained in this Will intact.

FOURTH

1. I give and bequeath to FLORENCE MARTIN CHASE, now of Watertown, Connecticut, my opal pin and my three-prong ring, and I also give and bequeath to said FLORENCE MARTIN CHASE, any personalty located in my summer residence known as "Topsmead" which she may choose, with the request, but not the direction, that she choose such personalty as is set forth in the letter accompanying this Will and dispose of the same in accordance with my desires as set forth in said letter.

2. I give and bequeath the portrait of my father, Henry S. Chase, to HENRY CHASE ELY, now of Palo Alto, California, if he desires it, and if he declines to accept the same, I give

and bequeath said portrait to THE MATTATUCK HISTORICAL SOCIETY, of Waterbury, Connecticut.

3. I give and bequeath to said FLORENCE MARTIN CHASE, such of the contents, as she may choose, of the house known as 33 Church Street, Waterbury, Connecticut, if said house belongs to me at the time of my death, with the request, but not the direction, that she dispose of certain of such contents in accordance with my desires as set forth in my letter to her accompanying this Will. Any of such contents of such house as are not so chosen by said FLORENCE MARTIN CHASE, I direct my Executors hereinafter named to sell, either at public or private sale, and I give and bequeath the proceeds thereof to said THE MATTATUCK HISTORICAL SOCIETY.

4. I give and bequeath to my namesake, EDITH CHASE ELY PETERSON, now of Stowe, Vermont, my necklace of pearls.

5. I give and bequeath my Packard automobile to JOHN ORINTAS, if he survives me and if he notifies my Executors that he desires to have the same, and if he does not survive me or so indicates that he does not desire to take the same, I give and bequeath said automobile to my nephew, JOHN HAMILTON CHASE, of Ross, California.

FIFTH

I give and bequeath to BERNARD STAIRS, if he shall survive me, all my beef cattle, the hand tools located in the barn and workshop located on the property owned by me in Litchfield, Connecticut known as "Topsmead", the gasoline powered lawn mower used in the maintenance of said Topsmead, the Ford 3000 tractor, together with all attachments thereto, including without limitation, mower, land plow, harrow, post hole digger,

snow plow and scraper or grader, all maple syrup equipment located on said property at the time of my death, and all the furniture and furnishings owned by me and located in the house on my said property which is occupied by BERNARD STAIRS at the time of my death if the same are owned by me at the time of my death. In the event said BERNARD STAIRS does not so survive me, I give and bequeath the same to the STATE OF CONNECTICUT, under the management of the Department of Environmental Protection with the exception of said furniture and furnishings which I give and bequeath to NORMA STAIRS, if she survives me and is occupying said house at the time of my death, and if she does not survive me or if not so occupying said house at said time, I give and bequeath the same to the STATE OF CONNECTICUT, under the management of the Department of Environmental Protection.

SIXTH

1. I give and bequeath, all the books, paintings, furniture, furnishings and objects of art, not disposed of by Paragraph 1 of Article FOURTH hereof, situated in my summer residence, also known as "Topsmead", located on the real property referred to in Article NINTH hereof to LUCY BEACH BURRALL, for the term of her life. I direct that Lucy Beach Burrall shall not in any way be accountable for waste, damage or other loss of any kind to any of said books, paintings, furniture and furnishings and objects of art during the term of the life use hereinbefore granted to her.

2. Subject to the life use granted in Paragraph 1 of this Article SIXTH, I give and bequeath to the aforesaid FLORENCE MARTIN CHASE such of said books, paintings, furniture, furnishings and objects of art as she may choose (which choice must be made within one year from the date of my death by writing deposited with my Executors) with the request, but not the direction, that she dispose of certain of the same in accordance with my desires as

set forth in my letter to her accompanying this Will, and all such books, paintings, furniture, furnishings and objects of art not so chosen by FLORENCE MARTIN CHASE, I give and bequeath to the STATE OF CONNECTICUT, under the management of the Department of Environmental Protection.

SEVENTH

1. I give and bequeath to JOHN ORINTAS, all the furniture and furnishings owned by me and located in the living quarters occupied by him at the time of my death, as a summer residence, on my said property in Litchfield, Connecticut, if he survives me. If he does not so survive me, I give and bequeath the same to his wife, ISABELLE ORINTAS, if she survives me and is occupying, as a summer residence, said living quarters at the time of my death, and if she fails to survive me or is not so occupying said living quarters at such time, I give and bequeath the same to the STATE OF CONNECTICUT, under the management of the Department of Environmental Protection.

2. I give and bequeath:

A. To KENNETH MOORE and his wife, BONNIE, for the period set forth in Paragraph 4 of Article NINTH hereof, the use of the furniture and furnishings located in the house occupied by them, or either of them, on my said property in Litchfield, Connecticut. I direct that neither of them shall in any way be accountable for waste, damage or other loss of any kind to any of said furniture or furnishings during the term of the use hereinbefore granted to them.

B. To WALTER LIGNOR and his wife, MARY, for the period set forth in Paragraph 5 of Article NINTH hereof, the use of the furniture and furnishings located in the house occupied by them, or either of them, on my said property in Litchfield, Connecticut. I direct that neither of them shall in any way be accountable for waste, damage or other loss of any kind to any of said furniture or furnishings during the term of the use herein-

before granted to them.

C. To WILLIAM STAIRS and his wife during the term that they or either of them lease the house referred to in Paragraph 6(e) of Article NINTH hereof, the use of the furniture and furnishings located in said house. I direct that neither of them shall in any way be accountable for waste, damage or other loss of any kind to any of said furniture or furnishings during the term of the use hereinbefore granted to them.

D. Subject to the uses granted in subparagraphs A, B and C of this Paragraph 2, I give and bequeath said furniture and furnishings to the STATE OF CONNECTICUT, under the management of the Department of Environmental Protection.

EIGHTH

I give and bequeath to the STATE OF CONNECTICUT, under the management of the Department of Environmental Protection, all my farm equipment of every type and nature, other than that referred to in Article FIFTH hereof, pertaining to the operation of my farm located on the real property owned by me and located in Litchfield, Connecticut, to be used by it in the operation and maintenance of Topsmead State Forest established by Paragraph 6 of Article NINTH of this Will.

NINTH

1. I give and devise to LUCY BEACH BURRALL, to have and to hold during the term of her natural life the use of my aforesaid summer residence known as "Topsmead", together with the right to use, in common with the STATE OF CONNECTICUT, and the other tenants named in this Article NINTH, all driveways over and along the real property located in Litchfield, Connecticut, owned by me at the date of my death, existing at the time of my death and the right to draw water from the wells or springs and to use the septic system or systems serving the same at the time of my death, and to maintain the same, all without liability to said

life tenant for any damage, loss or waste to or of the same arising during the term of such use.

2. I give and devise to BERNARD STAIRS and his wife, NORMA, for their natural lives and the natural life of the survivor of them, if at the time of my death they are or either of them is occupying the house located on my said property in Litchfield, Connecticut, which they are occupying at the date hereof, the use of that certain piece or parcel of land, containing 16.85 acres, located in said Litchfield, together with the buildings thereon, said piece or parcel being more particularly described as follows:

> "Beginning at a 1/2" solid iron pin at the intersection of the centerline of the stonewall on the west line of Buell Road and the north line of a wall on the south line of Farm Road so-called, thence along the centerline of the stonewall on the west line of Buell Road S. 9 deg. 47 minutes E. 750.61 feet to a 1/2" solid iron pin, thence along a wire fence N. 87 deg. 01 minutes W. 1062.21 feet to a 1" pipe at the corner of another wire fence, thence along this fence N. 1 deg. 30 minutes W. 382.63 feet to a 1" pipe, thence S 88 deg. 26 minutes W. 75.92 feet to a 1" pipe, thence N. 1 deg. 01 minutes, W. 120.61 feet to a 1/2" pipe, thence No. 60 deg. 34 minutes E. 94.51 feet to a three-quarter inch pipe, thence N. 2 deg. 09 minutes E. 136.30 feet to an iron pin at corner of a stonewall on the south line of Farm Road so-called, thence along the north edge of said stonewall on the south line of Farm Road S. 89 deg. 43 minutes E. 271.97 feet to a 1/4" iron pin, thence S. 89 deg. 55 minutes E. 660.95 feet to the 1/2" solid iron pin at the point and place of beginning."

together with the right to use, in common with the STATE OF CONNECTICUT and the other tenants named in this Article NINTH, all driveways and roads over and along said real property existing at the time of my death, and the right to cut wood in Topsmead State Forest for his (Bernard Stairs') own use, to draw water from the wells or springs, and to use the septic system or systems serving the buildings located on said land at the time of my death and to maintain the same, all without liability for any damage, loss or

waste to or of the same arising during the term of such use; provided that their life use of said real property, and the other rights hereby granted to them shall cease and terminate if, at any time prior to the death of both of them, they, or either of them, shall cease to use said real property for their own permanent residence or use, the house located thereon shall be destroyed by fire or other casualty, or they, or either of them, shall lease, mortgage, sell or otherwise attempt to convey their interest in all or any part thereof to any third party.

3. I give and devise to JOHN ORINTAS and his wife, ISABELLE, for their natural lives and the natural life of the survivor of them, the use of the living quarters located on my said property in Litchfield, Connecticut, occupied, as a summer residence, by them, or either of them, at the time of my death, together with the right to use in common with the STATE OF CONNECTICUT and the other tenants named in this Article NINTH all driveways and roads over and along said real property existing at the time of my death and the right to draw water from the wells or springs and to use the septic system or systems serving said livin quarters at the time of my death and to maintain the same, all without liability for any damage, loss or waste to or of the same arising during the term of such use; provided that their life use of said living quarters and the other rights hereby granted to them shall cease and terminate, if at any time prior to the death of both of them, they, or either of them, shall cease to use said living quarters as their permanent residence, the same shall be destroyed by fire or other casualty or they or either of them shall lease, mortgage, sell or otherwise attempt to convey their interest in the same or any part thereof.

4. I give and devise to KENNETH MOORE and his wife,

BONNIE, for a period of three years after the date of my death, the use of the house located on my said property in Litchfield, Connecticut, occupied by them, or either of them, at the time of my death, together with the right to use, in common with the STATE OF CONNECTICUT and the other tenants named in this Article NINTH, all driveways and roads over and along said real property existing at the time of my death and the right to draw water from the wells or springs and to use the septic system or systems serving said house at such time and to maintain the same, all without liability for any damage, loss or waste to or of the same arising during the term of such use; provided that their right to such use of said house and the other rights hereby granted to them shall cease and terminate if, at any time prior to the expiration of such three year period, they, or either of them, shall cease to use said house as a permanent residence, said house shall be destroyed by fire or other casualty, or they, or either of them, shall lease, mortgage, sell or otherwise attempt to convey their interest in the same or any part thereof.

5. I give and devise to WALTER LIGNOR, and his wife, MARY, for a period of three years after the date of my death, the use of the house located on my said property in Litchfield, Connecticut, occupied by them, or either of them, at the time of my death, together with the right to use, in common with the STATE OF CONNECTICUT and the other tenants named in this Article NINTH, all driveways and roads over and along said real property existing at the time of my death and the right to draw water from the wells or springs and to use the septic system or systems serving such house and to maintain the same, all without liability for any damage, loss or waste to or of the same arising during the term of such use; provided that their right to such use of said house, and the other rights hereby granted to them shall

cease and terminate if, at any time prior to the expiration of such three year period, they, or either of them, shall cease to use said house as a permanent residence, said house shall be destroyed by fire or other casualty, or they, or either of them, shall lease, mortgage, sell or otherwise attempt to convey their interest in the same or any part thereof.

6. Subject to the uses granted in Paragraphs 1 through 5 of this Article NINTH, I give and devise, absolutely and in perpetuity, to the STATE OF CONNECTICUT, under the management of the Department of Environmental Protection, all my said real property located in the Town of Litchfield, County of Litchfield, State of Connecticut, with all buildings and improvements thereon to be used and maintained by said devisee as a State Forest and to be known as "Topsmead State Forest" (by which name said real property is sometimes herein referred to).

Such devise of said real property is made with the following requests but not directions:

(a) That Topsmead State Forest, other than a reasonable area around the house used by me as my summer residenc and referred to in (c) below, not exceeding four acres, be kept in a state of natural beauty and that nothing be built or created thereon for public recreation including but not limited to, golf courses, tennis courts, swimming pools and ski areas;

(b) That no part of Topsmead State Forest be used by snowmobiles, motorcycles, facilities for the landing of aircraft or by automobiles (except such as may be used by said devisee, its servants and agents for maintenance and other offic purposes and the tenants named in Paragraphs 1 through 5 of this Article NINTH), or for the purpose of parking automobiles, excep if said devisee deems it necessary, in one area designated by

said devisee, not exceeding one acre, for the parking of the vehicles of its servants and agents working in Topsmead State Forest, although it is my desire that no such parking area be established or maintained. The parking of trucks, tractors and other vehicles and machinery, used by said devisee in the maintenance of Topsmead State Forest, inside or outside of sheds or buildings located on Topsmead State Forest shall not be deemed within the scope of this restrictive request;

(c) That the house occupied by me for many years as a summer residence, to the full extent practicable, be maintained in the same condition and furnished in the same manner as it is when it first comes within the jurisdiction and control of said devisee, that said house not become or be used for an office or place of administration or record storage but be used as a place for meetings of the Department of Environmental Protection and be open to the general public for orderly and quiet visiting on such days as said devisee determines;

(d) That the State of Connecticut, Department of Environmental Protection, retain the services of the aforesaid BERNARD STAIRS for Topsmead State Forest because of his special, pertinent skills and thorough knowledge of Topsmead State Forest, and the services of his wife, NORMA STAIRS, because of her thorough knowledge of and long experience in the upkeep and maintenance of my aforesaid summer residence, "Topsmead";

(e) That the State of Connecticut rent to WILLIAM STAIRS, or his wife, now of Litchfield, Connecticut, the house, if any, which they, or either of them, are occupying on said real estate at the time of my death for a period of three years after the date of my death, if they desire to rent the same, upon the same terms and conditions and at the same rental as obtaining at the time of my death.

TENTH

I give and bequeath to THE CITY NATIONAL BANK OF CONNECTICUT, having an office in Waterbury, Connecticut, IN TRUST, the sum of Two Hundred Thousand Dollars ($200,000.00), to be invested and reinvested by it and disposed of as follows:

1. I direct my said Trustee to pay so much or all of the income or principal, or both, of said Trust as is necessary to pay any and all real property taxes assessed upon such of the real property referred to in Paragraphs 1 through 5 of Article NINTH of this Will as is subject to a tenancy created by said Paragraphs 1 through 5 and only to the extent it, or a part thereof, is subject to a tenancy, and to pay the cost of maintaining fire and extended coverage insurance on the furniture and furnishings bequeathed by me to Bernard and Norma Stairs and to John and Isabelle Orintas during the term of the tenancy granted to them by Paragraphs 2 and 3 of Article NINTH and to pay the cost of the heating of, maintaining fire and extended coverage insurance on (to the extent the same is available for the benefit of and payable to the tenants thereof), and the electricity consumed in the homes occupied by the tenants named in said Paragraphs 1 through 5 as are subject to a tenancy, and only to the extent they, or any of them, are subject to a tenancy created by said Paragraphs 1 through 5.

2. Upon the termination of all the tenancies established pursuant to Paragraphs 1 through 5 of Article NINTH of this Will, I direct my said Trustee to pay, transfer and deliver the then remaining principal of said Trust, together with any interest accrued or accumulated thereon, absolutely and free of trust to the STATE OF CONNECTICUT, under the management of the Department of Environmental Protection, to be added to the fund established pursuant to the provisions of Article ELEVENTH of this Will and to be disposed of in accordance therewith.

ELEVENTH

I give and bequeath the sum of Three Hundred Thousand Dollars ($300,000.00) to the STATE OF CONNECTICUT, under the management of the Department of Environmental Protection, to be held by it in a separate fund, and the income therefrom, and the principal thereof (to the extent said STATE OF CONNECTICUT deems it necessary or desirable) to be used, first, to defray or help to defray any and all expenses incurred for maintenance of my summer residence, "Topsmead", and, second, to defray or help to defray the expenses of maintaining and operating Topsmead State Forest.

TWELFTH

I direct that my said Executors divide all the rest, residue and remainder of my estate, including lapsed legacies and devises, into equal parts so that there shall be one part for my sister, ANNE CHASE MOTT, if she is living at the time of my death, and one part for each of my deceased sisters (including Anne Chase Mott, if she is not then living) who has issue living at the time of my death, and one part in representation of my deceased brother, Rodney Chase, if FLORENCE MARTIN CHASE is livin at the time of my death or if he has issue living at the time of my death, and I give, devise and bequeath said equal parts as follows:

1. I give and bequeath to my said sister, ANNE CHASE MOTT, the part so set aside for her if she shall survive me and if she does not so survive me, I give and bequeath the same to the issue, per stirpes, of my said sister who survive me.

2. I give and bequeath to FLORENCE MARTIN CHASE the

part so set aside in representation of my deceased brother if she survives me and if she does not survive me, I give and bequeath the same to the issue, per stirpes, of my said deceased brother who survive me.

3. Each such part as shall have been set aside in representation of a sister of mine who is now deceased, I give and bequeath to the issue, per stirpes, of such sister, who survive me.

THIRTEENTH

I hereby direct that all legacy, succession, inheritance transfer and estate taxes, levied or assessed upon or with respect to any property (including, without limiting the foregoing, insurance, jointly owned property, bonds, and any and all other kinds of personal and real property) which is included as part of my gross estate for the purpose of any such tax, shall be paid by my Executors out of my estate in the same manner as an expense of administration and shall not be prorated or apportioned among or charged against the respective devisees, legatees, beneficiaries, transferees or other recipients nor charged against any property passing or which may have passed to any of them, and that my Executors shall not be entitled to reimbursement for any portion of any such tax from any such person.

FOURTEENTH

I hereby appoint FLORENCE MARTIN CHASE, of Watertown, Connecticut, EDWARD T. CARMODY, of Middlebury, Connecticut, and THE CITY NATIONAL BANK OF CONNECTICUT, a banking corporation having an office in Waterbury, Connecticut, as Co-Executors of this my last Will and Testament and as Trustees of any trust

created hereunder, other than the Trust created under Article TENTH hereof with respect to which THE CITY NATIONAL BANK OF CONNECTICUT shall act as sole Trustee, and direct that no bond be required of them. In the event of the death or inability to act, of either Florence Martin Chase or Edward T. Carmody, either before or after qualifying as Executors, or Trustees, or in the event either of them fails to qualify or resigns, as such Executors or Trustees, the remaining Executors or Executor or Trustees or Trustee shall serve alone. I request my Executors to give careful attention to the contents of a letter to me from my corporate Executor and corporate Trustee dated January 20, 1972, which accompanies this Will.

FIFTEENTH

I hereby grant to my Executors and Trustees named herein or any successor Executor or Trustee, in addition to and not in limitation of the powers elsewhere herein granted, or those conferred by law, the following powers:

1. At any time and from time to time to sell at public or private sale, to convey, lease, mortgage or exchange at such price or prices and on such terms as they or it may deem advisable any real or personal property which becomes a part of my estate, all without appropriate court order;

2. To retain temporarily or permanently any and all such real or personal property which constitutes a part of my estate at the time of my death;

3. To invest and reinvest in any real or personal property, including securities, common or other corporate stocks, mutual funds and common trust funds including those established or managed by the corporate Executor and regardless of diversi-

fication as to kind or amount;

4. To hold securities in the name of a nominee; provided they shall be responsible for the actions of their nominees;

5. To borrow for the benefit or preservation of my estate or for farm purposes, and to pledge, mortgage or grant security interests in any or all of said estate as collateral;

6. To compromise, settle or arbitrate any claims, suits, demands, actions or controversies involving or relating to my estate or any of the assets thereof or any of the provisions of this Will;

7. To vote by proxy, general or otherwise;

8. To insure against insurable risks;

9. To make distribution, partial or final, in cash or in kind, at the fair market value thereof at the time of such distribution, as determined by them in their sole discretion;

10. To retain the services of attorneys, accountants, investment advisors, brokers, real estate agents, surveyors and others, and to employ clerical and other assistance, all as the same may be needed;

11. To conduct the farm, if any, conducted by me at the time of my death at my property located in Litchfield, Connecticut, to do any and all things concerning the production and marketing of crops and dairy, poultry, livestock, orchards and forest products, to operate said farm with hired labor, tenants or sharecroppers, to lease or rent the farm for cash or for share of the crops, to purchase or otherwise acquire farm machinery and equipment and livestock, to undertake the construction, repair and improvement of farm buildings of all kinds needed in my Executors' judgment for the operation of said farm, to engage in the production of livestock, poultry or dairy products and to construct such fences and buildings and plant such pastures and

crops as may be necessary to carry on such operations, to market the products of said farm and in general to employ good husbandry in the operation of said farm;

12. To execute and deliver any and all instruments necessary and proper to carry out any of the foregoing powers and any of the provisions of this Will.

All the above powers may be exercised, except as otherwise specifically indicated to the contrary, without court order and without obligation or requirement on the part of any of said Executors to give bond for the proper application, administration or accounting of any monies, avails or other property received as a result of the exercise of the above powers.

I direct my Executors to purchase a separate headstone for or near my grave in the family plot at Riverside Cemetery Association, Waterbury, Connecticut, which is to have engraved thereon my three initials, together with the dates of my birth and death, and I further direct my Executors to have engraved on the flat "Henry Sabin Chase" stone located in said family plot the names of all five of his children, or such of them as have not been engraved thereon as of the date of my death.

SIXTEENTH

The term "issue" as used in this Will shall be deemed to include legally adopted as well as natural born children or issue, respectively, whether born or adopted before or after the execution of this Will.

IN WITNESS WHEREOF, I have hereunto set my hand and

seal this 24th day of January , 1972.

/s/ EDITH MORTON CHASE (SEAL)

Signed, sealed, published and declared as and for her last Will and Testament by the Testatrix, EDITH MORTON CHASE, in our presence, who, in her presence, in the presence of one another and at her request, have hereunto subscribed our names as witnesses, this 24th day of January , 1972.

/s/ VERONICA M. FOODY

/s/ SALLY A. HEBERT

STATE OF CONNECTICUT )
) ss: Waterbury
COUNTY OF NEW HAVEN )

We, the undersigned, being duly sworn, depose and say that on the 24th day of January , 1972, the above named Testatrix, EDITH MORTON CHASE, signed the foregoing Will in our presence as witnesses; that we thereupon subscribed our names thereto as witnesses, in her presence and at her request, and in the presence of one another; that at the time of the execution of said Will, said EDITH MORTON CHASE appeared to be of full age and of sound and disposing mind and memory; and that this affidavit is made at her request.

/s/ VERONICA M. FOODY

/s/ SALLY A. HEBERT

STATE OF CONNECTICUT )
) ss: Waterbury January 24 , 1972
COUNTY OF NEW HAVEN )

Personally appeared Veronica M. Foody

and Sally A. Hebert, who subscribed the foregoing affidavit and made solemn oath to the truth of the same, before me.

/s/ EDWARD T. CARMODY
Commissioner of the Superior Court

H S Chase

WALTER F. TORRANCE
EDWARD T CARMODY
WILLIAM B. FITZGERALD
GUERIN B. CARMODY
WALTER F. TORRANCE, JR.
BRADFORD PALMER
DAVID W. COLLINS
WILLIAM B. FITZGERALD, JR.
TIMOTHY R. CARMODY
ROBERT H. HALL
JOSEPH F. BUDNY

CARMODY & TORRANCE
ATTORNEYS AT LAW
37 LEAVENWORTH STREET
POST OFFICE BOX 1110
WATERBURY, CONNECTICUT 06720

TELEPHONE (203) 757-1521
CABLE ADDRESS "CARTOR"

MEYLERT M. ARMSTRONG, III
ANTHONY M. FITZGERALD
CHARLES D. STAUFFACHER
KENNETH J. POCIUS
RUSSELL J. BLAIR

RECEIVED
AUG 22 1973
ADMINISTRATION

August 20, 1973

Mr. Richard A. Derr, Administrator
The Waterbury Hospital
64 Robbins Street
Waterbury, Connecticut 06720

Re: Chase Dispensary Bequest of Miss Edith Chase

Dear Mr. Derr:

You have asked our recommendations concerning the uses to which The Waterbury Hospital may properly put the $300,000.00 bequest left to it by Miss Edith Chase in Article THIRD paragraph G of her Will executed on January 24, 1972, which provides as follows:

> "G. Three Hundred Thousand Dollars ($300,000.00) to THE WATERBURY HOSPITAL, of Waterbury, Connecticut, to establish and maintain a dispensary under the name, "The Henry Sabin Chase Memorial Dispensary."

It is to be noted that the gift is not restricted to the use of income only as is the case with certain other bequests under her Will. Thus it would appear that the principal of the gift may be utilized for the designated purposes. The latter are identified broadly as "to establish and maintain" a dispensary in memory of Miss Chase's father.

The two main questions would seem to be what, if any, limitations there are upon the expenditure of principal and may any of the principal properly be used to pay off the costs already incurred by the Hospital in the construction of the new dispensary.

Mr. Richard A. Derr

August 20, 1973

It would seem that the intended purposes of this gift must be viewed against the background of the long standing interest of the Chase family in and its generous support of the Hospital's earlier dispensary located on Field Street in Waterbury. As you know, the original dispensary was established through the efforts of Miss Chase's father almost fifty years ago. The deed conveying the Field Street property to the Hospital provided that if the real estate should ever be sold, the proceeds should be utilized for the construction of another public dispensary. When the Hospital did sell the property in 1971, the purchase price of $105,000.00 was applied to the construction of the new dispensary in the Pomeroy Pavilion. At that time, Miss Edith Chase affirmed by letter to the Hospital dated April 5, 1971 (copy enclosed) that in her opinion this use satisfied the requirements of the deed. In directing that her bequest be used to establish and maintain a dispensary in memory of her father, it appears to us that Miss Chase was indicating her desire to continue this well established family tradition.

It is our belief that to adhere to this concept of continuity, the Hospital should utilize essentially only the income from the bequest to pay for normal operating expenses of the dispensary, such as routine repairs and maintenance, salaries, supplies and the like. Payments of principal, on the other hand, should be concentrated on those items or activities which either have some degree of permanence or some special relationship to the dispensary, such as, for example, capital expenditures, purchases of equipment, major renovations, special training programs for dispensary personnel, and pilot programs or other innovations outside the normal Hospital outine.

The second general question is whether some portion of the principal could be used to pay off part of the bond issue utilized to underwrite the construction of the new hospital, including the new dispensary. Miss Chase's Will was executed on January 24, 1972 and she died on June 6, 1972. At the time of her death the construction of the Pomeroy Pavilion and the new Chase Dispensary portion thereof had been virtually completed and the funds needed to pay for the same obtained through public donations and the above mentioned bond issue. It may well be, in fact, that Miss Chase made a separate gift to the

Mr. Richard A. Derr

August 20, 1973

Hospital's Building Fund solicited for these purposes. As indicated, she had given her approval to the expenditure of the $105,000.00 received from the sale of the old dispensary property for construction of the new dispensary. Therefore, it would appear that at the time of the execution of her Will and of her death only a few months later, she was aware that the funds required for the original construction of the new dispensary had been obtained and that her main desire was to provide for the continuation of the dispensary in the future. Thus, it is our belief that the principal of the bequest probably should not be used to pay off any of the outstanding bond issue.

Obviously, the above suggested guidelines are of a very general nature and must of necessity remain flexible to meet developing needs. For example, if at some time in the future it should become necessary or desirable to relocate the dispensary, or perhaps to add a supplementary dispensary at a new location to better serve the needs of the general public, we would see no problem in making substantial payments from the principal of the fund to accomplish these ends. Undoubtedly the Hospital will want to consult with members of the Chase family before making any major expenditures, particularly if they would serve to materially reduce the balance of the fund. If members of the family do agree that any particular expenditure would be furthering the aims and desires of Miss Chase, then, as a practical matter, this would seem to dispose of any problems involved in connection therewith.

We trust that the above will be of assistance to you and would be happy to review the matter further should you so desire.

Very truly yours,

CARMODY & TORRANCE

By G. Bradford Palmer
G. Bradford Palmer

GBP/sh
Enclosure

APR 12 1971
ADMINISTRATION

33 Church Street
Waterbury, Connecticut
April 5, 1971

Waterbury Hospital
64 Robbins Street
Waterbury, Connecticut 06708

Gentlemen:

I am generally familiar with the deed from the H. S. Chase Company to the Waterbury Hospital, dated October 1, 1924, conveying certain property with improvements thereon, located on Field Street, to the Waterbury Hospital.

I am also generally familiar with the reservation contained in said deed which provides that if said real estate is sold, a public dispensary to be known as The Henry Sabin Chase Memorial Dispensary will be constructed in a suitable location with the proceeds of the sale or failing this, the proceeds of the sale will be paid over to The Waterbury Foundation.

In my opinion, the construction by the Waterbury Hospital of a new dispensary located on Robbins Street in Waterbury, Connecticut, to be known as The Henry Sabin Chase Memorial Dispensary, with the proceeds derived from the sale of the real property located on Field Street satisfies the requirements provided in the deed.

Very truly yours,

Edith M. Chase

Edith M. Chase

S:C:jmf

this bequest to be added to the principal of the fund known as the "Mary Frances Burrall Upkeep Fund."

B. Three Hundred Thousand Dollars ($300,000.00) to THE WATERBURY FOUNDATION, of Waterbury, Connecticut, if at the time of my death the same is a tax exempt organization within the meaning of Section 501(c)(3) of the Internal Revenue Code in effect at such time and if this bequest shall qualify, in its entirety, for a charitable deduction as allowed by the Federal Estate Tax Laws applicable to my estate, to be used by it for its general purposes.

C. Three Hundred Thousand Dollars ($300,000.00) to UNITED COUNCIL AND FUND OF GREATER WATERBURY, INC., of Waterbury, Connecticut, to be used by it for its general purposes.

D. Two Hundred Thousand Dollars ($200,000.00) to THE WATERBURY VISITING NURSES ASSOCIATION, INC., of Waterbury, Connecticut, this bequest to be maintained intact as a fund to be known as "The Jennie Hall Morton Memorial Nurse Fund", (which fund was originally established by her daughter, my mother, Alice Morton Chase) and the income therefrom and to the extent necessary the principal, to be used to pay the salary of one member of the nursing staff of said Association.

E. One Hundred Thousand Dollars ($100,000.00) to MISS PORTER'S SCHOOL, INCORPORATED, of Farmington, Connecticut, to be used for its general purposes.

F. Ten Thousand Dollars ($10,000.00) to the RIVERSIDE CEMETERY ASSOCIATION, of Waterbury, Connecticut, to be used for its general purposes.

G. Three Hundred Thousand Dollars ($300,000.00) to THE WATERBURY HOSPITAL, of Waterbury, Connecticut, to establish

and maintain a dispensary under the name, "The Henry Sabin Chase Memorial Dispensary."

2. I am aware of the fact that due to the fluctuating values of my stocks and bonds, the intangible personal property of my estate, when liquidated, may not be sufficient to pay the bequests contained in the foregoing provisions of this Article THIRD and in Articles SECOND, TENTH and ELEVENTH of this Will and the taxes, administration costs and other expenses and claims necessary to settle my estate. In the event that my intangible personal property is insufficient to pay the same, I hereby direc that the foregoing bequests contained in this Article THIRD be abated proportionately, one as to the other, before other bequest cash or otherwise, contained in this Will are so abated even though it may be necessary to abate the foregoing bequests in this Article THIRD in their entirety in order to leave all other bequests contained in this Will intact.

FOURTH

1. I give and bequeath to FLORENCE MARTIN CHASE, now of Watertown, Connecticut, my opal pin and my three-prong ring, and I also give and bequeath to said FLORENCE MARTIN CHASE, any personalty located in my summer residence known as "Topsmead" which she may choose, with the request, but not the direction, that she choose such personalty as is set forth in the letter accompanying this Will and dispose of the same in accordance with my desires as set forth in said letter.

2. I give and bequeath the portrait of my father, Henry S. Chase, to HENRY CHASE ELY, now of Palo Alto, California, if he desires it, and if he declines to accept the same, I give

**CHASE, MARTHA**
**STARKWEATHER**

THE WATERBURY HOSPITAL

Endowment or Permanent Room or Bed Fund

Name of Fund Martha Starkweather Chase Bed Fund

Established by Mrs. Arthur Reed Kimball, of Waterbury, Conn.

Condition of Gift.

Letter accompanying gift from Mrs. Kimball reads as follows:

February 18, 1918.

Mr. Otis S. Northrop

City.

Dear Mr. Northrop:-

I am enclosing a check for $5,000, payable to the treasurer of the Waterbury Hospital, to establish there a Free Bed, in accordance with the conditions stipulated by the hospital, in memory of my mother, Martha Starkweather Chase.

Yours very truly,

Mary Chase Kimball.

Treasurer's and Executive Committee Reports 1918 show receipt of $5,000.00

Treasurer's and Executive Committee Reports 1926 show receipt of additional $5,000.00

(Part of Permanent Bed Funds)

ONE HUNDRED AND SEVENTY-FIVE GROVE STREET
WATERBURY, CONNECTICUT

February 18, 1913.

Mr Otis S. Northrop,

City.

Dear Mr Northrop:-

I am enclosing a check for $5,000, payable to the treasurer of the Waterbury Hospital, to establish there a Free Bed, in accordance with the conditions stipulated by the hospital, in memory of my mother, Martha Starkweather Chase.

Yours very truly,

Mary Chase Kimball

**COFFIN, HENRIETTA LOUISE**

THE WATERBURY HOSPITAL

Endowment or Permanent Room or Bed Fund

Name of Fund The Henriette Louise Adrienne Coffin Free Bed Fund

Established by Will of Henriette Louise Adrienne Coffinn of Middlebury, Conn.

Condition of Gift.

Paragraph Fifty of Will of Henriette Louise Adrienne Coffin reads as follows:

FIFTH

All the rest, residue and remainder of my estate of whatsoever kind or nature and wheresoever situated, I give, devise and bequeath of THE WATERBURY HOSPITAL, located in said Waterbury, Connecticut, to be used for a Free Bed Fund and to be known as "The Henriette Louise Adrienne Coffin Free Bed", the benefits of the same to be under the control of the Executive Committee of said Hospital. In the event that all the rest, residue and remainder of my estate be insufficient for a Free Bed, then it is my will that such remainder be paid into the general fund of said Hospital, the same to be to it forever.

Treasurer's Report 1922 shows this fund as $9,213.00

CURTIS, MARY A.

THE WATERBURY HOSPITAL

Endowment or Permanent Room or Bed Fund

Name of Fund The Mary A. Curtis Bed Fund

Established by Will of William E. Curtis

Condition of Gift.

Paragraph Third of the Will of William Edmond Curtis reads as follows:

> THIRD: I GIVE AND BEQUEATH to the WATERBURY HOSPITAL, in the City of Waterbury, in the State of Connecticut, a corporation organized under the laws of the State of Connecticut, the sum of TEN THOUSAND ($10,000) DOLLARS in trust from the perpetual endowment of a bed in said hospital in memory of my mother Mary A. Curtis, wife of William Edmond Curtis, of New York, and daughter of William Henry Scovill of Waterbury.
>
> The appointment of the occupant of said bed shall be made from time to time from among the inhabitants of the Town of Watertown, in the State of Connecticut, by the Judge of Probate, Postmaster and the first select man of said Town, or any two of them, by a notice in writing to the officers of said hospital, and, in the absence of any such appointment, the bed shall be used as the officers of the hospital may direct.

Executive Committee Report 1924 acknowledges receipt of this fund.

DRIGGS, GEORGE A.

THE WATERBURY HOSPITAL

Endowment or Permanent Room or Bed Fund

Name of Fund The George A. Driggs Fund

Established by Mrs. George A. Driggs

Condition of Gift.

Notes from Mrs. Driggs and from Mr. Edwin C. Northrop, accompanying this gift, read as follows:

Dear Mr. Lee

I am enclosing check for endowment of room in memory of my husband - to take effect on February 17th, 1922.

Sincerely yours,

Anne H. Driggs.

Dear Mr. Blakesley:

I enclose check for $10,000 - Gift of Mrs. Geo. A. Driggs to endow room #260 in memory of her husband. I should call this fund the "George A. Driggs Endowed Room". Income non-acc. Control of Mrs. Driggs. We will invest principal fund soon.

Yours,

E. C. Northrop.

Executive Committee Report 1922 acknowledges receipt of this fund.

Copy of Agreement on file.

February 17th 1922.

Sincerely yours,

Anne F. Driggs

THE PLAZA
NEW YORK

Part of Permanent Fund II

Dear Mrs. Lee

I am enclosing
check for endowment
of room in Memory
of my husband -
to take effect on

THE WATERBURY HOSPITAL

Endowment or Permanent Room or Bed Fund

Name of Fund Dr. Edward Field Bed Fund

Established by Charlotte B. Merriman

Condition of Gift.

Extract from Report of Executive Committee 1911.

"Free bed funds have been provided by the Will of * * * Charlotte B. Merriman * * * to be known as: The Dr. Edward Field free bed fund."

Charlotte B. Merriman died Feb. 4th. 1911. No definite provision for the above appears in her Will, but it was probably provided for out of funds given in article V which reads as follows:

Article V. I give and bequeath of my sister or sisters who may survive me, the sum of Fifteen Thousand ($15,000.00) Dollars, to be used by them as I have directed.

Treasurer's Report 1912 shows receipt of this fund as follows:

Received from Est. Charlotte B. Merriman . . . $5,000.00

Acknowledged in report of Executive Committee 1911 - $5,000.

**FIRST CHURCH IN WATERBURY**

THE WATERBURY HOSPITAL

Endowment or Permanent Room or Bed Fund

Name of Fund First Church in Waterbury, Inc. Bed Fund

Established by Contributions

Condition of Gift.

Copy of letter received from Dr. James E. Gregg

June 18, 1940

Dear Mr. Northrop:

On behalf of the First Church Guild and by its authorization, I am herewith transmitting to you a cheque for Five Thousand Dollars ($5,000.00) to establish the endowment, in the Waterbury Hospital, of a Free Bed for members of the Parish of the First Church in Waterbury. The users of this bed and of any pertinent benefits or privileges regularly enjoyed under such an endowment are to be designated by the Minister of the First Church, or, in his absence or disability, by the Board of Deacons of the Church.

We understand that an income of Two Hundred Dollars ($200) a year may at present be expected from the aforesaid principal sum; and that any portion of such income not expended before the close of any fiscal year of the Hospital (i.e. before October 1) shall revert to the General Fund of the Hospital to be used for the benefit of patients unable to pay for the Hospital's service to them.

Faithfully yours,

JAMES E. GREGG

Minister of the First Church
in Waterbury

Mr. Edwin C. Northrop, Treasurer
Waterbury Hospital
Waterbury, Connecticut

(Part of Permanent Bed Funds)


**First Church**
**in**
**Waterbury, Connecticut**

JAMES E. GREGG,
JAMES H. PHILLIPS,
MINISTERS

MISS RUTH E. CAMP,
CHURCH SECRETARY

P. O. BOX 849


June 18, 1940

Dear Mr. Northrop:

On behalf of the First Church Guild and by its authorization, I am herewith transmitting to you a cheque for Five Thousand Dollars ($5000.00), to establish the endowment, in the Waterbury Hospital, of a Free Bed for members of the Parish of the First Church in Waterbury. The users of this bed and of any pertinent benefits or privileges regularly enjoyed under such an endowment are to be designated by the Minister of the First Church, or, in his absence or disability, by the Board of Deacons of the Church.

We understand that an income of Two Hundred Dollars ($200) a year may at present be expected from the aforesaid principal sum; and that any portion of such income not expended before the close of any fiscal year of the Hospital (i.e. before October 1) shall revert to the General Fund of the Hospital to be used for the benefit of patients unable to pay for the Hospital's service to them.

Faithfully yours,

James E. Gregg
Minister of the First Church
in Waterbury

encl.

Mr. Edwin C. Northrop, Treasurer
Waterbury Hospital
Waterbury, Connecticut

✓

**FIRST CONGREGATION CHURCH**

THE WATERBURY HOSPITAL

Endowment or Permanent Room or Bed Fund

Name of Fund First Congregational Church Fund

Established by Contributions

Condition of Gift.

Extract from Report of Executive Committee, 1926.

"Grateful acknowledgement is made of the following gifts: * * * From Miss Elen J. Whiton, $100.66 which she has accumulated in the Waterbury Savings Bank. This is the nucleus of a bed fund of $5,000 to be under the control of the First Congregational Church."

**FITZSIMMONS, LOUIS E.**

THE WATERBURY HOSPITAL

Endowment or Permanent Room or Bed Fund

Name of Fund Louis E. Fitzsimons Bed Fund

Established by Will of Mary E. Fitzsimons

Condition of Gift.

Paragraph Sixth of the Will of Mary E. Fitzsimons reads as follows:

> I give and bequeath of the WATERBURY HOSPITAL, a corporation located in said Waterbury, the sum of three thousand dollars ($3,000.00) to be to it and its successors forever, the same to be used to endow a free bed in memory of LOUIS E. FITZSIMONS.

WATERBURY HOSPITAL received payment of this legacy on August 15, 1935 and money turned over the The Colonial Trust Company on the same day.

**FLORENCE NIGHTINGALE COT FUND**

Memorandum of Agreement entered into this 7th day of July June, 1977 by and between THE WATERBURY HOSPITAL SCHOOL OF NURSING ALUMNI ASSOCIATION ("Association") and THE WATERBURY HOSPITAL ("Hospital"),

WHEREAS, the Charlotte Steele Elton Fund was established with the Hospital in or about 1917 and the Florence Nightingale Cot Fund in or about 1933 (such funds being hereinafter referred to jointly as the "Funds"); and

WHEREAS, from time to time questions have arisen concerning the utilization of the current and accumulated income as well as the ultimate disposition of these Funds; and

WHEREAS, the parties desire to set forth the agreement they have reached concerning the use and distribution of these Funds;

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. The current and accumulated income of these Funds shall be made available for the purpose of paying the hospitalization expenses of members in good standing of the Association who are graduates of The Waterbury Hospital School of Nursing, in accordance with the principles set forth herein. Expenses to be covered shall be those incurred after January 1, 1975 as patients of accredited, licensed general hospitals, convalescent hospitals, and other extended care facilities, including psychiatric or mental health care facilities Charges billed by the institutions themselves shall be covered. Payments may also be made for special services such as Private Duty Registered Nurses incurred during the period of hospitalization. The maximum amount to be paid on behalf of any one member of the Associatio in a single calendar year shall be $1,000.00, which amount may be revised from time to time by the Members of the Association.

2. The Hospital shall not pay or cause to be paid any bill or part thereof or reimburse or cause to be reimbursed any member of the Association for any bill or part thereof, paid by her or him unless it has been advised in writing by an officer, or other authorized representative of the Association certified to it in accordance with the provisions of Paragraph 4 hereof, that the person in question is a member in good standing of the Association and that the bill submitted, or a specified part thereof, qualifies for payment out of the Funds.

3. It is agreed that priority in certifying bills for payment or reimbursement will be given to services rendered to members of the Association by the Hospital as compared with other services authorized hereunder rendered by other institutions or individuals. Payment for services rendered by the Hospital to members of the Association shall be allocated to the Funds in the following order of priority:

1. Current income of the Charlotte Steele Elton Fund;
2. Current income of the Florence Nightingale Cot Fund;
3. Accumulated income of the Charlotte Steele Elton Fund; and
4. Accumulated income of the Florence Nightingale Cot Fund.

Payment for other services authorized hereunder shall be allocated in the following order of priority:

1. Current income of the Florence Nightingale Cot Fund.

2. Accumulated income of the Florence Nightingale Cot Fund.

Commencing as of January 1, 1975 (except as otherwise indicated in this Paragraph 3) no more than a total of twenty-five hundred dollars ($2500.00) of income accumulated by the Funds prior to such date shall be paid out in any one year, except that any portion of the twenty-five hundred dollars ($2500.00) not paid out in one year may be carried over and paid out in later years.

4. Each year, the Secretary of the Association shall certify to the Hospital the names and signatures of the officers of the Association, the Chairman and members of the Association's Cot Fund and a member of such Committee who has been selected by the Chairman to act as her designee in the absence or unavailability of the Chairman. The officers, the Chairman of the Cot Fund Committee and her designee are each authorized to act on behalf of the Association with regard to matters concerning the Funds. The Hospital shall be entitled to rely, in dealing with the Funds, on any written instructions delivered to it by any such authorized officer or person unless and until the Secretary changes or modifies such certification. The Hospital and The Colonial Bank and Trust Company, as administrator of the Funds, shall likewise notify the Association of the representa-

tives authorized to act on their behalf with regard to matters concerning the Funds and of any change in such representatives, and the Association shall be entitled to rely on written instructions delivered by such representatives. The Chairman of the Cot Fund Committee shall certify any change in the yearly maximum amount payable on behalf of any one member as set forth in Paragraph 1 above.

5. A. The parties recognize that since the last class of The Waterbury Hospital School of Nursing graduated in June of 1973, over a period of years the Association will cease to exist. It is agreed that at such time it will be desirable and in keeping with the wishes and desires of the donors who established and thereafter contributed to these Funds, for the principal and any remaining accumulated or other income of the Funds to be expended for purposes and projects of the Hospital which are in furtherance of the objectives and principles of the Association.

B. The Hospital agrees to supply the Association, from time to time, with a list of such appropriate purposes and projects of the Hospital. The Association shall have the right to add to or delete from the list, provided that no purpose or project shall be so added or continued on the list unless the Hospital agrees that it is and remains appropriate. The list shall be revised and modified from time to time as required to reflect changing circumstances and needs. The Hospital and the Association shall seek to reach agreement upon the relative priority of the items on the list, but if they are unable to so agree, then the Association shall make the final decision as to priority. No such decision of the Association shall be changed by it at any time after it has fewer than twenty-five

(25) Regular Members in good standing.

C. The Association shall be deemed to "cease to exist" at such time as it shall have fewer than ten (10) Regular Members in good standing, and expenditure of the remaining balances of the Funds on the purposes and projects of the Hospital, as determined under Paragraph B above, shall be made at that time. The parties recognize, however, that it is possible, because of the advent of National Health Insurance or other events and circumstances, that the wishes and desires of the donors who established and contributed to these Funds may have become primarily accomplished through other sources. Accordingly, nothing in this Agreement shall prevent the parties from agreeing to make expenditure of some or all of the remaining balances of the Funds for the purposes and projects of the Hospital, as determined under Paragraph B above, at such earlier time or times as may be reasonable under the circumstances.

D. At the request of the Hospital, the Secretary of the Association shall supply the Hospital annually with a certified list of the members in good standing as of the time of the request. In calculating the number of Regular Members for the purposes of Paragraphs B and C above, only Regular Members who are graduates of The Waterbury Hospital School of Nursing shall be counted. It is understood by the Association and its members that the Hospital has agreed to the various provisions set forth above relating to the expenditure of current and accumulated income in reliance upon the mutual undertakings of this Paragraph 5 concerning the ultimate disposition of the Funds.

6. A. The Funds are, and have been for many years,

administered by The Colonial Bank and Trust Company of Waterbury, Connecticut in the following four separate accounts ("Accounts"):

Charlotte Steele Elton Fund 13-00860-000
Charlotte Steele Elton Fund 13-00860-001

Florence Nightingale Cot Fund 13-01155-000
Florence Nightingale Cot Fund 13-01155-001

B. The parties agree that for the purposes of administering and interpreting this Agreement:

(1) The term "principal" shall mean the total property shown, from time to time, on the Lists of Assets for the Elton Fund -000 Account and the Cot Fund -000 Account and that the total inventory value of such Lists as of December 31, 1974 amounted to $34,733.93.

(2) There shall be promptly restored to such principal Accounts any invasions thereof which may have been made between January 1, 1975 and the date of the execution of this Agreement, and there shall be no further invasions thereof unless specifically authorized under the provisions of Paragraph 5 of this Agreement.

(3) The term "accumulated income" shall mean the total property shown, from time to time, on the Lists of Assets for the Elton Fund -001 Account and the Cot Fund -001 Account and that the total inventory value of such Lists as of December 31, 1974 amounted to $76,197.33.

(4) The term "current income" shall mean the total ordinary income from the above four Accounts commencing January 1, 197

(5) The Bank will supply the parties with summary statements on a quarterly basis showing the income of and payments

made (identifying the individual payees) by the Accounts and with an annual account on a calendar year basis showing all of the transactions of the Accounts. In order to simplify matters, the Bank, insofar as possible, will follow the practice of transferring all income of each 000 Account to the appropriate 001 Account and of making all payments of bills from the 001 Accounts. It is understood that it may be necessary to make temporary advances from one Account to another during the course of a year to meet short term cash flow problems, but that appropriate adjustments will be made at year end so as to carry out the principles set forth in this Agreement.

7. If the Association disagrees with the Hospital's conclusion (see Paragraph 5 B above) that a particular purpose or project is not or does not remain appropriate, it may submit the question of appropriateness to the American Arbitration Association for arbitration in accordance with the rules and regulations of that Association. The decision of the arbitrator shall be final and binding upon both parties and they shall share equally the costs and fees of the arbitrator and the American Arbitration Association.

Signed, sealed and delivered in the presence of:

THE WATERBURY HOSPITAL SCHOOL OF NURSING ALUMNI ASSOCIATION

By _____
Judith A. Klaus, Treasurer

THE WATERBURY HOSPITAL

By _____

Agreed to as it relates to The Colonial Bank and Trust Company only.

THE COLONIAL BANK AND TRUST COMPANY

By _____

10/4/77

MODE = TRANSMISSION START=10-29 03:40PM END=10-29 03:50PM

| NO. | COM | ABBR | STATION NAME/ TELEPHONE NO. | PAGES |
|---|---|---|---|---|
| 001 | OK | ☎ | 95736564 | 008 |

**********

GOSS, CHAUNCEY
PORTER MEMORIAL

THE WATERBURY HOSPITAL

Endowment or Permanent Room or Bed Fund

Name of Fund Chauncey Porter Goss Memorial Fund

Established by Children of Chauncey P. Goss

Condition of Gift.

Extract from Report of Executive Committee 1924.

"Grateful acknowledgement is made of the following gifts:

From the children of Chauncey P. Goss $25,000. to establish the Chauncey P. Goss Memorial Fund.

* * *

Treasurer's Report 1924 shows receipt of this fund.

Copy for my files. E.O.G.

WHEREAS, Edward O. Goss, Caroline Goss Thompson, John H. Goss, Mary Goss Kelley-Patterson, Chauncey P. Goss, Jr., and George A. Goss have given to The Waterbury Hospital the sum of Twenty-five Thousand Dollars ($25,000) in memory of their father, Chauncey Porter Goss, to be held and used by the said Hospital as a trust fund for the benefit of such patients as are unable to pay for necessary hospital, medical and surgical treatment;

AND WHEREAS, the said children of Chauncey Porter Goss, as a further mark of affection, desire to render personal service by taking an active interest in the expenditure of such trust income, and further desire that Scovill Manufacturing Company, concerning the welfare of whose employees their father paid close attention, shall also participate in the use which shall be made of said fund,

NOW THEREFORE, it is agreed as follows:-

The Waterbury Hospital accepts said gift and agrees that it shall be and remain a trust fund for the purposes hereinafter enumerated.

The Waterbury Hospital shall hold, manage and control, invest and reinvest said trust fund and apply the entire income therefrom in the following manner and for the following purposes:

The donors and their survivors and surviver or their duly authorized agent shall have the right, either directly or through Scovill Manufacturing Company, to nominate the recipients of the entire service made available by said trust funds to the entire extent of the income therefrom, it being the purpose of this fund to provide care and service for ~~indigent~~ persons who are not able themselves to pay for such attention. The Waterbury Hospital agrees to apply said entire income for the benefit of such persons so nominated, provided the reasonable rules of the said Hospital do not for any reason prevent such application. Said income shall be used directly for the care of said patients, and for their necessary

laboratory, operating room or other service. Any balance not thus expended, or in the event of the failure to make any such nomination, the entire income, shall be used each year to defray the general expenses of free patients. It is understood and agreed that none of said income shall go into the general fund for the current expenses of said Hospital, but shall thus be used for the benefit of such free patients as the donors or Scovill Manufacturing Company shall nominate, and in default of such nomination, for the benefit of such persons as the executive or other proper committee of the Hospital shall believe to be in need of hospital care and unable to pay for it.

If, after fulfilling all these conditions, there still remains a balance at the end of any year, it shall be added to the income for the following year and applied for the foregoing purposes.

In appreciation of the establishment of said trust fund, a four bed private ward, or its equivalent, in the said The Waterbury Hospital shall hereafter be known as "The Chauncey Porter Goss Memorial Ward", and the trust fund itself shall be known as "The Chauncey Porter Goss Memorial Fund."

IN WITNESS WHEREOF, the parties hereto have set their respective hands and seals at Waterbury, Connecticut, this day of December, 1923.

The Waterbury Hospital

By_____

Edward D. Goss

Mary Goss Kelley-Peters

by Edward D. Goss

Caroline Goss Thompson

John W. Goss

Chauncey P. Goss Jr.

George A. Goss

THE WATERBURY HOSPITAL

Endowment or Permanent Room or Bed Fund

Name of Fund Anna E. Graves Bed Fund

Established by Dr. Frederick G. Graves, of Waterbury, Conn.

Letter accompanying gift:

THE CITIZENS AND

MANUFACTURERS NATIONAL BANK

WATERBURY, CONN.

May
Twenty-first
1947

Waterbury Hospital, Inc.
Attention: Superintendent,
Robbins Street,
Waterbury, Connecticut.

Dear Sir:

We enclose herewith our check for $5000.00 in payment of the legacy left to you under Paragraph 4 of the will of Frederick G. Graves, which reads as follows:

"I bequeath - - - - - - tó the Waterbury Hospital Inc. of said Waterbury the sum of Five Thousand Dollars ($5,000.00) to establish a Bed Fund in memory of my sister, Anna E. Graves."

We shall appreciate your acknowledgment.

Sincerely yours,

Paul A. Monroe,
Trust Officer

Bequest added to Permanent Bed Funds Account #A865 on June 4, 1947.

THE WATERBURY HOSPITAL

Endowment or Permanent Room or Bed Fund

Name of Fund The William B. Greenburg Fund

Established by Will of William B. Greenberg

Condition of Gift:

(Letter to Mr. Charles V. Wynne, Administrator of Waterbury Hospital, from Mr. H. John Weisman, Attorney at Law, Executor of the Estate of William B. Greenburg, as follows:)

December 27, 1957

"Gentlemen:

"As you will probably recall, in Article Fourth of the Will of William B. Greenburg the Waterbury Hospital was designated a beneficiary of the residuary estate to the extent of 10/80ths thereof, in accordance with the following excerpt therefrom:

> "All the rest, residue and remainder of my property, both real and personal and wheresoever situate, shall be divided into eighty (80) shares, and I give, devise and bequeath said shares absolutely and forever in the following manner:
>
> * *
>
> 10 shares to THE WATERBURY HOSPITAL, a corporation located in Waterbury, Connecticut to establish a bed fund to be known as "The William B. Greenburg Fund," and the income of this bequest shall be used for the purpose of providing free bed and medical care to such persons as the Board of Trustees may designate;"

"We arenow making a partial distribution of $8,000.00 of said residuary estate and the Waterbury Hospital portion of said distribution is $1,000.00, for which you will find check enclosed.

"When the tax features of the estate have been settled and the estate can then be closed, we will make final distribution of the balance of the residuary estate.

Very truly yours,

H. John Weisman, Executor
Estate of William B. Greenburg

Weisman & Weisman
Attorneys at Law
Lilley Building
Waterbury, Connecticut

September 20, 1960 - Added $328.11, final distribution to $1,000.00 received.

b- part of Waterbury Hospital Endowment Funds.

**H. JOHN WEISMAN**
ATTORNEY-AT-LAW
49 LEAVENWORTH STREET, SUITE 201
WATERBURY, CONNECTICUT 06702
(203) 755-4428

RMAN J. WEISMAN 1909 - 1961
ARCUS H. WEISMAN 1918 - 1959

PETER MARCUSE
OF COUNSEL

SEP 16 1980

September 15, 1980

Mr. Richard Derr
The Waterbury Hospital
64 Robbins Street
Waterbury, Connecticut 06708

Dear Mr. Derr:

As you know under the Will of William B. Greenburg, there was a trust established during the lifetime of his wife. I believe you were notified that she passed away some months ago. As a result we have processed this matter through the Probate Court and are now in a position to make distribution.

Therefore I am happy to enclose a check in the amount of $4,676.46 which represents the distributive share of The Waterbury Hospital as determined by the Probate Court of Waterbury.

The wording in the Will which is applicable to the Hospital is as follows:

> "To The Waterbury Hospital, a corporation located in Waterbury, Connecticut, to establish a bed fund to be known as "The William B. Greenburg Fund" and the income of this bequest shall be used for the purposes of providing free bed and medical care to such persons as the Board of Trustees may designate."

Sincerely,

H. John Weisman

H. John Weisman

HJW/cav
Enclosure

Rec'd - copy will & probate

DONE -> C. Derr.
9-16-80

I, MARION R. GROSS, of the Town of Thomaston, County of Litchfield, State of Connecticut, do make and constitute this my Last Will and Testament, hereby revoking all wills by me heretofore made.

## ARTICLE FIRST

I direct that all estate, inheritance, succession and like taxes, whether state or federal, that may be levied or assessed upon or with respect to my estate or upon or with respect to any property which is included as part of my gross estate for the purpose of any such tax or upon or with respect to any beneficiary of mine, shall be paid out of the rest, residue and remainder of my estate as referred to in Article Sixth of this will, and shall not be pro rated or apportioned among or charged against the respective devisees, legatees, beneficiaries, transferees or other recipients, nor charged against any property passing or which may have passed to any of them.

## ARTICLE SECOND

I give and bequeath to my husband, JOHN A. GROSS, should he survive me, all of my tangible personal property, to be his absolutely. Should my said husband not survive me, then in such case I give and bequeath said tangible personal property to our son, JOHN R. GROSS, to be his absolutely.

## ARTICLE THIRD

I give and bequeath to THE WATERBURY HOSPITAL, of Waterbury, Connecticut, the sum of Ten Thousand Dollars ($10,000.00), the same to be known as "The John A. and Marion R. Gross Bed Fund", to be added to and used as a part of the permanent bed funds of said hospital.

ARTICLE FOURTH

I give and bequeath to THE COLONIAL BANK AND TRUST COMPANY, of Waterbury, Connecticut, as it is Trustee of a certain charitable community trust fund known as "The Henry L. and Nellie E. Blakeslee Scholarship Fund" established by agreement between Nellie E. Blakeslee and The Colonial Trust Company, dated June 7, 1951, the sum of Forty Thousand Dollars ($40,000.00), the same to be held in trust for the uses and purposes and upon the terms and conditions in such agreement set forth, the gift to be known as "The John A. and Marion R. Gross Donation".

ARTICLE FIFTH

Should my husband, JOHN A. GROSS, survive me, then I give, devise and bequeath to my Trustees hereinafter named that fractional share of my residuary estate (meaning the rest and residue of all the property belonging to me at my death and remaining before the payment of estate, inheritance, succession and like taxes from said rest and residue) which will produce the maximum estate tax marital deduction (as allowable in determining the Federal Estate Tax on my gross estate for Federal Estate Tax purposes) diminished by the value for Federal Estate Tax purposes of all other items in my gross estate which qualify for said marital deduction and which pass or have passed to my husband under the provisions of this will or otherwise. In making any distribution to this trust, there shall be distributed assets, including cash, fairly representative of appreciation and depreciation at the date or dates of distribution in value of all property available, to the Trustees. I further specifically direct that the particular assets to be made the corpus of this trust shall consist of such non-terminable interests in property as qualify for the marital deduction under the Federal Estate Tax Law. Said fractional share shall be held by the Trustees for the following purposes:

Said Trustees shall pay over to my husband, JOHN A. GROSS, quarterly or at such more frequent intervals as may be mutually agreed upon, for and during his life, all of the income from the corpus of this trust to be his absolutely. Should such income, together with such other income as he may have, be insufficient for his reasonable maintenance and support, I hereby authorize and empower the Trustees to pay over to my said husband from time to time, to be his absolutely, so much of the principal of the trust fund as, in the sole discretion of the corporate Trustee shall be necessary or proper for such purposes. It is my desire that said Trustee shall be guided largely as to such needs by the expressed desires of my said husband and be as generous in meeting his requests as is consonant with his welfare during his entire life.

Upon the death of my said husband, I give, devise and bequeath so much of the principal of the trust fund as shall then remain to such person or persons, both natural and artificial, and including the estate of my said husband, and in such estates, interests and proportions as my said husband shall in and by his Last Will and Testament appoint. In default of any such appointment or to the extent that any such appointment shall not dispose of said trust fund the principal thereof thus undisposed of shall be disposed of as follows, to wit: The Trustee shall, to the extent that the estate of my said husband shall be subjected to additional transfer, estate, inheritance, succession or other similar taxes or duties, whether State or Federal, by virtue of his power of appointment over such undisposed of principal, first deduct from such principal and cause to be applied to the payment of such additional taxes, the amount thereof, the balance of such undisposed of principal shall be by the Trustee added to and disposed of as a part of the rest, residue and remainder of my property, pursuant to Article Sixth of this will.

ARTICLE SIXTH

All of the rest, residue and remainder of my estate, both real and personal, and wheresoever situated, including any lapsed or void legacy or devise, and if my husband shall survive me, then upon his death so much of the remaining principal of the trust fund created under Article Fifth of this will as I have therein provided, I give, devise and bequeath, subject to the payment therefrom of certain taxes as referred to in Article First of this will, to my Trustees hereinafter named, in trust, however, for the following purposes:

A.

The trust shall continue to be held in a single trust, hereinafter called the primary trust, so long as my said husband, JOHN A. GROSS, shall live. Upon his death, or should he not survive me, the then primary trust estate, both principal and accumulated income, shall be divided into two equal parts, which two equal parts I give, devise and bequeath as follows, to wit:

The first part, consisting of one-half of the then primary trust estate, hereinafter called a secondary trust, shall continue to be held in a trust for the benefit of my son, JAMES R. BLACKMER, and his lawful issue as hereinafter set forth, such trust to continue for a period of twenty-one years after the death of the survivor of my said husband and my said son, and shall thereupon terminate. Upon such termination the then secondary trust estate, both principal and accumulated income, shall be paid over and transferred to said son's then living lawful issue in shares per stirpes, to be theirs absolutely. Should there be no lawful issue of said son then living such secondary trust estate shall be added to and disposed of as a part of the secondary trust created for the benefit of our son, JOHN R. GROSS, and his issue, or if such trust be then terminated, to the then living lawful issue of our son, JOHN R. GROSS, to be theirs absolutely. Should there be no

then existing secondary trust for the benefit of our son, JOHN R. GROSS, and his issue, and should there be no then living lawful issue of either of said sons to take under the foregoing provisions, the then secondary trust fund shall be paid over and transferred to such then living persons as would be the distributees of my estate had I then died intestate and in shares all as determined by the then statutes of the State of Connecticut pertaining to the distribution of intestate estates.

The second part, consisting of one-half of the then primary trust estate, hereinafter called a secondary trust, shall continue to be held in trust for the benefit of our son, JOHN R. GROSS, and his lawful issue as hereinafter set forth, such trust to continue for a period of twenty-one years after the death of the survivor of my said husband and my said son and shall thereupon terminate. Upon such termination the then secondary trust estate, both principal and accumulated income, shall be paid over and transferred to said son's then living lawful issue in shares per stirpes, to be theirs absolutely. Should there be no lawful issue of said son then living, such trust estate shall be added to and disposed of as a part of the secondary trust created for the benefit of my son, JAMES R. BLACKMER, and his issue, or if such trust be then terminated, to the then living lawful issue of my son, JAMES R. BLACKMER, to be theirs absolutely. Should there be no then existing secondary trust for the benefit of my son, JAMES R. BLACKMER, and his issue and should there be no then living lawful issue of either of said sons to take under the foregoing provisions, the then secondary trust fund shall be paid over and transferred to such then living persons as would be the distributees of my estate had I then died intestate and in shares all as determined by the then statutes of the State of Connecticut pertaining to the distribution of intestate estates.

B.

During the continuance of the primary trust the net income of

the trust fund shall be paid to or applied for the benefit of my said husband, JOHN A. GROSS, our son, JOHN R. GROSS and my son, JAMES R. BLACKMER, in such proportions and amounts and in such manner as my corporate Trustee shall deem necessary or desirable, in its absolute discretion, to insure proper support, comfort and maintenance for said husband and sons according to our customary standards and having in mind their other resources, any income not so paid or applied to be accumulated and added to principal at the discretion of the corporate Trustee. Should the income be insufficient for the foregoing purposes, then the Trustees shall pay over to or apply for the benefit of said husband and sons, not necessarily equally but according to the needs of each, so much of the principal of the primary trust as the corporate Trustee shall, in its absolute discretion, deem necessary or desirable therefor, provided, however, that no part of the principal of this primary trust shall be paid over to or applied for the benefit of said husband until the principal of the trust estate created under Article Fifth of this will shall have been exhausted.

C.

During the continuance of the secondary trust for the benefit of our son, JOHN R. GROSS, and his issue, the net income of the trust shall be paid over to our said son, quarterly or at such other periods as may be mutually agreed upon, for and during his life. In addition the Trustee shall pay over to or apply for the benefit of said son and his dependent children so much of the principal of the trust estate as the Trustee shall from time to time, in its absolute discretion, deem necessary or desirable to insure the proper support, comfort and maintenance of said son and his dependent children and the proper education of his children, having in mind said son's other resources. After the death of said son the Trustee shall pay over to or apply for the benefit of the lawful issue of said son so much of the income and principal of the trust estate as the Trustee shall in its

absolute discretion deem necessary or proper to insure the proper support, comfort, maintenance and education of such issue, having in mind their other resources and means of support, not necessarily equally, but according to the needs of each, any income not so paid or applied to be accumulated and added to principal at the discretion of the Trustee. Should said son and the lawful issue of said son all die before the termination of this secondary trust, then the net income of the trust shall, during the remaining period of the trust be accumulated and added to principal.

D.

During the continuance of the secondary trust for the benefit of my son, JAMES R. BLACKMER, and his issue, the net income of the trust shall be paid over to my said son, quarterly or at such other periods as may be mutually agreed upon, for and during his life. In addition the Trustee shall pay over to or apply for the benefit of said son and his dependent children so much of the principal of the trust estate as the Trustee shall from time to time, in its absolute discretion, deem necessary or desirable to insure the proper support, comfort and maintenance of said son and his dependent children and the proper education of his children, having in mind said son's other resources. After the death of said son the Trustee shall pay over to or apply for the benefit of the lawful issue of said son so much of the income and principal of the trust estate as the Trustee shall in its absolute discretion deem necessary or proper to insure the proper support, comfort, maintenance and education of such issue, having in mind their other resources and means of support, not necessarily equally, but according to the needs of each, any income not so paid or applied to be accumulated and added to principal at the discretion of the Trustee. Should said son and the lawful issue of said son all die before the termination of this secondary trust, then the net income of the trust shall, during the remaining period of the trust, be accumulated and added to principal.

## ARTICLE SEVENTH

I appoint my said husband, JOHN A. GROSS and THE COLONIAL BANK AND TRUST COMPANY, of Waterbury, Connecticut, to be Executors of this will and Trustees of all trusts created hereunder, In the event of the death or failure for any reason of my said husband to act in either capacity, said The Colonial Bank and Trust Company shall act as sole Executor or as sole Trustee, with all the powers and discretions vested in the co-executors and co-trustees.

## ARTICLE EIGHTH

My said Executors and Trustees and any duly appointed successor shall have, not in limitation of the usual powers of said fiduciaries but in addition thereto and without obligation on its part to exercise any of them, the following rights and powers, namely:

1. To settle, compromise or compound any action, suit, claim, demand or controversy in or to which I or my estate or any trust estate hereby created may be a party or in any wise interested.

2. In their uncontrolled discretion to accept and retain for my estate or for any trust estate hereby created, all stocks, bonds or other property, real or personal, or any interest therein, which I may own at the time of my death, even though contrary to accepted principles or diversification of investments.

3. To invest and reinvest all properties and funds received by them in either capacity in such investments, including stocks, both common and preferred, bonds, securities or other property, as they may deem advisable, or in a common trust established by the corporate Trustee pursuant to any statute now or hereafter enacted, and they shall not in their choice of investments or reinvestments be under any duty to diversify investments or be restricted to such investments or reinvestments as are permissible by law

for trustees, and they shall not be liable for any loss resulting to my estate or to the trust funds held by them from any investment or reinvestment made or retained by them in good faith.

4. From time to time to sell at private or public sale, convey, lease, mortgage, pledge or exchange any real or personal property at any time forming part of my estate or any trust estate hereby created at such times and upon such terms and conditions as to cash or credit or otherwise as they may in their uncontrolled discretion deem proper; to take, execute and deliver good and sufficient deeds, leases, bonds, mortgages or other instruments for the purposes of effectively exercising any of such powers; no purchaser upon any sale by my Executors or my Trustees shall be bound to see to the application of the purchase money arising therefrom, or to inquire into the validity, expediency or propriety of any such sale.

5. To join in any voluntary partition of real property in which they may be interested in common with any other person or persons, estate or estates upon such terms and conditions as they may deem proper. and to execute such partition agreements or other instruments therefor as they may deem proper.

6. In any case in which they are required, pursuant to the provisions of this will to divide any portion of my estate or any trust estate hereby created into parts or shares and to distribute the same, to make in their uncontrolled discretion such division or distribution in kind or in money or partly in kind and partly in money.

7. In their uncontrolled discretion, to cause the securities which may from time to time comprise all or part of my estate or any trust estate hereby created, to be registered in their names as Executors or as Trustees or in the name of their nominee, or to take and keep the same unregistered and to retain them or any part thereof in such condition that they will pass by delivery.

8. To vote in person or by proxy upon all stocks or other securities held by them; to convey and transfer any property or securities at the time forming a part of my estate or any trust estate hereby created to a corporation in exchange for stocks or other securities of such corporation at such time and upon such terms and conditions as they may deem proper to subscribed to stocks of corporations; to exchange the securities of any corporation for other securities issued by the same or any other corporation at such times and upon such terms and conditions as they shall deem proper; to consent to or to vote in favor of the reorganization, readjustment, consolidation or merger of any corporation or the sale or lease of its property, or any part thereof, to any person or corporation or the lease by any person or corporation of his or its property, or any part thereof, to such corporation, and, upon such reorganization, readjustment, consolidation, merger, sale or lease, to exchange securities held by my Executors or my Trustees for securities issued in connection therewith; to pay any and all assessments, subscriptions and other sums of money as they may in their uncontrolled discretion deem expedient for the protection of their interests as holders of any stocks, bonds or other securities of any corporation; to deposit any securities at any time forming any part of my estate or any trust estate hereby created under voting trust agreements, and to accept in exchange therefor voting trust certificates or other similar instruments evidencing such deposit; to exercise any option contained in any stocks, bonds or securities for the conversion of the same into other securities, to take advantage of any rights to subscribe for additional stocks, bonds or other securities and to make any and all necessary payments therefor; and generally to exercise in respect of all stocks, bonds or other investments at any time held by them all rights, powers and privileges as are or may be lawfully exercised by any person owning similar property in his own right.

9. To employ attorneys and agents in connection with the discharge of their duties as such Executors or as such Trustees, and to determine and pay to them reasonable compensation, and they shall be entitled to reimbursement for the same and for such other expenses and charges as they may deem necessary and proper to incur, and the decision of my Executors or my Trustees as to whether any such compensation, expenses or charges shall be charged against principal or against income of my estate or any trust estate hereby created, or in part against principal and in part against income, shall be binding and conclusive upon all persons interested in my estate or any trust estate hereby created.

10. To borrow from a bank or trust company or from any other party any sum or sums of money and for such periods of time and upon such terms and conditions as they shall deem advisable, and to mortgage or pledge as security for the repayment thereof the whole or any part of my estate or any trust estate hereby created.

11. Any payment to be made by the Executors or Trustees to or for the benefit of any minor or by way of final distribution to a minor may be made in any one or more of the following ways:

a. Directly to said minor;

b. Directly by the Executors or Trustees in payment for the expenses of such minor;

c. To the legal or natural guardian of such minor; or

d. To any other person, whether or not legally appointed guardian of the estate of such minor, who shall, in fact, have the care and custody of the person of such minor.

The Executors and Trustees shall not be under any duty to see to the application of the payment so made, and the receipt of such person shall be full acquittances to the Executors and Trustees.

12. Generally to take such time for the liquidation of my estate or any trust estate hereby created and to conduct and manage the same as they may deem to be wise without regard to the provisions of any statute or statutes relating to the time for the accounting by my Executors or Trustees or the distribution of estates or trust estates, and to make all contracts and agreements in and about the management and conduct of my estate or any trust estate hereby created as in their judgment shall seem fit.

Provided always, that insofar as any of the foregoing powers might disqualify any gifts to my husband, John A. Gross, as a proper marital deduction under the Federal Estate Tax Law, the same shall not relate to such gifts or the subject matter thereof.

IN WITNESS WHEREOF, I have hereunto set my hand and seal, this 3rd day of May, A. D., 1967.

Marion R. Gross (SEAL)

Signed and sealed by the within named Testatrix, MARION R. GROSS, and by her declared to be her Last Will and Testament in our presence who have hereunto subscribed our names as witnesses in her presence and in the presence of each other, and at her request, this 3rd day of May, A.D., 1967.

Edward C. Hayes )
Carmen M. Cuneo ) Witnesses.
Donald Henry )

STATE OF CONNECTICUT )
) SS: Waterbury May 3rd, A. D., 1967.
COUNTY OF NEW HAVEN )

Then and there personally appeared the undersigned, who being duly sworn, depose and say that they witnessed the execution of the within will of the within named Testatrix, MARION R. GROSS; that the said MARION R. GROSS subscribed said will and declared the same to be her Last Will and Testament in their presence and in the presence of Donald W. Henry; that they and the said Donald W. Henry thereafter subscribed the same as witnesses in the presence of said Testatrix and in the presence of each other and at the request of said Testatrix; that the said Testatrix at the time of the execution of said will appeared to them to be of full age and of sound mind and memory and competent in every respect to make a will; and that they make this affidavit at the request of said Testatrix.

Edward G Hayes of Watertown, Conn

Carrie M Clements of Waterbury

Subscribed and sworn to before me,
the day and year above written,

Donald W. Henry
Notary Public

**HART, BERTHA PLATT**

# 33-01037-000
B. P. HART TR 4/W,11

2. I direct that all my furniture, furnishings, books, pictures, jewelry, and other household and personal effects be distributed by my Executor in accordance with any written directions I may leave, and in the absence of such directions, each one of my children is to receive such articles as in the opinion of my Executor shall make his or her share as nearly equal in value as possible to every other share.

3. I give, devise and bequeath to THE COLONIAL TRUST COMPANY, of Waterbury, Connecticut, in trust, however, my homestead situated on Buckingham Street, in said Waterbury, for the use and benefit of my daughter, RUTH HART BUTLER, during her life, she to pay all taxes, insurance, water rent, and repair and maintenance charges, during said period. Upon her death said trust shall cease and determine and I give, devise and bequeath said homestead to my grandson, LEWIS STEELE HART, if living, otherwise in equal shares to his children or the issue of his children, said issue to take among them the share their parent would have taken if living.

4. To THE WATERBURY HOSPITAL, a corporation located in said Waterbury, I give and bequeath the sum of Five Thousand Dollars ($5,000.00), in trust, however, for the following uses and purposes: To hold, manage and control, invest and reinvest as in the discretion of the Directors of said Trustee shall be for the best interests of said trust estate, and the avails thereof and any property thereby acquired, to lease, mortgage, sell and convey, as shall be by said Directors deemed proper, the income thereof to be devoted to the establishment and maintenance of a free bed in said hospital for the use of such persons as the Directors of said hospital corporation may designate.

5. All the rest, residue and remainder of my estate, both real and personal, including all lapsed or void bequests and devises, I give, devise and bequeath to such of my children as survive me, and to the issue of such as may have previously died said issue taking per stirpes and not per capita, to be to them and their heirs forever.

NOTICE
OF HEARING
PRC-45 New 11-71

STATE OF CONNECTICUT
COURT OF PROBATE
*(Type or Print)*

RECEIVED
NOV 2 1978
ADMINISTRATION

Court of Probate, District of Waterbury District No. 151

ESTATE OF/IN RE

**BERTHA PLATT HART, late of the Town of Waterbury in said District, deceased in Trust fbo WATERBURY HOSPITAL.**

DATE OF ORDER

Nov. 9, 1978

PETITIONER

COLONIAL BANK OF WATERBURY, Trustee

| DATE OF HEARING | TIME OF HEARING | PLACE OF HEARING (STREET AND TOWN) | XXXXXXXXXXXXXX |
|---|---|---|---|
| Nov. 30, 1978 | 9:00 A.M. | 236 Grand St., Waterbury, Ct. | |

~~UPON THE APPLICATION OF THE PETITIONER PRAYING THAT~~ The Trustee, having exhibited the account with said estate to this Court for allowance,

AS PER APPLICATION ON FILE MORE FULLY APPEARS,

IT IS ORDERED THAT:

Said application be heard and determined at the Court of Probate at the date, time and place indicated above.

BY ORDER OF THE COURT

**Frederic E. Mascolo**
*Judge, XXXXXXX*

*NOTE: This notice is sent to you because your interests in this matter will be affected by the Court's decision. If you wish to be heard or seek further information, you should appear at the time and place set for hearing; otherwise, it will not be necessary for you to appear.*

**HARVEY, GEORGE S.**

THE WATERBURY HOSPITAL

Endowment or Permanent Room or Bed Fund

Name of Fund The George S. Harvey Fund

Established by Will of Hattie Rachel Stone, late of Waterbury, Conn.

Condition of Gift.

Letter to The Waterbury Hospital from the law offices of

GAGER & HENRY, 57 North Main Street, Waterbury, Connecticut.

August 3, 1951

Waterbury Hospital
Waterbury 8
Connecticut

Attention of Mr. Paul E. Fenton, Chairman
Executive Committee

Gentlemen:

I take pleasure in enclosing herewith check for $10,000.00 in payment of the bequest made to the Waterbury Hospital by Hattie Rachel Stone under paragraph 6 of her will, which reads as follows:

"6. I give and bequeath to The Waterbury Hospital, of Waterbury, Connecticut, the sum of Ten Thousand Dollars $(10,000.00), to be known as "The George S. Harvey Fund", the principal thereof to be held in trust and the income only thereof to be used for the maintenance of a free bed in said Hospital."

Very truly yours,

(Signed by)
WILLIAM W. GAGER
Executor u/w of
Hattie Rachel Stone

WWG:EM
ENC.

**HAYDEN, ELIZABETH K.**

KNOW ALL MEN BY THESE PRESENTS:

THAT I, MARGERY K. HAYDEN, of the Town of Waterbury, County of New Haven, State of Connecticut, being of sound and disposing mind and memory, do hereby make, publish and declare the following as and for my last will and testament, hereby revoking and annulling any and all former wills and codicils by me heretofore made, in manner and form as follows:

ARTICLE FIRST

I hereby direct that all legacy, succession, inheritance, transfer and estate taxes, together with interest and penalties in respect thereof, levied or assessed upon or with respect to any property which is included as part of my gross estate for the purposes of any such tax, shall be paid by my Executors out of my residuary estate and shall not be prorated or apportioned among or charged against the respective devisees, legatees, beneficiaries, transferees or other recipients, nor charged against any property passing or which may have passed by this will or otherwise to any of them, and that my Executors shall not be entitled to reimbursement for any portion of any such tax from any such person. * * * * * * * * * * * * * * * * * * *

ARTICLE SECOND

I give and bequeath all of my tangible personal property, including any and all furniture, furnishings, china, silverware, jewelry, ornaments, works of art, automobiles, books, pictures and other articles of similar nature, to WILLIAM ROGER PITKIN, JR., of Guilford, Connecticut, EDWARD HAYDEN PITKIN, of said Guilford, PAULINE PITKIN HARRINGTON, of Lakewood, Ohio, and ELIZABETH FULTON GUNTER HUSBAND, of Cochise, Arizona, and in the

event that any such beneficiary shall predecease me leaving issue me surviving, I give and bequeath the share of such deceased beneficiary to his or her issue per stirpes.

However, if I leave a memorandum addressed to said beneficiaries suggesting a disposition of any of said property, it is my hope and expectation that such suggestion will be accepted and followed by them. * * * * * * * * * * * * * * * *

ARTICLE THIRD

I give and bequeath the sum of Thirty Thousand Dollars ($30,000.00) to each of the following beneficiaries: said ELIZABETH FULTON GUNTER HUSBAND, said WILLIAM ROGER PITKIN, JR., said EDWARD HAYDEN PITKIN, and said PAULINE PITKIN HARRINGTON. In the event that any such beneficiary shall predecease me leaving issue me surviving, I give and bequeath the share of such deceased beneficiary to his or her issue per stirpes.

ARTICLE FOURTH

I give and bequeath the sum of Twenty-five Thousand Dollars ($25,000.00) to NANCY FULTON BRIGGS, of Tucson, Arizona, and the sum of Fifteen Thousand Dollars ($15,000.00) to WILLIAM DUNCAN FULTON, of said Tucson. In the event that either of such beneficiaries shall predecease me leaving issue me surviving, I give and bequeath the share of such deceased beneficiary to his or her issue per stirpes. * * * * * * * * *

ARTICLE FIFTH

I give and bequeath the sum of Five Thousand Dollars ($5,000.00) to each of the following beneficiaries: ELIZABETH DUNCAN FULTON, of said Tucson, GERALDINE RUSSELL PITKIN, of said Guilford, PATRICIA GROVES PITKIN, of said Guilford, and THOMAS HUSBAND, of said Cochise. * * * * * * * * * * * * * *

ARTICLE SIXTH

I give and bequeath to said WILLIAM ROGER PITKIN, JR. the sum of Twenty-five Thousand Dollars ($25,000.00). While this bequest is absolute, it is my wish that said WILLIAM ROGER PITKIN, JR. distribute said sum to the persons and in the amounts which shall be set forth by me in a memorandum which I shall leave with my will. * * * * * * * * * * * * * * * * * *

ARTICLE SEVENTH

In the event that RUTH E. EARLEY, of said Waterbury, shall survive me, I give and bequeath the sum of Thirty Thousand Dollars ($30,000.00) to my Trustee hereinafter named, IN TRUST NEVERTHELESS, for the following uses and purposes, and with the powers and duties hereinafter set forth:

During the lifetime of said RUTH E. EARLEY, my Trustee shall pay over to or use for the benefit of said RUTH E. EARLEY from the net income derived from said trust the sum of Fifteen Hundred Dollars ($1,500.00) per year, quarterly or more often as it, in its sole discretion, shall deem advisable, and in the event that the net income shall be insufficient in any twelve months period following the date of my death to provide payments to said RUTH E. EARLEY at the rate of Fifteen Hundred Dollars ($1,500.00) per year, my Trustee shall pay over to her such amount or amounts from the principal of this trust as shall be necessary to provide payments to her at such annual rate. In the event that the net income in any twelve months period following the date of my death shall exceed the sum of Fifteen Hundred Dollars ($1,500.00), such excess shall be accumulated by my Trustee and added to the principal of the trust.

On the death of said RUTH E. EARLEY, my Trustee shall divide the undistributed income and principal then remaining in said trust into as many equal shares as I shall have nephews and nieces then living and nephews and nieces then deceased leaving issue then living, and I direct that my Trustee shall pay one such share to each such nephew and niece then living and one such share to the issue of any deceased nephew or niece, the issue of any deceased nephew or niece to take per stirpes.

ARTICLE EIGHTH

If I am survived by CATHERINE KEIPER, of Prospect, Connecticut, I give and bequeath to her the sum of Two Thousand Five Hundred Dollars ($2,500.00), the same to be to her absolutely. * * * * * * * * * * * * * * * * * * * * * * * * * *

ARTICLE NINTH

If I am survived by EMMA KIESSLING, of said Waterbury, I give and bequeath to her the sum of Two Thousand Five Hundred Dollars ($2,500.00), the same to be to her absolutely. * * * *

ARTICLE TENTH

I give and bequeath to THE AMERIND FOUNDATION, INCORPORATED, located in Dragoon, Arizona, the sum of Twenty-five Thousand Dollars ($25,000.00), to be used for its general purposes. * *

ARTICLE ELEVENTH

I give and bequeath to THE YOUNG WOMEN'S CHRISTIAN ASSOCIATION, located in said Waterbury, the sum of Thirty Thousand Dollars ($30,000.00), to be used for its general purposes. * * * * * * * * * * * * * * * * * * * * * * * * * *

ARTICLE TWELFTH

I give and bequeath to THE MATTATUCK HISTORICAL SOCIETY, located in said Waterbury, the sum of Seventy Thousand Dollars ($70,000.00), to be used for its general purposes. * * * * * *

ARTICLE THIRTEENTH

I give and bequeath to THE WATERBURY VISITING NURSES ASSOCIATION, INCORPORATED, located in said Waterbury, the sum of Fifteen Thousand Dollars ($15,000.00), to be used for its general purposes. * * * * * * * * * * * * * * * * * * * * * * * * * * *

ARTICLE FOURTEENTH

I give and bequeath to WATERBURY GIRL'S CLUB, INCORPORATED, located in said Waterbury, the sum of Fifteen Thousand Dollars ($15,000.00), to be used for its general purposes. * * * * * *

ARTICLE FIFTEENTH

I give and bequeath to THE CONNECTICUT JUNIOR REPUBLIC located in Litchfield, Connecticut, the sum of Ten Thousand Dollars ($10,000.00), to be used for its general purposes. * *

ARTICLE SIXTEENTH

I give and bequeath to THE WATERBURY HOSPITAL, located in said Waterbury, the sum of Twenty Thousand Dollars ($20,000.00) to be known as "The Elizabeth K. Hayden Fund", to establish a bed fund, the income from which shall be used for the purpose of providing free bed and medical care to patients of Southmayd Home, Incorporated, of said Waterbury, who shall be designated by the Board of Directors of said Southmayd Home, Incorporated, as being eligible to receive said free bed and medical care. In the event that all or any portion of said income in any consecutive twelve months period (said period to be determined

by said Hospital, in its sole discretion) shall not be needed for the purpose of providing free bed and medical care, the same may be used by said Hospital for its general purposes. . .

ARTICLE SEVENTEENTH

I give and devise to CHILD GUIDANCE CLINIC OF WATERBURY, INC., a non-profit organization located in said Waterbury, all of my real estate located on Pine Street and Glenridge Street, in said Waterbury, for as long as said property shall be used by said corporation for the purposes for which said corporation was organized. In the event that said corporation shall take title to said property, it is my wish and desire that the buildings on said property as of the date of my death be retained by said corporation, to be used for the purposes for which said corporation was organized, and that no new buildings or structures be erected on said property. In the event that said corporation shall fail to accept this devise within a period of two (2) years from the date of my death, or in the event that at any time after acceptance, said corporation shall fail to use said real estate for such purposes, then the title and interest of said corporation in and to said real estate shall cease and terminate, and I give and devise said real estate to the CITY OF WATERBURY, to be added to and become a part of the property known as "Hayden Homestead Park", for as long as said property shall be used by said City for park purposes only. In the event that said City shall take title to the aforesaid property, it is my wish and desire that, with the exception of the three car garage in the rear of #52 Pine Street, in said Waterbury, all other houses or buildings located on such property shall be removed or razed by said City, and said

three car garage shall be used by the City for purposes directly connected with the maintenance, care, supervision and operation of said real estate as a public park. In the event that said City shall fail to accept this devise within a period of two (2) years from the date of the failure of the aforesaid corporation to accept said devise, or in the event that at any time after acceptance, said City shall fail to use said real estate for park purposes only, then the title and interest of said City in and to said real estate shall cease and terminate, and I give and devise said real estate, in equal shares, to said THE WATERBURY VISITING NURSES ASSOCIATION, INCORPORATED and said THE MATTATUCK HISTORICAL SOCIETY, to be used by each for its general purposes. * * * * * * * * * * * * * * * * * * *

ARTICLE EIGHTEENTH

I give and bequeath the sum of Twenty-five Thousand Dollars ($25,000.00) to my Trustee hereinafter named, IN TRUST NEVERTHELESS, with the powers and duties hereinafter set forth for the following uses and purposes:

1. For as long as said City of Waterbury shall maintain the property known as "Hayden Homestead Park" for park purposes only, my Trustee shall pay to said City of Waterbury the net income derived from said trust quarterly or more often as my Trustee, in its sole discretion, shall deem advisable, said net income to be used by said City for the maintenance of said park.

2. In the event that said City of Waterbury shall fail to maintain said real estate for park purposes only, then the title and interest of said City in and to the principal and undistributed income of this trust shall cease and terminate, and I give and bequeath said principal and any undistributed

income in equal shares to said THE WATERBURY VISITING NURSES ASSOCIATION, INCORPORATED, said THE MATTATUCK HISTORICAL SOCIETY, and said THE YOUNG WOMEN'S CHRISTIAN ASSOCIATION, to be used by each for its general purposes. * * * * * * * * * * * * * * *

ARTICLE NINETEENTH

I give and bequeath the sum of Twenty Thousand Dollars ($20,000.00) to said SOUTHMAYD HOME, INCORPORATED, to be used for its general purposes. * * * * * * * * * * * * * * * * * *

ARTICLE TWENTIETH

I give and bequeath the sum of Ten Thousand Dollars ($10,000.00), to PEARL STREET NEIGHBORHOOD HOUSE, located in said Waterbury, to be used for its general purposes. * * * * * *

ARTICLE TWENTY-FIRST

I give and bequeath the sum of Fifteen Thousand Dollars ($15,000.00) to WATERBURY DAY NURSERY, located in said Waterbury, to be used for its general purposes. * * * * * * * * * * * * * *

ARTICLE TWENTY-SECOND

I give and bequeath the sum of Ten Thousand Dollars ($10,000.00) to BOYS CLUB, INC. OF WATERBURY, located in said Waterbury, to be used for its general purposes. * * * * * * * *

ARTICLE TWENTY-THIRD

I give and bequeath the sum of Ten Thousand Dollars ($10,000.00) to THE YOUNG MEN'S CHRISTIAN ASSOCIATION, located in said Waterbury, to be used for its general purposes. * * * *

ARTICLE TWENTY-FOURTH

I direct that my Executors shall divide all the rest, residue and remainder of my property, both real and personal,

and wheresoever situate, into as many equal shares as I shall have nephews and nieces living on the date of my death and nephews and nieces then deceased leaving issue then living, and I direct that my Executors shall pay one such share to each such nephew and niece then living and one such share to the issue of any deceased nephew and niece, the issue of any deceased nephew or niece to take per stirpes. * * * * * * * *

ARTICLE TWENTY-FIFTH

In addition to the powers by law conferred upon Executors, I hereby authorize and empower my Executors hereinafter named, and any successors to said Executors, in their absolute and uncontrolled discretion, to retain any and all property, real or personal, of which my estate may be composed at the time of my death; to sell and convey any or all of the property, real or personal, of which my estate may at any time be comprised; to invest and reinvest any money in my estate at any time in any property, real or personal, including common stocks, common trust funds and mutual funds, at their discretion, without being limited by any statute or rule of law; to join in any reorganizat merger, consolidation or exchange of any securities held by them, and to exercise rights to subscribe to or receive any new securities; to borrow money from themselves or any one of them, and encumber any or all of the property of my estate for such purposes to control, operate and manage any or all property now or hereafter constituting a part of my estate, and to carry on any business enterprise as a partner or otherwise in which I may be interested in my lifetime; to compromise and settle any claim belonging to or against my estate or the property in my estate; except as otherwise provided, to make division and distribution of my estate in securities, property or cash, as my Executors

may deem proper, and in making distribution of my residuary estate in kind, my Executors, in their sole discretion, need not make a pro rata allocation of each asset so distributed; to determine whether to claim deductions available to me or my estate on estate tax or income tax returns, and to determine the date upon which to value my estate for estate tax purposes, all in such manner as they may deem advisable and without thereafter making any adjustment between income and principal or making any adjustment between beneficiaries on account of any such determination; to execute and deliver good and sufficient assignments, contracts, agreements, deeds, mortgages, leases, receipts, releases and such other instruments as may be required to effectuate any of the powers set forth herein. All powers herein granted my Executors may be exercised without obtaining probate order or approval. * * * * * * * * * * * * * * * * * * *

ARTICLE TWENTY-SIXTH

I give to my Trustee hereinafter named, and any successor to said Trustee, the same authority, power and discretion as set forth in Article Twenty-fifth hereof for my Executors with reference to any property, real or personal, which shall at any time constitute a part of the trusts hereinbefore created, and I further authorize and empower my Trustee to make such expenditures as may be necessary and proper in administering such trusts, including the hiring of agents and attorneys; to hold any part of the trusts in cash or uninvested for any period deemed advisable.

LAST ARTICLE

I name, nominate and appoint WILLIAM J. SECOR, JR. of Middlebury, Connecticut, and THE COLONIAL BANK AND TRUST COMPAN a duly organized banking corporation located in said Waterbury, or any successor thereto, Executors of this my last will and testament, to serve without bond. In the event that said WILLIAM J. SECOR, JR. shall fail to qualify or to complete his duties as such Executor, I direct that said THE COLONIAL BANK AND TRUST COMPANY, or its successor, shall act as sole Executor.

I name, nominate and appoint said THE COLONIAL BANK AND TRUST COMPANY, or its successor, Trustee of the trusts herein created, to serve without bond. * * * * * * * * * * * *

IN WITNESS WHEREOF, I have hereunto set my hand and seal, at said Waterbury, this 7th day of FEB. A.D. one thousand nine hundred seventy-five.

Margery K. Hayden (L.S.)

Signed, sealed, published and declared by the said testatrix, MARGERY K. HAYDEN, as her last will and testament in the presence of us, the subscribing witnesses, who, in her presence and in the presence of each other, have hereunto at her request subscribed our names as such witnesses, at said Waterbury, on the 7th day of FEB, A.D. one thousand nine hundred seventy-five.

WITNESSES

STATE OF CONNECTICUT

COUNTY OF NEW HAVEN ss. Waterbury, 3/3/75

The within named _____ and _____, being each duly and separately sworn, depose and say: that deponent witnessed the instrument purporting to be the last will and testament of MARGERY K. HAYDEN, and bearing date of 3/3/ , 1975, subscribed the same in the presence of the other person whose name appears as witness thereto; that the within named testatrix at the time of the execution of said instrument, was more than eighteen years of age and appeared to such deponent to be of sound mind and memory; that the within named testatrix signed said will and declared the same to be her last will and testament in the presence of both of said witnesses; and that each deponent respectively makes this affidavit at the request of said testatrix.

_____

_____

Subscribed and sworn to, at the request of the within named testatrix, MARGERY K. HAYDEN, the day and year above written, before me.

_____
Commissioner of Superior Court

THE WATERBURY HOSPITAL
Waterbury, Connecticut

May 6, 1975

To: R. O. Hotchkiss

From: R. A. Derr

Re: The Elizabeth K. Hayden Fund

This Fund should be deposited in the Restricted Endowment Funds and the income used as directed. I suggest that annually (10/1/7x) a letter go to the Board of Directors of Southmayd Home. If by the following 9/30 they have not used the income, it should be used for the general purposes of The Waterbury Hospital.

Administrator

RAD:ik

3 copies (a

RECEIVED
SEP 8 1975
BUSINESS OFFICE

**The Colonial Bank**
and Trust Company
WATERBURY, CONN. 06720

August 29, 1975

RECEIVED
SEP 8 1975
ADMINISTRATION

Waterbury Hospital
64 Robbins Street
Waterbury, CT 06708

ATTENTION: Mr. Raymond Hotchkiss

Dear Sirs:

Re: Estate of Margery K. Hayden

In reference to our letter of April 2, 1975, we are pleased to enclose herewith, our check in the amount of $20,000.00 drawn to the order of the Waterbury Hospital, representing payment in full for the bequest under Article Sixteenth of the last Will of Margery K. Hayden.

Article Sixteenth reads as follows:

> "I give and bequeath to THE WATERBURY HOSPITAL, located in said Waterbury, the sum of Twenty Thousand Dollars ($20,000.00), to be known as "The Elizabeth K. Hayden Fund", to establish a bed fund, the income from which shall be used for the purpose of providing free bed and medical care to patients of Southmayd Home, Incorporated, of said Waterbury, who shall be designated by the Board of Directors of said Southmayd Home, Incorporated, as being eligible to receive said free bed and medical care. In the event that all or any portion of said income in any consecutive months period (said period to be determined by said Hospital, in its sole discretion) shall not be needed for the purpose of providing free bed and medical care, the same may be used by said Hospital for its general purposes."

Would you please sign the enclosed copy of this letter and return it in the envelope provided for your convenience; thereby acknowledging the receipt of payment releasing the Executor from all liability in connection with this bequest.

Sincerely,

William J. Secor

and
The Colonial Bank and Trust Company
Executors u/w Margery K. Hayden

By John H Cook
John H. Cook
Executive Vice President

lah
Enclosure

ARTICLE SIXTEENTH

I give and bequeath to THE WATERBURY HOSPITAL, located in said Waterbury, the sum of Twenty Thousand Dollars ($20,000.00) to be known as "The Elizabeth K. Hayden Fund", to establish a bed fund, the income from which shall be used for the purpose of providing free bed and medical care to patients of Southmayd Home, Incorporated, of said Waterbury, who shall be designated by the Board of Directors of said Southmayd Home, Incorporated, as being eligible to receive said free bed and medical care. In the event that all or any portion of said income in any consecutive twelve months period (said period to be determined



by said Hospital, in its sole discretion) shall not be needed for the purpose of providing free bed and medical care, the same may be used by said Hospital for its general purposes. . .

C. IV / Letter to PD

UPSON, SECOR, CASSIDY & McPARTLAND, P. C.
ATTORNEYS AT LAW
41 CHURCH STREET
WATERBURY, CONNECTICUT 06720
TELEPHONE (203) 757-9261

J. WARREN UPSON
WILLIAM J. SECOR, JR.
JOHN H. CASSIDY, JR.
DONALD McPARTLAND
W. FIELDING SECOR
RAYMOND F. VOELKER
THOMAS F. UPSON
HARRY C. BLAKE

CHESHIRE OFFICE
420 HIGHLAND AVENUE
272-5001

WATERTOWN OFFICE
49 DeFOREST STREET
274-2340

April 21, 1975

RECEIVED
APR 24 1975
ADMINISTRATION

Mr. Raymond O. Hotchkiss
Controller
Waterbury Hospital
64 Robbins Street
Waterbury, Conn. 06720

Re: Bequest of Margery Hayden

Dear Mr. Hotchkiss:

In reference to your letter of April 14, 1975, enclosed is a copy of the portion of the will of Margery Hayden which contains the bequest of $20,000 to the Waterbury Hospital.

Very truly yours,

Raymond F. Voelker

Raymond F. Voelker

RFV:nr
Enclosure

**The Colonial Bank**
and Trust Company
WATERBURY, CONN. 06720

August 5, 1976

Mr. Raymond O.Hotchkiss, Controller
Waterbury Hosptial
64 Robbins Street
Waterbury, Connecticut

Dear Ray:

Re: Waterbury Hospital Elizabeth K. Hayden Fund 13-10674-000

As you know, up to this point we have not established any policy concerning the distribution of income for the referenced account. Until this account has been properly documented with the necessary papers, it would be my recommendation to transfer income to checking account 950 047 3, under advice to you. The enclosed advice represents the initial distribution from this account.

Call if you have any questions.

Best regards,

Robert L. Bean
Vice President and Trust Officer

RLB:jd
Enc.

HELLMAN, RHODA

Acct# 33-12675-000
new Acct

WILL OF RHODA M. HELLMANN as modified by codicils dated June 24, 1971, May 21, 1980 and May 23, 1980

ARTICLE FIRST

My Executor, hereinafter named, may find among my papers a signed letter or memorandum, the same to include any notations on property which may be found in any safe deposit box which I may have, setting forth a description of certain of my personal effects accordingly, and a receipt signed by each designated person shall be sufficient security for my Executor. (11/11/69)

ARTICLE SECOND

I give to my nephew's wife, HAZEL ELLIS PLATT, if she survives me for a period of thirty (30) days, such household furniture and furnishings located in my home at 61 Hillcrest Terrace, in said Meriden, and any insurance policies covering said property, which she shall designate in writing, within thirty (30) days after the filing of the inventory of my estate. However, should my nephew's wife not so survive me, then I give all of said property to my nephew, WINTHROP W. PLATT, on the same terms and conditions. In the event both my said nephew's wife and my nephew shall not survive me as aforesaid, then in that event, I direct that said property shall become a part of my residuary estate. (11/11/69)

ARTICLE THIRD

I give to said HAZEL ELLIS PLATT, all my clothing and furs and any insurance policies covering the same, the same to be hers absolutely. In the event that she shall not survive me, then I direct that said property shall become a part of my residuary estate. (11/11/69).

ARTICLE FOURTH

A. I give and bequeath the sum of Ten Thousand Dollars ($10,000.00) to my friends, LORETTA PARSONS and IRVING PARSONS, of Waterbury, Connecticut, or the survivor of them.

B. I give and bequeath the sum of Ten Thousand Dollars ($10,000.00) to ERNEST M. MEISTER, of Meriden, Connecticut.

C. I give and bequeath the sum of Ten Thousand Dollars ($10,000.00) to HAZEL ELLIS PLATT, if living.

D. I give and bequeath the sum of Ten Thousand Dollars ($10,000.00) to my grandnephew, ROBERT ELLIS PLATT, if living.

E. I give and bequeath the sum of Five Thousand Dollars ($5,000.00) to my friend, EDWARD G. HAZEN, of Watertown, Connecticut, if living.

F. I give and bequeath the sum of Five Thousand Dollars ($5,000.00) to my friend, DORIS FURGALACK, if living.

G. I give and bequeath the sum of Five Thousand Dollars ($5,000.00) to my friend, FRANCES RASTED, if living.

H. I give and bequeath the sum of Ten Thousand Dollars ($10,000.00) to DOCTOR JOSEPH F. MISUK, of Meriden Connecticut, if living.

I. I give and bequeath the sum of One Thousand Dollars ($1,000.00) to my friend, HARRIET DERRICK, of New Haven, Connecticut, if living.

J. I give and bequeath the sum of One Thousand Dollars ($1,000.00) to my friend, HELEN LEWIS, if living (11/11/69 - substituted 6/24/71).

ARTICLE FIFTH

I give to ERNEST M. MEISTER, of Meriden, Connecticut any automobiles with equipment and accessories thereto, garage equipment and tools which I may own at the time of my death and any insurance policies covering any or all of said property. (11/11/69)



NOV 14 '96 09:54 PAGE.08

ARTICLE SIXTH

A. I hereby expressly exercise the power of appointment given me under the will of my deceased husband, Charles M. Hellmann, dated June 13, 1955, and on file in the Probate Court for the District of Meriden, County of New Haven and State of Connecticut, and in the exercise of this power, I direct and appoint the sum of Ten Thousand Dollars ($10,000.00 to FIRST LUTHERAN CHURCH, of Waterbury, Connecticut, or its successor, said sum to be used by said church as it may deem for its best interests (11/11/69).

B. In further exercise of said power, I hereby appoint the sum of Five Thousand Dollars ($5,000.00) to MUSCULAR DYSTROPHY ASSOCIATION OF AMERICA, INC., located at 1790 Broadway, New York 19, New York, or its successor, said sum to be used by said associations as they may deem for their best interests. (11/11/69).

C. In further exercise of said power, I hereby appoint the sum of Five Thousand Dollars ($5,000.00) to the SALVATION ARMY, or its successor, said sum to be used by said organization as it may deem for its best interests. (11/11/69).

D. In further exercise of said power, I hereby appoint the sum of Five Thousand Dollars ($5,000.00) to LUTHERAN HOME FOR THE AGED, located in Southbury, Connecticut, or its successor, said sum to be used by said home as it may deem for its best interest. (11/11/69).

E. In further exercise of said power, I hereby appoint the sum of Five Thousand Dollars ($5,000.00) to SOUTHMAYD HOME, INC., of Waterbury, Connecticut, or its successor, said sum to be used by said corporation as it may deem for its best interest. (11/11/69.

F. In further exercise of said power, I hereby appoint the sum of Fifty Thousand Dollars ($50,000.00) to my Trustee hereinafter named, IN TRUST, to be known as the "Charles M. and Rhoda M. Hellmann Fund", to hold, manage, sell, encumber, invest and reinvest in such securities and other property as my Trustee in its judgment may from time to time deem prudent without regard to any limitations now or hereafter imposed on investments by trustees by the statutes of the

State of Connecticut and to dispose of the principal, increment and net income thereof as follows:

1. To pay the income therefrom quarterly to MERIDEN HOSPITAL, located in Meriden, Connecticut, the said income to be used by the Hospital as it may deem for its best interests.

2. If said Hospital shall enter into an agreement of merger and my Trustee believes that the body or corporation so formed carried out the purposes of the Hospital, then my Trustee shall pay the income to such amalgamated body or corporation.

3. Should said Hospital mentioned herein cease to exist and there shall be no corporation formed as aforesaid so that there is no charitable or eleemosynary corporation to which the income from the trust shall be paid, then my Trustee shall pay the net income in such proportion as it may deem advisable to other charitable or religious corporations wich carry out the principles and teachings of said Hospital, and my Trustee shall have full discretion to designate the appropriate beneficiary or beneficiaries and shall have full discretion as to the proportion of the net income which shall be paid to each corporation so designated. (11/11/69).

G. In further exercise of said power, I hereby appoint the sum of Twenty-Five Thousand Dollars ($25,000.00) to VETERAN'S MEMORIAL HOSPITAL, located in Meriden, Connecticut, said sum to be used by said Hospital as it may deem for its best interests. (11/11/69).

H. In further exercise of said power, I hereby appoint all of the rest, residue and remainder of the property over which I have a power to appoint under the said will of my late husband to COLONIAL BANK , as Trustee to be held in trust, under the designation "SIBELLA HELLMANN FUND" in memory of my husband's mother, for the following purposes, viz:

The trust shall continue in perpetuity. During the continuation of this trust the net income arising therefrom shall be divided

equally between the WATERBURY HOSPITAL and ST. MARY'S HOSPITAL, such payments to be made quarter-yearly or at such more frequent intervals as the Trustee shall deem wise.

If either of the hospitals listed above is not an organization described in Sections 170(a), 2055(a) and 2522(a) of the Internal Revenue Code or has ceased to exist when income of the trust is to be distributed to it, the Trustee shall distribute all such income to the remaining hospital. If neither hospital shall qualify under such sections the Trustee shall distribute the income to such other organizations in the health care field as are described in said Sections 1770(c), 2055(a) and 2522(a) as the Trustee shall select.

Any other provisions of this will notwithstanding, the trust created pursuant to this Article Sixth is organized and shall be operated exclusively for charitable purposes; no part of the net earnings thereof shall inure to the benefit of any private shareholder or individual; and the trust shall not attempt to influence legislature or participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of any candidate for public office. (6/24/71; substituted 5/23/80).

ARTICLE SEVENTH

A.

I direct my Executor to purchase from a reputable life insurance company an annuity contract for the benefit of each of the following named individuals who shall survive me for their respective lives only as follows:

For HAZEL ELLIS PLATT, a monthly annuity amount for and during her lifetime of Eight Hundred Thirty-Three and 33/100 Dollars (833.33).

For ROBERT ELLIS PLATT, a monthly annuity amount for and during his lifetime of Eight Hundred Thirty-three and 33/100 Dollars ($833.33).



NOV 14 '96 09:56 PAGE 11

For ERNEST M. MEISTER, a monthly annuity amount for and during his lifetime of Four Hundred Sixteen and 61/100 Dollars ($416.61).

Said annuity contracts shall be delivered to the respective aforesaid annuitants.

B.

All of the rest, residue and remainder of my property, of whatever kind, including any lapsed legacy or devise, I give, devise and bequeath to my Trustee hereinafter named, in trust, however for the following purposes, viz:

The trust shall continue in perpetuity. During the continuation of this trust the net income arising therefrom shall be divided among the following named organizations in such amounts and proportions as the Trustee shall determine, such payments to be made quarter-yearly or at such more frequent intervals as the Trustee shall deem wise. If for any reason the discretion give to the Trustee to allocate the income among the following named organizations would cause the assets of this trust to lose their status as a charitable deduction in my estate for federal estate tax purposes,then the first three named in chronological order shall receive twenty percent (20%) of the income in equal shares and the last four named shall receive eighty percent (80%) of the income or twenty percent each, during each year.

The recipients are: AMERICAN CANCER SOCIETY, . Meriden, Connecticut, AMERICAN HEART ASSOCIATION, Meriden, Connecticut, THE CONNECTICUT INSTITUTE FOR THE BLIND, lcoated in Hartford, Connecticut, GAYLORD FARM ASSOCIATION, Wallingford, Connecticut, THE MASONIC HARITY FOUNDATION OF CONNECTICUT, located in Wallingford, Connecticut, MERIDEN-WALLINGFORD HOSPITAL, located in Meriden, Connecticut and the NEWINGTON CHILDRENS HOSPITAL, located in Newington, Connecticut.

If any of the organizations listed above is not an organization

described in Section 170(c), 2055(a) and 2522(a) of the Internal Revenue Code, or has ceased to exist at the time when any income of the trust would otherwise be distributed to it, the Trustee shall distribute such income among such of the other named organizations as are described in such sections of the Internal Revenue Code, or if none, to such other organization or organizations which are described in Sections 170(c), 2055(a) and 2522(a) as amended from time to time.

Any other provisions of this will notwithstanding, the trust created pursuant to this Article Seventh is organized and shall be operated exclusively for charitable purposes; no part of the net earnings thereof shall inure to the benefit of any private shareholder or individual; and the trust shall not attempt to influence legislature or participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of any candidate for public office. (11/11/69; substituted 5/21/80).

ARTICLE EIGHTH

I direct that all estate, inheritance, succession and like taxes, whether state or federal, that may be levied upon or with respect to my estate, or upon or with respect to any property which is included as part of my gross estate for the purpose of any such tax or upon or with respect to any beneficiary of mine, including all taxes imposed by reason of any life insurance or other insurance upon my life, shall be paid out of my residuary estate and the same shall not be pro rated or apportioned among or charged against the respective devisees, legatees, beneficiaries, or other recipients, nor charged against any property passing or which may have passed to any of them. (11/11/69;substituted 5/21/80).

ARTICLE NINTH

I grant to my Executor and Trustee all of the powers contained

in the Fiduciary Powers Act enacted by the legislature of the State of Connecticut being sections 45-100e and 45-100f subsections 1 through 27 inclusive of the Connecticut General Statutes.

Any other provisions of this will notwithstanding, the Trustee shall distribute the income for each arising in a charitable trust under this will at such time and in such manner as not to become subject to the tax on undistributed income imposed by Section 4942 of the Internal Revenue Code of 1954 or corresponding provisions of any subsequent federal tax laws.

The Trustee shall not engage in any act of self-dealing as defined in Section 4941(d); nor retain any excess business holdings as defined in Section 4943(c); nor make investments in such manner as to incur tax liability under Section 4944; nor make any taxable expenditures as defined in Section 4945(d). The section references are to the Internal Revnue Code of 1954 or corresponding provisions of any subsequent federal tax laws.

It is intended that the organization to receive income payments shall be organized and operating exclusively for charitable purposes, no part of the net earnings of which inures or is payable to or for the benefit of any private shareholder or individual, and no part of the activity of which is carrying on propaganda, or otherwise attempting to influence legislature and which do not participate in or intervene in any political campaign on behalf of any candidate for public office. It is intended that the recipient organization shall be such as shall be entitled to exemption from Federal Income Tax under Section 501(c)(3) of the Internal Revenue Code of 1954, as now in force or afterwards amended. (11/11/69; substituted 5/21/80).

ARTICLE TENTH

In determination of the property passing under Articles First, Second, Third and Fifth, the determination of my Executor, hereinafter named, shall be binding upon all parties. In the event that any



NOV 14 '96 09:58

provision of this will, including but not limited to the foregoing Articles, is contested by any of the parties mentioned herein, the portion or portions of my estate to which such party or parties would be entitled shall be disposed of in the same manner as though their name or names had not been mentioned herein.

ARTICLE ELEVENTH

I nominate and appoint THE COLONIAL BANK AND TRUST COMPANY, a banking corporation organized and existing under the Special Charter granted by the General Assembly of the State of Connecticut, having an office and principal place of business in the City of Waterbury, County of New Haven and State of Connecticut, or its successor by consolidation, merger or otherwise, Trustee of this Will, without bond.

ARTICLE TWELFTH

I appoint said THE COLONIAL BANK AND TRUST COMPANY, or its successor by merger, consolidation or otherwise, Executor of this will, without bond.

IN WITNESS WHEREOF, I have hereunto set my hand and seal, this 11 th day of November, 1969.

_____ (SEAL)

/s/ Rhoda M. Hellmann

I, CHARLES M. HELLMANN, of Meriden, County of New Haven and State of Connecticut, make, publish and declare the following as and for my last Will and Testament, hereby revoking any other Wills and Codicils by me heretofore made.

## FIRST

I give to my wife my home located at 61 Hillcrest Terrace, in said Meriden, with the contents thereof, and also all of my personal effects, automobiles, garage equipment and tools, the same to be hers absolutely if she survives me for a period of thirty days. However, should my wife not survive me, as aforesaid, then said property shall become part of my residuary estate.

## SECOND

I hereby elect not to exercise any power of appointment which now or hereafter may be conferred upon me by the will of my wife, and none of the provisions of this Will shall be construed as an exercise of any such power, in whole or in part.

## THIRD

I give, devise and bequeath one-half of the remainder of my estate, after payment of claims and administration expenses and less the value of the property passing under Article First but before payment of taxes, to my Trustees hereinafter named, IN TRUST, to hold, manage, sell, encumber, invest and reinvest in such securities and other property as my Trustees in their judgment may from time to time deem prudent without regard to any limitations now or hereafter imposed on investments by trustees by the statutes of the State of Connecticut, and to dispose of the principal, increment and net income thereof as follows:

A. Transfer and deliver to my wife aforesaid during the remainder of her life all the income from the trust fund, payable quarterly.

B. I hereby give my wife the power to invade or to appoint the entire corpus of the trust estate during her life or by will, which power shall be exercisable by her alone and in all events and may be exercised in favor of herself or of her estate or others, and which power may be exercised by my wife by an instrument or a will executed either before or after my death. If my wife shall not fully exercise said power of appointment, my Trustees, upon her decease, shall add the remainder of the principal and income of the trust estate to the principal of the trust fund established under Article Fourth of this Will and hold and dispose of the same accordingly.

## FOURTH

The remainder of my estate I give, devise and bequeath to my Trustees, hereinafter named, IN TRUST, to hold, manage, sell, encumber, invest and reinvest in such securities and other property as my Trustees in their judgment may from time to time deem prudent without regard to any limitations now or hereafter imposed on investments by trustees by the statutes of the State of Connecticut, and to dispose of the principal, increment and net income thereof as follows:

A. In the event that my wife shall survive me, to pay to ERNEST M. MEISTER, of said Meriden, our faithful man, if he is in our employ at the time of my decease, Three Hundred Dollars ($300.00) quarterly so long as he shall remain in the employ of my wife and, upon her death, to pay such sum to him quarterly during the remainder of his natural life, provided he shall not have left the employ of my wife so long as she shall live. However, in the event of the physical or mental incapacity of said ERNEST M. MEISTER during such employment or in the event of other



unforeseeable circumstances, of which my Trustees shall be the sole judge, which make it impossible for said ERNEST M. MEISTER to continue to serve my wife, then the payment of such sum shall not be interrupted on account of such incapacity or other unforeseeable circumstances.

In the event that my wife shall fail to survive me, to pay to said ERNEST M. MEISTER, if he is in my employ at the time of my decease, Three Hundred Dollars ($300.00) quarterly during the remainder of his natural life.

B. To pay to my wife, if she survives me, during her natural life, the remaining income therefrom in quarterly payments.

C. Upon the decease of my wife or, if she fails to survive me, then upon my death, to pay to ROBERT W. MACKEY, of said Waterbury, the sum of One Thousand Dollars ($1,000.00) per year during his life.

D. The balance of the net income shall be divided equally among my first cousins: SOPHIE REICHENBACH STAGE, MARY REICHENBACH PARSONS and JULIUS REICHENBACH or such of them as may then be living, for and during the life of each. As each of the beneficiaries named in this paragraph shall die, said income shall be divided among the survivors or paid to the survivor of them, intending hereby that the last survivor shall receive the entire income from said fund, subject to said annuities for life.

E. Upon the death of all the beneficiaries named in the preceding paragraph I direct that the then remaining principal shall remain IN TRUST as aforesaid and shall be known as the "SIBILLA HELLMANN FUND" in memory of my mother; after the payments required in Article Fourth, Sections A and C, the remaining yearly income shall be divided equally between THE WATERBURY HOSPITAL, INC. and THE ST. MARY'S HOSPITAL CORPORATION, both of said Waterbury, payable in:

semi-annual payments, the said income to be used by each hospital as it may deem for the best interests of each hospital. In the event that either hospital goes out of existence, the entire income shall be paid to the remaining hospital. If either hospital shall merge with another hospital and my Trustees believe that the corporation so formed carries out the purposes of the hospital so merged, then my Trustees shall pay one-half of the income to such amalgamated corporation, but, if my Trustees believe that the amalgamated corporation does not carry out the purposes of the hospital so merged and mentioned herein, then the entire income shall be paid to the remaining hospital.

Should both hospitals mentioned herein cease to exist and there shall be no corporation or corporations formed as aforesaid so that there will be no charitable or eleemosynary corporation or corporations to which the income from the trust shall be paid, then my Trustees shall give the net income to the MERIDEN HOSPITAL, and, in the event that said hospital has ceased to exist or has not been amalgamated with any other charitable institution carrying out the ideals and principals of such institution, then my Trustees shall pay the net income in such proportion as they may deem advisable to other charitable, religious and eleemosynary corporations as shall be located in said Waterbury which carry out the principles and teachings of THE WATERBURY HOSPITAL, INC. and THE ST. MARY'S HOSPITAL CORPORATION, and my Trustees shall have full discretion to designate the appropriate corporation or corporations and shall have full discretion as to the proportion of the net income which shall be paid to each corporation designated.

## FIFTH

I direct that my Trustees shall, as long as my wife lives, consult with her and give serious consideration to her judgment before there is any drastic change made in the assets in the trust.



## SIXTH

I hereby authorize my Executors to file a joint Federal income tax return with my wife, if she survives me, and to pay as an obligation of my estate the entire tax due thereunder.

## SEVENTH

I hereby direct that all legacy, succession, inheritance, transfer and estate taxes, levied or assessed upon or with respect to any property (the same to include insurance, bonds and any and all other kinds of personal and real property) which is included as part of my gross estate for the purpose of any such tax, shall be paid by my Executors out of my estate passing under Article Fourth, in the same manner as an expense of administration and shall not be prorated or apportioned among or charged against the respective devisees, legatees, beneficiaries, transferees or other recipients nor charged against any property passing or which may have passed to any of them and that my Executors shall not be entitled to reimbursement for any portion of any such tax from any such person.

## EIGHTH

I nominate and appoint GUSTAV A. ANDERSON, of Middlebury, Connecticut, and THE COLONIAL TRUST COMPANY, a banking corporation specially chartered by the General Assembly of the State of Connecticut and having its office and principal place of business in Waterbury, in said County and State, or its successor by merger, consolidation or otherwise Co-Trustees of this, my Will, without bond. In the event of the death, resignation or inability to qualify of the individual Co-Trustee, GUSTAV A. ANDERSON, the corporate Trustee shall continue as sole Trustee, exercising thereafter all the powers and subject to all the responsibilities which are conferred upon or imposed upon both Trustees under the terms of this Will.

NINTH

I appoint said THE COLONIAL TRUST COMPANY or its successor by merger, consolidation or otherwise and my wife Executors of this, my last Will, and direct that no bond be required for the faithful performance of their duties as such. In the event that my wife is unable to qualify as Co-Executor, I appoint said THE COLONIAL TRUST COMPANY sole Executor.

IN WITNESS WHEREOF, I have hereunto set my hand and seal, this 13th day of June, 1955.

CHARLES M. HELLMANN (SEAL)

Signed, sealed, published and declared as and for his last Will and Testament by the Testator, CHARLES M. HELLMANN, in our presence, who, in his presence, in the presence of one another and at his request, have hereunto subscribed our names as witnesses, this 13th day of June, 1955.

LUCIAN D. WARNER
HELEN M. BARTSCH
C. O. DUNBAR, JR.



STATE OF CONNECTICUT } SS: Waterbury.
COUNTY OF NEW HAVEN }

We, the undersigned, being duly sworn, depose and say that on the 13th day of June, 1955, the above named Testator, CHARLES M. HELLMANN, signed the foregoing Will in our presence as witnesses; that we thereupon subscribed our names thereto as witnesses, in his presence and at his request, and in the presence of one another; that at the time of the execution of said Will said CHARLES M. HELLMANN appeared to be of full age and of sound and disposing mind and memory; and that this affidavit is made at his request.

LUCIAN D. WARNER
HELEN M. BARTSCH
C. O. DUNBAR, JR.

STATE OF CONNECTICUT } SS: Waterbury,
COUNTY OF NEW HAVEN } June 13, 1955.

Personally appeared LUCIAN D. WARNER, HELEN M. BARTSCH and C. O. DUNBAR, JR., who subscribed the foregoing affidavit and made solemn oath to the truth of the same.

Before me,

WALTER M. PICKETT, JR.
Notary Public.

STATE OF CONNECTICUT } ss.: Meriden
COUNTY OF NEW HAVEN }

.....1.....19.....

This certifies that the within and foregoing is a true and attested copy of the Last Will and Testament with the attestation thereto of Charles M. Hellmann on file in the Probate Court for the District of Meriden.

ATTEST:

.....

Judge
Clerk

Charles M. Hellmann died on the 6th day of November, 1955. The foregoing Will was admitted to probate in the Probate Court for the District of Meriden, Connecticut on the 21st day of November, 1955. The Colonial Trust Company of Waterbury, Connecticut was confirmed as sole executor on the 21st day of November, 1955.

We hereby Certify that the within and foregoing is a true and correct copy of the original [illegible] on file in the Probate Court for the District of Meriden Conn.

The Colonial Trust Company
Waterbury, Conn.

By: [signature]
Authorized Signature

**HEMINWAY, MERRITT**

# HEMINWAY
## CORPORATION

Environment for ~

155 SOUTH LEONARD STREET

WATERBURY · CONNECTICUT

TELEPHONE PLAZA 4-2131

RECEIVED

DEC 2 1960

Administrator's Office

November 25, 1960

Mr. Donald Henry, President
The Waterbury Hospital
Waterbury, Conn.

Dear Don:

With reference to the original Merrit Heminway Cot Fund, the family would like to continue to have the income applied towards the care of deserving people from Watertown whom they suggest. However, if at the end of the year there is unexpended income, it is their wish that this be added to the General Fund of the Hospital and used at the discretion of the Trustees.

Sincerely yours,

Bartow

Bartow L. Heminway

H:B

Where - [illegible] Cot Fund"

THE WATERBURY HOSPITAL

Endowment or Permanent Room or Bed Fund

Name of Fund Merritt Heminway Bed Fund

Established By Mr. and Mrs. Merritt Heminway

Condition of Gift.

Extract from Executive Committee Report 1914

"Two bed funds have been added to our list during the year * * * the second endowed by Mr. and Mrs. Merritt Heminway, of Watertown, to be named the Merritt Heminway Cot."

Treasurer's Report 1915 shows receipt from Merritt Heminway $5,000.

Condition of Gift:

Income to maintain bed for Watertown poor.
(Information from Colonial Trust Company, September 10, 1956)

Copy of Letter from Mrs. Katherine H. Heminway Received in Administrator's Office November 13, 1960:

"6 Nova Scotia Hill Rd.
Watertown, Conn.
October 31, 1960

Waterbury Hospital
Robbins Street
Waterbury, Connecticut

"Dear Mr. Henry:

"Please accept $10,000.00 in memory of Mr. Merrit Heminway, who was born September 10, 1896 in Watertown and died November 13, 1956 in Watertown.

"It is the wish of his family that the income from this sum be added to that of the Merritt Heminway Bed Fund and administered as that fund has been administered in the past.

"Mr. Wynne was kind enough to show me what he found in the 1915 hospital records which referred to the fund. Some present clarification would be helpful. I believe, in addition to the additional money,

"We wish that the word [illegible] to mean anyone whose hospital bills (not being otherwise fully covered) are such that the patient would be burdened thereby so that help in their payment might be considered of curative value.

"It is also our wish that any income from this fund left at the end of each hospital fiscal year be turned over to the hospital's general funds.

"The Board of this hospital should feel free to request the family of Merrit Heminway to change the above provises if in their opinion the fund is no longer serving a useful purpose. If the time should arise when there were no family left to confer with, the interest and principal of the fund should be used in such a way as best to serve Watertown patients.

"Yours truly,
Katherine H. Heminway"

**HILL, CHARLOTTE B.**

THE WATERBURY HOSPITAL

Endowment or Permanent Room or Bed Fund

Name of Fund The Charlotte Benedict Hill Bed Fund

Established by Mrs. N. A. Pomeroy and Mr. Gilman C. Hill

Condition of Gift.

Letter from Mrs. N. A. Pomeroy received with gift read as follows:

Mr. Albert J. Blakesley,

Waterbury, Conn.

Dear Mr. Blakesley:-

Enclosed please find two checks for $2,500 each, from my father and myself, for the endowment of a free bed in the Waterbury Hospital, to be known as the Charlotte Benedict Hill Free Bed.

Yours very truly,

Feb. 23, 1915 Katherine Pomeroy

Mr. Edwin C. Northrop

City

Dear Mr. Northrop:-

I am enclosing a check for $5,000, payable to the Waterbury Hospital, to be added to the Charlotte B. Hill Fund.

Yours sincerely,

June 26, 1926 Katherine Pomeroy

Treasurer's Report 1915

| | |
|---|---|
| Gilman C. Hill | $2,500.00 |
| Katherine Hill Pomeroy | 2,500.00 |

Treasurer's Report 1926

| | |
|---|---|
| Mrs. Nelson H. Pomeroy | 5,000.00 |

Re: Charlotte Benedict Hill Bed Fund
(Part of Permanent Bed Funds)

96 HILLSIDE AVENUE
WATERBURY CONNECTICUT

Mr. Albert J. Blakesley,

Waterbury, Conn.

Dear Mr. Blakesley:-

Enclosed please find two checks for $2,500 each, from my father and myself, for the endowment of a free bed in the Waterbury Hospital, to be known as the Charlotte Benedict Hill Free Bed.

Yours very truly,

Katherine Pomeroy

Feb. 23, 1915.

Mr. Edwin C. Northrop,
City

Dear Mr. Northrop:-

I am enclosing a check for $5,000, payable to the Waterbury Hospital, to be added to the Charlotte B. Hill Fund.

Yours sincerely,

Katherine Pomeroy

June 26, 1926.

HILL ROBERT W. & SUE

THE WATERBURY HOSPITAL

Endowment or Permanent Room or Bed Fund

Name of Fund Robert W. and Susie E. Hill Bed Fund

Established by Miss Susie E. Hill

Condition of Gift.

Copy of letter from Susie E. Hill to Albert J. Blakesley, Treasurer of the Waterbury Hospital.

Mr. Albert J. Blakesley, Treas.,
The Waterbury Hospital
Waterbury, Conn.,

Dear Sir:-

Enclosed I hand you check for $5,000.- for the foundation of a free cot in The Waterbury Hospital to be established according to the by-laws of the said hospital and to be known as

The Robert W. Hill

and Susie E. Hill

Free cot.

for all time.

Please acknowledge receipt at your convenience.

Yours very truly,

March 2, 1910 Susie E. Hill

Extract from Report of Executive Committee 1910

"Through the liberality of Miss Susie E. Hill another free bed has been endowed with a fund of $5000. It is to be known as the Robert W. Hill and Susie E. Hill Cot."

Treasurer's Report 1910 shows receipt of this fund.

Re. Robert W. and Susie E. Hill Bed Fund
(Part of Permanent Bed Funds)

Mr. Albert J. Blakesley, Treas.,
The Waterbury Hospital,
Waterbury, Conn.,

Dear Sir:-

Enclosed I hand you check for $5,000.- for the foundation of a free cot in The Waterbury Hospital to be established according to the by-laws of the said hospital and to be known as

The Robert W. Hill
and Susie E. Hill
Free cot

for all time.

Please acknowledge receipt at your convenience.

Yours very truly,

Susie E. Hill

March 2, 1910.

# LAST WILL AND TESTAMENT

OF

ABBIE C. HOPKINS

LATE OF

NAUGATUCK, CONN.

I, ABBIE C. HOPKINS, of the Town of Naugatuck, New Haven County, Connecticut, make, publish and declare the following as and for my Last Will and Testament, hereby revoking any and all other wills by me heretofore made.

## FIRST

I direct my Executor hereinafter named to pay all my just debts and funeral expenses.

## SECOND

I give and bequeath to THE COLONIAL TRUST COMPANY, a corporation of Waterbury, in said County and State, all my furniture, pictures, books, silver, jewelry, clothing and other household and personal effects, and request that it distribute them in accordance with such written directions as I may leave, sell any of said property concerning which I leave no such directions, and add the proceeds thereof to the residue of my estate which is disposed of in the Seventh Section hereof.

## THIRD

I give and bequeath to each male person regularly employed by me at the time of my decease in or about my residence in Naugatuck, Connecticut, Two Hundred Dollars ($200.00), and to each female person thus employed by me One Hundred Dollars ($100.00), for each year and fraction of a year for which he or she shall have been so employed at the time of my decease.

To THERESA G. PILLER, of 270 Walnut Street, Waterbury, Connecticut, who is not thus employed, I give and bequeath the sum of Five Hundred Dollars ($500.00) in recognition of her many years of faithful service.

## FOURTH

I give and bequeath to the CENTER STREET CEMETERY ASSOCIATION, of the Town of Wallingford, Connecticut, Five Hundred Dollars ($500.00) for the uses and purposes of said Association.

## FIFTH

I give, devise and bequeath to THE GROVE CEMETERY ASSOCIATION, of said Naugatuck, any unused lots or plots in any of the cemeteries owned or maintained by it in said Naugatuck of which I may die seized or possessed, and direct my Executor to have the date of my decease inscribed upon the tablet in the Hopkins lot in the Hillside Cemetery, in said Naugatuck.

## SIXTH

I give and bequeath to the Trustee hereinafter named Five Thousand Dollars ($5,000.00), IN TRUST, NEVERTHELESS, in perpetuity, to invest and reinvest, and pay so much of the net income thereof to THE GROVE CEMETERY ASSOCIATION aforesaid, for use by it as is reasonably necessary, in the opinion of the Trustee, for the preservation, care and maintenance of the cemetery lots and plot known as the "Hopkins" lots and the "Oliver and Harriet Evans" plot, and the monuments thereon, in the Hillside Cemetery, in said Naugatuck, and for the preservation, care and maintenance of the Guntown Cemetery, in said Naugatuck, and the monuments and headstones of the ancestors of my husband, Samuel E. Hopkins, late of said Naugatuck, deceased, which are located therein, which care shall include and require that said lots and plot shall be filled with plants each year before the thirtieth of May, tended and cared for during the Summer, and that each year before December Twenty-fifth proper Christmas wreaths shall be placed upon the monuments thereon. Any of said net income not reasonably necessary for the purposes aforesaid, in the opinion of the Trustee,



shall be added by it to the $5,000.00 principal aforesaid, and whenever such principal shall amount to $10,000.00, in the opinion of the Trustee, so much of the net income of said principal as is not, in the opinion of the Trustee, reasonably necessary for the purposes aforesaid, shall be transferred, paid and delivered to said GROVE CEMETERY ASSOCIATION for use by it for the general preservation, care and maintenance of said Hillside, Guntown and Grove Cemeteries.

## SEVENTH

I give, devise and bequeath all the rest, residue and remainder of my property of every kind and description, including lapsed or void legacies and devises, which fund shall be known as and named "THE HOPKINS MEMORIAL", to THE COLONIAL TRUST COMPANY, of Waterbury, Connecticut, IN TRUST, NEVERTHELESS, to invest and reinvest, and from the net income thereof to pay the following annuities:

### A.

To LILLIAN HOPKINS, widow of George B. Hopkins, of Helena, Montana, during the remainder of her life, the sum of One Hundred Dollars ($100.00) annually.

To JESSIE PERKINS, of Wallingford, Connecticut, daughter of Helen Bartholomew Perkins, during the remainder of her life, the sum of Two Hundred Fifty Dollars ($250.00) annually.

To EMILY HOPKINS TURTON, of Naugatuck, Connecticut, during the remainder of her life, the sum of One Hundred Dollars ($100.00) annually.

To HARRIET HOPKINS FLINT, of Naugatuck, Connecticut, during the remainder of her life, the sum of One Hundred Dollars ($100.00) annually.

To WILLIAM B. HOPKINS, of Naugatuck, Connecticut, during the remainder of his life, the sum of One Hundred Dollars ($100.00) annually.

To SAMUEL J. COOK, my nephew, of Southington, Connecticut, during the remainder of his life, the sum of Two Hundred and Fifty Dollars ($250.00) annually.

To BERTHA CHILDS BAUMANN and LENA CHILDS DELIUS, daughters of Elizabeth Bartholomew Hamilton, late of Wallingford, Connecticut, deceased, and after the decease of either of them to the survivor, during the remainder of their lives, the sum of Two Hundred Dollars ($200.00) annually, share and share alike. Upon the decease of both the said Bertha Childs Baumann and Lena Childs Delius, said annuity of Two Hundred Dollars ($200.00) shall be paid to the daughters of said Bertha Childs Baumann, to wit: NATALIE RICHARDSON and MADELINE EASTOP, share and share alike, and to the survivor of them, during the remainder of their lives. Upon the death of the last survivor of said four named beneficiaries, I direct that the sum of Four Thousand Dollars ($4,000.00) be paid from the principal of said trust fund to ANNE ELIZABETH RICHARDSON, daughter of Natalie Richardson, aforesaid, if she be then living, to be hers absolutely.

Until said trust fund is established, I direct my Executor to pay from my general estate, quarterly or semi-annually, from the date of my death, the annuities payable to each of the aforesaid persons named in this paragraph, except to those whose annuity is not payable until after the death of another person, provided, however, that if any of the persons thus provided for dies before the expiration of twelve months after my death, said payments provided for him or her shall terminate upon his or her death.

B.

To THE CONGREGATIONAL CHURCH SOCIETY, of Naugatuck, Connecticut, the sum of Two Hundred Dollars ($200.00) annually, in perpetuity, to be known as "THE HOPKINS FUND", for the general uses and purposes of said Society.



To ST. MICHAEL'S PARISH OF THE PROTESTANT EPISCOPAL CHURCH, of Naugatuck, Connecticut, the sum of One Hundred Dollars ($100.00) annually, in perpetuity, to be known as "THE ADAMS FUND", for the general uses and purposes of said Parish.

To THE NEW HAVEN COUNTY ANTI-TUBERCULOSIS ASSOCIATION, the sum of Two Hundred Dollars ($200.00) annually, in perpetuity, for the use of GAYLORD FARM SANITORIUM, of Wallingford, Connecticut.

To THE MASONIC CHARITY FOUNDATION OF CONNECTICUT, now located in Wallingford, Connecticut, the sum of Two Hundred Dollars ($200.00) annually, in perpetuity, in memory of my husband's father, WILLARD HOPKINS, and his uncle, ENOS O. ADAMS, for the general uses and purposes of said Foundation.

To NAUGATUCK DAY NURSERY, of Naugatuck, Connecticut, the sum of One Hundred Dollars ($100.00) annually, in perpetuity, for the general uses and purposes of said Nursery.

To NAUGATUCK CHAPTER OF THE AMERICAN RED CROSS, the sum of Two Hundred Dollars ($200.00) annually, in perpetuity, for the general uses and purposes of said Chapter.

To BOROUGH OF NAUGATUCK, CONNECTICUT, the sum of Eighty Dollars ($80.00) annually, in perpetuity, for the use and maintenance of the SCOTT STREET PLAYGROUND, heretofore conveyed by my husband, Samuel E. Hopkins, to said Borough.

To THE YOUNG MEN'S CHRISTIAN ASSOCIATION, of Naugatuck, Connecticut, the sum of Two Hundred Dollars ($200.00) annually, in perpetuity, for the general uses and purposes of said Association.

If the legal existence of any of the beneficiaries hereinbefore provided for shall be terminated, or if any of said beneficiaries shall fail to function for its present purposes to the satisfaction of the Trustee, or if for any reason any of the payments provided

for cannot be made to any of such beneficiaries for the purposes and as hereinbefore provided, I direct the Trustee, upon the happening of any such contingency, to terminate said payment.

C.

After the payment of the annuities as hereinbefore provided for, I direct that the remainder of said net income be added to the principal of said fund, and invested and reinvested for a period of time not exceeding twenty years after my decease.

(a) If, during said period of twenty years, the Governing Board of the NAUGATUCK HOSPITAL CORPORATION, a corporation of said Naugatuck, (Hereinafter referred to as "Naugatuck Hospital"), concludes that the available funds of the Naugatuck Hospital, together with the total of the income thus added to the principal of this fund, are sufficient, in its opinion, to warrant the building and maintenance of a hospital in said Naugatuck, and notifies the Trustee to that effect, and requests, in writing, that a sum of money equal to the income thus added to the principal of this fund be paid to the Naugatuck Hospital for said purpose, the Trustee is hereby authorized and directed to pay the Naugatuck Hospital all such income theretofore added to the principal of this fund, which shall be used as said Governing Board may deem wise and for the best interests of the Naugatuck Hospital, and thereafter the Trustee shall pay quarterly, in perpetuity, to the Naugatuck Hospital said remainder of the net income upon said principal sum for the general uses and purposes of such hospital.

(b) If, however, at the termination of said twenty-year period, no hospital has been built by the Naugatuck Hospital in said Naugatuck, I direct the Trustee to continue to hold and invest and reinvest said fund and the increment thereto, as aforesaid, until a hospital has been erected in said Naugatuck by the Naugatuck Hospital, and meantime to pay to THE WATERBURY HOSPITAL, a



corporation of said Waterbury, said remainder of the net income from said fund and from the increment thereto for the purpose of providing accommodations and medical care and attention for the poor and needy residents of the Borough of Naugatuck aforesaid, with the understanding, however, that the surplus of said income, if any, may be used by The Waterbury Hospital aforesaid for its general uses and purposes.

(c) If, at some later period, a hospital is erected in said Naugatuck by the Naugatuck Hospital, I direct the Trustee to pay said remainder of the net income from said fund and from the increment thereto, in perpetuity, to the NAUGATUCK HOSPITAL, to be used for the general purposes of said institution.

EIGHTH

I direct the Executor to pay all inheritance, transfer and other taxes upon each devise and legacy herein made as an expense of the administration of my estate.

NINTH

I hereby appoint THE COLONIAL TRUST COMPANY, of Waterbury, Connecticut, to be Executor of this Will and Trustee of all Trusts herein created, and direct that no bond be required of it in either capacity. I further hereby authorize and empower said The Colonial Trust Company as such Executor and Trustee, in its discretion and without incurring any liability by so doing, to continue in the form in which it shall receive the same any investments of my property or to reinvest the same in such manner as it shall deem expedient, although such investments may not be of the character authorized by law for the investment of trust funds, and to sell, convey, transfer or lease any of my real or personal property upon such terms as it shall deem expedient, and to execute and deliver valid deeds, transfers, leases and other instruments

necessary or proper for such purpose, without an order of Court, requesting, however, that it refrain from making any sale or transfer of my Naugatuck residence aforesaid that may, in its opinion, injuriously affect the value of neighboring real property or unduly annoy the owners thereof. I further hereby authorize said The Colonial Trust Company, in its capacity both as Executor and as Trustee, in its discretion, to pay any of the legacies herein provided for by transferring to the legatee any such investments as it deems advisable at the market value thereof, as determined by it at the time of such payment; and, if it deems it expedient to do so, to borrow money for the purpose of making any or all of the payments herein provided for, and for that purpose to pledge any or all of the property of my estate as security for such loans, and I further authorize and direct it, so far as it may legally do so, to omit the making of any formal appraisal of the property of my estate.

IN WITNESS WHEREOF, I have hereunto set my hand and seal, this 20th day of April, A.D. '38.

ABBIE C. HOPKINS (SEAL)

Signed and sealed by the within named Testatrix, ABBIE C. HOPKINS, and by her declared to be her last Will and Testament in our presence who have hereunto subscribed our names as witnesses in her presence and in the presence of each other, and at her request, this 20th day of April, A.D. 1938.

LUCIAN D. WARNER
JEAN L. ARCHAMBAULT } WITNESSES.
GUSTAV A. ANDERSON

STATE OF CONNECTICUT, } SS. Naugatuck, April
COUNTY OF NEW HAVEN, } 20th A. D. 1938.

Then and there personally appeared the undersigned, who being duly sworn, depose and say that



they witnessed the execution of the within will of the within named Testatrix, ABBIE C. HOPKINS; that the said ABBIE C. HOPKINS subscribed said will and declared the same to be her Last Will and Testament in their presence and in the presence of Gustav A. Anderson; that they and the said Gustav A. Anderson thereafter subscribed the same as witnesses in the presence of said Testatrix and in the presence of each other and at the request of said Testatrix; that the said Testatrix at the time of the execution of said will appeared to them to be of full age and of sound mind and memory and competent in every respect to make a will; and that they make this affidavit at the request of said Testatrix.

LUCIAN D. WARNER of Naugatuck, Conn.

JEAN L. ARCHAMBAULT of Middlebury, Conn.

Subscribed and sworn to, before me,
the day and year above written.

G. A. ANDERSON
Notary Public.

STATE OF CONNECTICUT, }
DISTRICT OF NAUGATUCK. } SS. PROBATE COURT,

_____ 19__.

This certifies that the within and foregoing is a true and attested copy of The Last Will and Testament of ABBIE C. HOPKINS, on file in the Probate Court for the District of Naugatuck.

ATTEST: _____
Judge

ABBIE C. HOPKINS died on the 28th day of December, 1939. The foregoing Will was admitted to probate in the Probate Court for the District of Naugatuck, Connecticut, and THE COLONIAL TRUST COMPANY confirmed as Executor on the 8th day of January, 1940.

THE WATERBURY HOSPITAL

Endowment of Permanent Room or Bed Fund

Name of Fund "The Hopkins Memorial" (Abbie C. Hopkins Trust Fund)

Established by Will of Abbie C. Hopkins, Naugatuck, Connecticut

Condition of Gift:

Extract from Will of Abbie C. Hopkins, Article Seventh, (Section) C:

"After the payment of the annuities as hereinbefore provided for, I direct that the remainder of said net income be added to the principal of said fund, and invested and reinvested for a period of time not exceeding twenty years after my decease.

"(a) If, during said period of twenty years, the Governing Board of the Naugatuck Hospital Corporation, a corporation of said Naugatuck, (Hereinafter referred to as "Naugatuck Hospital"), concludes that the available funds of the Naugatuck Hospital, together with the total of the income thus added to the principal of this fund, are sufficient, in its opinion, to warrant the building and maintenance of a hospital in said Naugatuck, and notifies the Trustee to that effect, and requests, in writing, that a sum of money equal to the income thus added to the principal of this fund be paid to the Naugatuck Hospital for said purpose, the Trustee is hereby authorized and directed to pay the Naugatuck Hospital all such income theretofore added to the principal of this fund, which shall be used as said Governing Board may deem wise and for the best interests of the Naugatuck Hospital, and thereafter the Trustee shall pay quarterly, in perpetuity, to the Naugatuck Hospital said remainder of the net income upon said principal sum for the general uses and purposes of such hospital.

"(b) If, however, at the termination of said twenty-year period, no hospital has been built by the Naugatuck Hospital in said Naugatuck, I direct the Trustee to continue to hold and invest and reinvest said fund and the increment thereto, as aforesaid, until a hospital has been erected in said Naugatuck by the Naugatuck Hospital, and meantime to pay to The Waterbury Hospital, a corporation of said Waterbury, said remainder of the net income from said fund and from the increment thereto for the purpose of providing accommodations and medical care and attention for the poor and needy residents of the Borough of Naugatuck aforesaid, with the understanding, however, that the surplus of said income, if any, may be used by The Waterbury Hospital aforesaid for its general uses and purposes.

"(c) If, at some later period, a hospital is erected in said Naugatuck by the Naugatuck Hospital, I direct the Trustee to pay said remainder of the net income from said fund and from the increment thereto, in perpetuity, to the Naugatuck Hospital, to be used for the general purposes of said institution."

* * * * * * * * * * * * * * * * * * * * * * * * * *

Abbie C. Hopkins died December 28, 1939.

Naugatuck Hospital Corporation dissolved June 13, 1951.

Trustee of Fund: The Colonial Trust Company of Waterbury, Connecticut.

THE WATERBURY HOSPITAL

Endowment of Permanent Room or Bed Fund

Name of Fund The Winnifred H. Judson Free Room Fund

Established by Will of Fletcher W. Judson

Condition of Gift:

(Letter to Mr. Charles V. Wynne, Administrator of Waterbury Hospital, from Mr. Earl Avery, Vice President & Trust Officer of The Waterbury National Bank, dated December 24, 1957, as follows:)

"Dear Mr. Wynne:

"We are pleased to enclose check for fifty thousand dollars ($50,000) in payment of the bequest under Article Sixth of the Last Will and Testament of Fletcher W. Judson which reads as follows:

> 'On the death of my wife, said Winnifred H. Judson, I give and bequeath to the Waterbury Hospital, a corporation of Waterbury, Connecticut, the sum of Fifty Thousand ($50,000) Dollars in trust and upon the following uses and trusts: to use the income from said trust fund for the establishment and maintenance of a free room in said Waterbury Hospital, said free room to be known as "The Winnifred H. Judson Room."'

"With kindest regards.

"Sincerely yours,

Earl Avery
Vice President & Trust Officer "

V.

On the death of my wife, said Winnifred H. Judson, I give and bequeath the sum of Twenty Thousand ($20,000) Dollars to each of the following organizations:

(a) To the Young Mens Christian Association of Waterbury, Conn.

(b) To the Board of the Home Missions of the Congregational and Christian Churches, the main office being at present located at 287 Fourth Avenue, New York City.

(c) To the American Board of Commissioners for Foreign Missions of Boston, Mass.

(d) To the First Congregational Church of Watertown, Conn.

(e) To the Connecticut Junior Republic, located in Litchfield, Conn.

(f) To the Boys Club, Inc., of Waterbury, Conn.

(g) To the Gaylord Farm Sanitorium located at Wallingford, Conn.

(h) To the Hampton Institute of Hampton, Va.

(i) To the Tougaloo College of Tougaloo, Miss.

(j) To the Tuskegee Institute of Tuskegee, Alabama.

(k) To the Hungerford School of Winter Park, Florida.

VI.

On the death of my wife, said Winnifred H. Judson, I give and bequeath to the Waterbury Hospital, a corporation of Waterbury, Connecticut, the sum of Fifty Thousand ($50,000) Dollars in trust and upon the following uses and trusts: to use the income from said trust fund for the establishment and maintainence of a free room in said Waterbury Hospital, said free room to be known as "The Winnifred H. Judson Room".

VII.

The cemetery lot which I own in Riverside Cemetery in Waterbury, Conn., I give and devise to the Riverside Cemetery Association, to be resold by them, when deemed desirable, the proceeds thereof to be added to the General Endowment Fund of the Association, and the same to be used in accordance with the Rules thereof.

VIII.

I give to the Woodbury Cemetery Association of Woodbury, Conn., One Thousand ($1,000) Dollars, as an Endowment Fund, to be used to keep in first class condition the lot known as the Judson lot, purchased by my father, John Wesley Judson, and the unused balance of the income

KAZANJIAN, CALVIN K.

THE WATERBURY HOSPITAL

Endowment or Permanent Room or Bed Fund

Name of Fund Calvin K. Kazanjian Memorial Fund

Established by Sarann B. Kazanjian
(Mrs. Calvin K. Kazanjian)

Condition of Gift.

Extract from letter from Guerin B. Carmody, dated September 26, 1950. to Paul E. Fenton.

"Mrs. Kazanjian will make a gift of $20,000 to The Waterbury Hospital ($12,000 in 1950 and $8,000 the first half of 1951) for a Bed Endowment Fund, a suitable placque to be provided by the Hospital. Mrs. Kazanjian, her daughter, son-in-law and grandchildren reserve the right to use the room, free of charge, up to the extent of the income from the Endowment Fund, in any one year.

In the event that the room is not so used by the family, the income is to be used for the maintenance of the room and the general purposes of the Hospital and any unused income in any one calendar year to be transferred to the Hospital's general account."

**KELLOGG, STEPHEN W.**
**& HOSMER, LUCIA**

THE WATERBURY HOSPITAL

Endowment of Permanent Room or Bed Fund

Name of Fund Stephen Wright Kellogg and Lucia Hosmer Kellogg Free Bed Fund

Established by Will of Charles Poole Kellogg

Condition of Gift:

Article Second, Paragraph a, of the Will of Charles Poole Kellogg reads as follows:

"I give and bequeath the sum of Three Thousand Dollars ($3,000.00) to the WATERBURY HOSPITAL, of Waterbury, Connecticut, and request the governing officers thereof to invest and reinvest the same in the manner trustees would and to add the same to the Stephen Wright Kellogg and Lucia Hosmer Kellogg Fund given to said hospital under the will of my mother, Lucia Hosmer Kellogg, the combined fund to be known as the Stephen Wright Kellogg and Lucia Hosmer Kellogg Free Bed Fund and the income thereof to be applied to the maintenance of a free bed in said hospital, preference in the use of which shall be given to such person or persons as the governing authorities of the Second Congregational Church of said Waterbury may designate."

* * * * * * * * * *

The following vote was taken in the meeting of the Hospital Executive Committee held February 27, 1959:

"After discussion, and upon motion duly made and seconded, it was VOTED

That the $3,000 bequest be set up on the Hospital's books as the 'Stephen Wright Kellogg and Lucia Hosmer Kellogg Free Bed Fund,' the income therefrom to be applied to the maintenance of a free bed in Waterbury Hospital, preference in the use of which is to be given to such person or persons as the governing authorities of the Second Congregational Church may designate.

"Further, upon motion duly made and seconded, it was VOTED

That the $2,000 in the General Endowment Fund, which represents a bequest from Lucia H. Kellogg, be not transferred and not added to the Stephen Wright Kellogg and Lucia Hosmer Kellogg Free Bed Fund."

**KIRK, BETH**

WATERBURY HOSPITAL

The Beth Kirk Memorial

Copies of letters concerning gift of Miss Harriet Kirk

in memory of her sister.

Waterbury, Connecticut
September 6, 1944

Waterbury Hospital Corporation,
Waterbury, Connecticut

Gentlemen -

I hereby donate to the Waterbury Hospital, a corporation of Waterbury, Connecticut, the sum of Five Thousand Dollars ($5000.00), requesting that it be designated - The Beth Kirk Memorial - in memory of my sister, and that during such time as the hospital of said corporation in said Waterbury is conducted by said corporation, the net income of this gift be applied to the establishment and maintenance of a free bed in said hospital, for the use of the members of the Second Congregational Church of Waterbury and their families.

Very truly,

HARRIET KIRK

Waterbury, Connecticut
September 8, 1944

Miss Harriet Kirk,
141 Grove Street,
Waterbury, Connecticut.

My dear Miss Kirk:

It gives me great pleasure to acknowledge, in behalf of the Waterbury Hospital, receipt from you of five thousand dollars to be designated as The Beth Kirk Memorial in memory of your sister.

It is my understanding that you wish the control of this fund to be invested in the pastor of the Second Congregational Church, the income from the fund to be used for free bed service to members of the Second Congregational Church of Waterbury and their families.

If you wish any other person or persons to select beneficiaries of this fund will you kindly let me know.

Very sincerely yours,

EDWIN C. NORTHROP

Treasurer,
Waterbury Hospital

**KIRK, HENRY &**
**BETHIA**

THE WATERBURY HOSPITAL

Endowment or Permanent Room or Bed Fund.

Name of Fund Henry and Bethia Kirk Fund

Established by the Misses Kirk

Condition of Gift.

Reported on hand by Treasurer in report of 1928 - $5,000.

KIRK, MARGARET

THE WATERBURY HOSPITAL

Endowment or Permanent Room or Bed Fund

Name of Fund Margaret Kirk Bed Fund

Established by Mrs. Bethia W. Kirk and family, of Waterbury, Conn.

Condition of Gift.

Memorandum of Executive Committee of The Waterbury Hospital with reference to this gift reads as follows:

Waterbury, Conn., April 4, 1918

Mrs. Bethia W. Kirk and family have presented to The Waterbury Hospital, $5,000.- for a bed fund to be named "The Margaret Kirk free cot" in form as follows:

Before the death of Margaret Kirk she possessed twelve (12) shares of the stock of The American Brass Company, which she said she wished given to the hospital. To carry out this wish the family have delivered this stock in form for transfer. As of yesterday, the bid price for The American Brass Company stock was 231. At this price the donation amounts to $2,772. A Check for $2,228.- has been received, making up a total of $5,000. There are no restrictions on the sale of the stock and the hospital is at liberty to sell it now, or at any future time. A vote to accept the fund in the form described is asked by your Investment Committee with instructions.

Memo-

At a meeting of the directors held Apl 6th it was voted to accept the stock of The American Brass Co. as part of the above fund.

O.S.N.

Treasurer's Report 1918 shows receipt of this fund.

Re: Margaret Kirk Bed Fund
(Part of Permanent Bed Funds)

Waterbury, Conn., April 4, 1918.

Mrs. Bethiah W. Kirk and family have presented to The Waterbury Hospital, $5,000.- for a bed fund to be named "The Margaret Kirk free cot" in form as follows:

Before the death of Margaret Kirk she possessed twelve (12) shares of the stock of The American Brass Company, which she said she wished given to the hospital. To carry out this wish the family have delivered this stock in form for transfer. As of yesterday, the bid price for The American Brass Company stock was 231. At this price the donation amounts to $2.772. A check for $2,228.- has been received, making up a total of $5,000. There are no restrictions on the sale of the stock and the hospital is at liberty to sell it now, or at any future time. A vote to accept the fund in the form described is asked by your Investment Committee with instructions.

At a meeting of the directors held April 6th it was voted to accept the stock of the American Brass Co as part of the above fund.

OEH

**LEAVENWORTH, CYNTHIA**

THE WATERBURY HOSPITAL

Endowment or Permanent Room or Bed Fund

Name of Fund Cynthia Leavenworth Free Bed Fund

Established by Will of Elisha Leavenworth

Condition of Gift.

Latter part of Article Twentieth of Will of Elisha Leavenworth reads as follows:

ARTICLE TWENTIETH

* * *

I also give and bequeath to said Hospital the sum of ten thousand dollars ($10,000), in TRUST, the income arising thereform to be used for the purpose of maintaining a free bed, in memory of my deceased wife, for the use of such persons as may be designated by the executive committee of said Hospital, the same to be to it and its successors forever.

Treasurer's Report 1911 shows receipt and investment of this fund.

THE WATERBURY HOSPITAL

Endowment or Permanent Room or Bed Fund

Name of Fund The E. C. Lewis Bed Fund

Established by E. C. Lewis, Waterbury, Conn.

Condition of Gift.

Letter written by E. C. Lewis to Hon. F. J. Kingsbury, Pres., Waterbury Hospital, referring to this gift reads as follows:

Waterbury, Conn., Sept. 20, 1898

Hon. F. J. Kingsbury, Pres.,

Waterbury Hospital,

City.

Dear Sir:

The Waterbury Hospital hold in their hands the sum of Five Thousand Dollars ($5,000), being a gift from me, subject to my future order as to how the gift should be disposed of.

I now desire to present to Trinity Church of Waterbury, the right to name the occupants of the bed founded by said sum; said right to be exerted by the Rector of said Church, or in his absence by the Senior Warden.

I desire this gift to take effect at once.

Yours respectfully.

E. C. Lewis

Witness -
Ed. F. Lewis.

Extract from Executive Committee Report 1897.

"One of our Directors, Mr. E. C. Lewis, has given us a check for $5,000.00, reserving the right hereafter to limit the use of it if he should see fit."

(Part of Permanent Bed Funds)

W. C. Kullum, Sec'y & Treas.

Waterbury, Conn. Sept. 20. 1893. 189

Hon. F. J. Kingsbury, Pres.,

Waterbury Hospital,

City.

Dear Sir:-

The Waterbury Hospital hold in their hands the sum of Five Thousand Dollars ($5,000), being a gift from me, subject to my future order as to how the gift should be disposed of.

I now desire to present to Trinity Church of Waterbury, the right to name the occupants of the bed founded by said sum; said right to be exercised by the Rector of said Church, or in his absence by the Senior Warden.

I desire this gift to take effect at once.

Yours respectfully,

E. C. Lewis

witness—
Ed. F. Lewis

**LOTT, ROSE A.**

WATERBURY HOSPITAL

Endowment or Permanent Room or Bed Fund

Name of Fund Rose A. Lott Fund

Established by Will of Rose A. Lott, late of Waterbury, deceased

Condition of Gift.

Paragraph 8 of will of Rose A. Lott reads as follows:

I give and bequeath to The Waterbury Hospital, located in said Waterbury, the sum of Five Thousand ($5,000.) Dollars to be known as "The Rose A. Lott Fund", IN TRUST, NEVERTHELESS, to be applied for the establishment of a free bed in said Hospital for the use of such person or persons as may be designated by the minister in charge for the time being of The First Methodist Episcopal Church of said Waterbury.

Treasurer's Report 1920 shows receipt of this fund.

A2741

I, MARY L. MEIGS, of Waterbury, County of New Haven, State of Connecticut, do make and constitute this my Last Will and Testament, hereby revoking all wills by me heretofore made.

ARTICLE ONE

I direct that my funeral expenses and all my just debts, except such as at my decease shall be secured by mortgage, shall be borne and paid by my Executor out of my general estate. I further direct that all estate, succession or inheritance taxes, whether State or Federal, that may be imposed by reason of my death upon my estate or upon any beneficiar of mine, shall be borne and paid from my general estate and that the same shall not be pro rated or apportioned among or charged against the respective devisees, legatees, beneficiaries, transferrees, or other recipients, nor charged against any property passing or which may have passed to any of them.

ARTICLE TWO

I give and bequeath to my cousins, HOBART MONTAGUE and GENIVIEVE MONTAGUE, and to their daughter, NANCY MONTAGUE HOTCHKISS, or to such of them as shall survive me, all of my household furniture, furnishings and supplies, books, pictures, jewelry, wearing apparel, and all other article of personal and domestic use, to be theirs absolutely.

ARTICLE THREE

I give and bequeath to THE COLONIAL TRUST COMPANY, of Waterbury, Connecticut, the sum of Two Thousand Dollars ($2,000.00), in trust, nevertheless, for the following purposes, to wit:

I direct that so much of the income from said trust fund as may be found necessary shall be expended for the proper care and upkeep of the lots of my father, CHARLES A. MEIGS, my grandfather, SAMUEL MEIGS, and my great-grandfather, DAVID TOMLINSON, located in the north cemetery, known as "Brookside Cemetery", at Quaker Farms, so-called, in the Town of Oxford, County of New Haven, State of Connecticut. I particularly desire

that the monuments and markers be kept erect, free from disintegration and clean, the graves properly leveled, and the lawn in good condition, and that the Trustee exercise personal supervision thereof.

Should there be any income remaining after providing for the proper care of said lots as aforesaid, then I request that such remaining income be applied towards the repairs and proper maintenance of the Church building of CHRIST CHURCH PARISH, in said Town of Oxford. Should said Christ Church Parish abandon the maintenance of a church building in said Town of Oxford, then it is my desire that said remainder of the income be paid to THE WATERBURY HOSPITAL, to be added to and used as a part of the income of the "Meigs Fund" hereinafter provided for in Article Twelve of this Will.

ARTICLE FOUR

I give and bequeath to THE COLONIAL TRUST COMPANY, of Waterbury, Connecticut, the sum of One Thousand Dollars ($1,000.00) in trust, nevertheless, the income only thereof to be used, first, for the care and maintenance of the EBENEZER RIGGS lot, located in the cemetery known as the Episcopal and Congregational Cemetery situated in the center of the Town of Oxford, and, if there be income remaining, for the care and maintenance of the lots of my great grandfather, COLONEL JOHN DAVIS, and of such of his descendants as may be found necessary.

ARTICLE FIVE

I give and bequeath to THE COLONIAL TRUST COMPANY, of Waterbury, Connecticut, in memory of the Meigs and Tomlinson families, the sum of Five Thousand Dollars ($5,000.00), in trust, nevertheless, for the following purposes, to wit:

I direct that the income from said trust fund shall be applied to the maintenance and support of the services conducted in the Town of Oxford by the Christ Church Parish, located in Quaker Farms, so-called, in said Town, so long as said Parish shall continue to maintain a church building in said Town and to conduct services therein.

Should said Christ Church Parish abandon the maintenance of a church building in said Town of Oxford and the conduct of services therein, I direct that this trust shall cease and determine, and the then principal of this fund I give and bequeath to THE WATERBURY HOSPITAL, of Waterbury, Connecticut, to be added to and become a part of the "Meigs Fund" provided for in Article Twelve of this will.

ARTICLE SIX

I give and bequeath to ST. JOHN'S PROTESTANT EPISCOPAL CHURCH, of Waterbury, Connecticut, to be its absolutely, the sum of One Thousand Dollars ($1,000.00).

ARTICLE SEVEN

I give and bequeath to ALL SOULS EPISCOPAL CHURCH, of Waterbury, Connecticut, to be its absolutely, the sum of One Thousand Dollars ($1,000.00).

ARTICLE EIGHT

In memory of MISS ADALINE HAWLEY, I give and bequeath to ST. MARGARET'S SCHOOL FOR GIRLS, located on Chase Parkway, Waterbury, Connecticut, to be a part of its Memorial Building Fund, the sum of One Thousand Dollars ($1,000.00).

ARTICLE NINE

I give and bequeath to the following named persons the sums hereinafter set forth, to be to each of them absolutely:

(a) To HOMER RIGGS, son of my cousin, Clarence Riggs, the sum of Fiv Thousand Dollars ($5,000.00). Should he predecease me, I give and bequeat said sum in equal shares to his children.

(b) To CLARENCE RIGGS, son of my cousin, Clarence Riggs, the sum of Five Thousand Dollars ($5,000.00). Should he predecease me, I give and bequeath said sum in equal shares to his children.

(c) To my cousins, HOBART MONTAGUE and GENIVIEVE MONTAGUE, or to the survivor if either predecease me, the sum of Twenty Thousand Dollars

($20,000.00).

(d) To MARGARET M. GRANNISS, the sum of Three Thousand Dollars ($3,000.00).

(e) To MRS. LOUISE VAILL, the sum of Two Thousand Dollars ($2,000.0

(f) To MRS. GERTRUDE SMITH CLARK, the sum of One Thousand Dollars ($1,000.00).

(g) To MRS. FLORENCE SMITH MERRIAM, the sum of One Thousand Dollars ($1,000.00).

ARTICLE TEN

If my cousin, MRS. FRANCES CHURCH STRAPP, shall survive me, then I give and bequeath to THE COLONIAL TRUST COMPANY, of Waterbury, Connecticut, the sum of Ten Thousand Dollars ($10,000.00), in trust, nevertheless, for the following purposes:

Said Trustee shall so long as my cousin, MRS. FRANCES CHURCH STRAPP, shall live, pay over to my said cousin, or apply for her benefit, the net income of said trust fund and so much of the principal as shall, in light of her total income and in the judgment of my Trustee, be necessary to assure her comfortable support and maintenance. Upon her death the remaining principal of said trust fund shall be added to and become a part of the "Meigs Fund" provided for in Article Twelve of this will.

ARTICLE ELEVEN

I give and bequeath to THE COLONIAL TRUST COMPANY, of Waterbury, Connecticut, the sum of Fifty Thousand Dollars ($50,000.00), in trust, nevertheless, for the following purposes, to wit:

From the income thereof the Trustee shall pay the sum of One Hundred Dollars ($100.00) to each, quarterly at the end of each quarter, the first quarter to commence with the date of my death, to my cousins, MRS. FRANCES CHURCH STRAPP and NANCY MONTAGUE HOTCHKISS and to MISS MARGARET M. GRANNISS and MISS NORA PICKETT, so long as Mrs. Frances Church Strapp, Miss Margaret M. Granniss and Miss Nora Pickett, or any one of them shall live. Such annuities shall not be subject to apportionment in the event of death

between quarters. Any income not so expended in any year shall be added to the principal, provided, that should the income be insufficient in any year, then the Trustee may use prior income which has been added to principal in order to make up the deficiency. Should there still remain a deficiency, such deficiency shall be pro rated among said beneficiaries.

Upon the death of the last survivor of the above named three beneficiaries this trust shall cease and determine and the principal thereof I give and bequeath as follows:

A. I give and bequeath the sum of Ten Thousand Dollars ($10,000.00 to my cousin, NANCY MONTAGUE HOTCHKISS, if then living, to be hers absolutely. Should my said cousin be not then living, I give and bequeath said sum to her then living issue, if any there be, per stirpes, to be theirs absolutely, but if there be no then living issue of hers, I give and bequeath said sum to THE WATERBURY HOSPITAL, to be added to and beco a part of the "Meigs Fund" provided for in Paragraph Twelve of this will

B. I give and bequeath to said THE WATERBURY HOSPITAL the balance of said principal to be added to and become a part of the "Meigs Fund" provided for in Article Twelve of this Will.

ARTICLE TWELVE

All of the rest, residue and remainder of my property, both real ar personal and wheresoever situated, including lapsed or void bequests, I give, devise and bequeath to THE WATERBURY HOSPITAL, a corporation of sa Waterbury, the principal thereof to be held as a perpetual trust to be known as the "Meigs Fund", and the income only thereof to be used for th care at said Hospital of persons in reduced circumstances in such manner as the Board of Directors of said Hospital may determine.

ARTICLE THIRTEEN

I appoint THE COLONIAL TRUST COMPANY, of Waterbury, Connecticut, t be Executor of this will. I further direct that no bonds be required o it in its capacity as Executor or as Trustee of the trusts hereinbefore created. I further give to my said Executor and Trustee in its respect

power to sell and convey any and all real estate, without an order of court, and upon such terms, including the taking of a purchase money mortgage, as it may see fit, and to execute and deliver such deeds and instruments as may be necessary to pass title thereto, and I empower my said Executor and Trustee to sell, exchange, transfer, or otherwise dispose of any and all properties, real or personal, from time to time acquired by it in either capacity, and to invest and reinvest the proceeds of any property, real and personal, in such securities as it may deem wise, including stocks, bonds and other securities, or in a common trust fund established by it pursuant to any statutes now or hereafter enacted, expressly directing that it shall not be confined to investments permissible by law for trustees, and I do hereby declare that it shall not be liable for any loss resulting to my estate or to the trust funds held by it from any investment or reinvestment made or retained by it in good faith. I further direct that said Executor and Trustee need not create a sinking fund from income or otherwise make good to principal any loss on securities purchased when from the falling due of said securities or otherwise the original cost thereof is lost in whole or in part, nor credit income or otherwise make adjustments between income and principal by reason of the fact that securities may be purchased or acquired at a discount, nor shall the income be charged in any form with losses arising from depreciation in the principal of the trust. I further authorize my said Executor and Trustee in its discretion to make payment of any legacies provided for in this will and also partial and final distribution of my estate by transferring money, securities or other property as it may deem advisable at the market value thereof as determined by it at the time of such distribution, and its judgment therein shall be binding and conclusive on all parties. I further direct that all expenses incurred, including Trustee's commission, shall be charged to principal or income as my said Executor and Trustee shall, in its sole discretion, deem fit and proper.

IN WITNESS WHEREOF, I have hereunto set my hand and seal, this 17th

day of July, A. D. 1952.

MARY L. MEIGS (L.S.)

Signed and sealed by the within named Testatrix, MARY L. MEIGS, and by her declared to be her Last Will and Testament in our presence who have hereunto subscribed our names as witnesses in her presence and in the presence of each other, and at her request, this 17th day of July, A. D. 1952.

ELIZABETH A. MACDONALD
BEATRICE N. BOWSER Witnesses.
WILLIAM W. GAGER

STATE OF CONNECTICUT )
COUNTY OF NEW HAVEN ) ss. Waterbury July 17th, A. D. 1952

Then and there personally appeared the undersigned, who being duly sworn, depose and say that they witnessed the execution of the within will of the within named Testatrix, MARY L. MEIGS; that the said MARY L. MEIGS subscribed said will and declared the same to be her Last Will and Testament in their presence and in the presence of William W. Gager; that they and the said William W. Gager thereafter subscribed the same as witnesses in the presence of said Testatrix and in the presence of each othe and at the request of said Testatrix; that the said Testatrix at the time of the execution of said will appeared to them to be of full age and of sound mind and memory and competent in every respect to make a will; and that they make this affidavit at the request of said Testatrix.

ELIZABETH A. MACDONALD of Watertown
BEATRICE N. BOWSER of 96 Euclid Ave., Waterbury

Subscribed and sworn to before me, the day and year above written,

WILLIAM W. GAGER (SEAL)
Notary Public.

STATE OF CONNECTICUT
DISTRICT OF WATERBURY } SS. Probate Court June 28 1954

The above and foregoing is a true copy of the original will on file in this Court, and admitted on June 21, 1954

Attest: Marguerite M. Foley Judge
Ass't Clerk

**MERCHANT,**
**CHARLOTTE J.**

THE WATERBURY HOSPITAL

ENDOWMENT OR PERMANENT ROOM OR BED FUND

Will of Charlotte J. Merchant

late of _____

Date of Death _____

Paragraph of will providing for devise or bequest to

THE WATERBURY HOSPITAL, of Waterbury, Connecticut

ARTICLE TWELVE.

I bequeath to the WATERBURY HOSPITAL, of Waterbury, Connecticut, in memory of my mother and fater, the sum of Ten Thousand Dollars ($10,000), to be known as "THE MAY LEWIS MERCHANT AND BENNETT MERCHANT FUND", which shall be held as a permanent fund and invested and reinvested, and the income thereof shall be applied toward the maintenance of a free room or bed in said Hospital which shall be used primarily for such elderly dependent members or attendants of THE SECOND CONGREGATIONAL CHURCH of Waterbury and THE BUNKER HILL CONGREGATIONAL CHURCH of Waterbury, as may from time to time be designated by Committees in the respective churches having authority in matters of this nature, and when not thus used, then for such other persons as the Executive Committe of said hospital may from time to time designate.

TENTH

I give and bequeath the sum of Five Thousand Dollars ($5,000) to MRS. ANNA M. SACHSENHAUSER, of Waterbury, Connecticut, if she shall survive me, and if she shall not survive me, I give and bequeath said sum to her daughters, MRS. LOUIS G. RAMPONI, now of Middlebury, Connecticut, and MRS. LAWRENCE E. GITCHELL, now of West Hartford, Connecticut, and her son, KARL J. SACHSENHAUSER, now of Waterbury, Connecticut, in equal shares. If MRS. ANNA M. SACHSENHAUSER shall predecease me and if any of her children aforesaid shall predecease me, I give and bequeath said sum to the survivors or survivor of said children.

ELEVENTH

I bequeath the sum of Two Thousand Dollars ($2,000) to each of the following, to wit: MISS GEORGIA WHEELER and MISS ALICE WHEELER, both of #15 Arapahoe Road, West Hartford, Connecticut. If either shall predecease me, I bequeath her share to the survivor.

TWELFTH

I bequeath to the WATERBURY HOSPITAL, of Waterbury, Connecticut, in memory of my mother and father, the sum of Ten Thousand Dollars ($10,000), to be known as "THE MAY LEWIS MERCHANT AND BENNETT MERCHANT FUND", which shall be held as a permanent fund and invested and reinvested, and the income thereof shall be applied toward the maintenance of a free room or bed in said Hospital which shall be used primarily for such elderly dependent members or attendants of THE SECOND CONGREGATIONAL CHURCH of Waterbury and THE BUNKER HILL CONGREGATIONAL CHURCH of Waterbury, as may from time to time be designated by Committees in the respective churches having authority in matters of this nature, and when not thus used, then for such other persons as the Executive Committee of said hospital may from time to time designate.

THIRTEENTH

I bequeath the sum of Twenty Thousand Dollars ($20,000) to SOUTHMAYD HOME, INCORPORATED, of Waterbury, Connecticut, to be used for the general purposes of said corporation.

FOURTEENTH

I bequeath the sum of One Thousand Dollars ($1,000) to the BUNKER HILL CONGREGATIONAL CHURCH, of Waterbury, Connecticut, to be added to the Building Fund of said Church.

FIFTEENTH

I bequeath the sum of One Thousand Dollars ($1,000) to THE SECOND CONGREGATIONAL CHURCH, of Waterbury, Connecticut, to be used for the general purposes of said Church.

SIXTEENTH

I bequeath the sum of One Thousand Dollars ($1,000) to CONNECTICUT INSTITUTE FOR THE BLIND, of Hartford, Connecticut, to be used for the general purposes of said corporation.

SEVENTEENTH

I bequeath the sum of One Thousand Dollars ($1,000) to THE GAYLORD FARM SANITORIUM, of Wallingford, Connecticut, to be used for the general purposes of said Sanitorium.

MERRIMAN, HELEN B.

THE WATERBURY HOSPITAL

Endowment or Permanent Room or Bed Fund

Name of Fund Helen Merriman Bed Fund

Established by Buckingham P. Merriman

Condition of Gift.

Copy of letter of Mr. Bennet Bronson, Secretary, dated March 5, 1924.

Mr. Albert J. Blakesley
The Waterbury National Bank
Waterbury, Conn.

Dear Sir:

Enclosed is check of Buckingham P. Merriman to the order of the Waterbury Hospital, for $5,000.00, for the establishing of the Helen Merriman Free Bed Fund. Mr. Northrop has the details of this.

Yours truly,

Bennet Bronson

Secretary.

Acknowledged in report of Executive Committee 1924 - $5,000.

**MERRIMAN, WILLIAM**
**B. BED FUND**

THE WATERBURY HOSPITAL

Endowment or Permanent Room or Bed Fund

Name of Fund The William Buckingham Merriman, Jr., Bed Fund

Established by Will of Buckingham P. Merriman

Condition of Gift.

Article Twentieth of the Will of Buckingham P. Merriman reads as follows:

ARTICLE TWENTIETH.

I give to the Waterbury Hospital, a corporation of said Waterbury, Five Thousand Dollars, to be known as the William Buckingham Merriman, Jr. Fund, to endow a bed in the Waterbury Hospital, of said Waterbury, to be called and known as the William Buckingham Merriman, Jr. bed.

Received September 22, 1953.

**MERRIMAN, WILLIAM B.**
**& SARAH KINGSBURY**
**PARSONS**

THE WATERBURY HOSPITAL

Endowment or Permanent Room or Bed Fund

Name of Fund The William Buckingham Merriman and Sarah Kingsbury Parsons Merriman Bed Fund

Established by Will of Buckingham P. Merriman

Condition of Gift.

The Twenty-First Article of the Will of Buckingham P. Merriman reads as follows:

ARTICLE TWENTY-FIRST.

I give to the Waterbury Hospital, a corporation of said Waterbury, Five Thousand Dollars, to be known as the William Buckingham Merriman and Sarah Kingsbury Parsons Merriman Fund to endow a bed in the Waterbury Hospital of said Waterbury, to be called and known as the William Buckingham Merriman and Sarah Kingsbury Parsons Merriman bed.

Received September 22, 1953.

ARTICLE FOURTEENTH

I give to my said cousin, LEONIE M. BROWN WILLIAMS, of said Waterbury, and should she predecease me, I give to her heirs, my French glass clock, which bears the name of "Tiffany & Co., New York", and which was given as a wedding present to my mother and father in 1886.

ARTICLE FIFTEENTH

I give to my said cousin, LEONIE M. BROWN WILLIAMS, of said Waterbury, and should she predecease me, I give to her heirs, my chest of table silver, which was given by the late Robert K. Brown, to my mother, as a wedding present. Each piece of said silver bears the inscription "S.K.P.M. from R.K.B.".

ARTICLE SIXTEENTH

I give and bequeath to the Riverside Cemetery Association, of said Waterbury, One Thousand Dollars, in trust, nevertheless, to expend the income from said sum for the perpetual upkeep and maintenance of my family burial plot in Riverside Cemetery, in said Waterbury.

ARTICLE SEVENTEENTH

I give to my said friend, MARTHA CLARA MARIE BORK, otherwise known as Marion Bork Thompson, who resides at present at #201 West 77th Street, in the City, County and State of New York, and who is a sister of Mrs. George Bork Hooker, of Elmhurst, Illinois, One Hundred Thousand Dollars.

ARTICLE EIGHTEENTH

I give to my nurse, BERTHA ADELAIDE FLYNNE, of said Waterbury, whether or not she may be in my employ at the time of my death, Five Thousand Dollars.

ARTICLE NINETEENTH

I give to my Executors, hereinafter named, Five Thousand Dollars, absolutely, trusting and believing that my said Executors will use and apply said sum in accordance with my wish and direction otherwise than herein expressed, but my said Executors shall not be held to account to any person for the disposition which they, or either of them, shall make, of the whole or any part of said sum.

ARTICLE TWENTIETH

I give to the WATERBURY HOSPITAL, a corporation of said Waterbury, Five Thousand Dollars, to be known as the William Buckingham Merriman, Jr. Fund, to endow a bed in the Waterbury Hospital, of said Waterbury, to be called and known as the William Buckingham Merriman, Jr. bed.

ARTICLE TWENTY-FIRST

I give to the WATERBURY HOSPITAL, a corporation of said Waterbury, Five Thousand Dollars, to be known as the William Buckingham Merriman and Sarah Kingsbury Parsons Merriman Fund to

endow a bed in the Waterbury Hospital of said Waterbury, to be called and known as the William Buckingham Merriman and Sarah Kingsbury Parsons Marriman bed.

ARTICLE TWENTY-SECOND

I give to ST. JOHN'S PROTESTANT EPISCOPAL CHURCH of said Waterbury, Ten Thousand Dollars, absolutely.

ARTICLE TWENTY-THIRD

I give to THE WATERBURY VISITING NURSES ASSOCIATION, Inc. a corporation of said Waterbury, and to its successors, Five Thousand Dollars, absolutely.

ARTICLE TWENTY-FOURTH

I give to The Mattatuck Council of Boy Scouts of America, Inc., a corporation of said Waterbury, and to its successors, Five Thousand Dollars, absolutely.

ARTICLE TWENTY-FIFTH

I give to The Waterbury Council of Girl Scouts, Inc., a corporation of said Waterbury, and to its successors, Five Thousand Dollars, absolutely.

ARTICLE TWENTY-SIXTH

I give to the Yale School of Law, of New Haven, Conn., Ten Thousand Dollars, absolutely, to be used by it for its general purposes.

ARTICLE TWENTY-SEVENTH

I give to my chauffeur, EDWARD DEMPSEY, of said Waterbury, whether or not he shall be in my employ at the time of my death, Five Thousand Dollars.

ARTICLE TWENTY-EIGHTH

I give to my cook, CATHERINE FLYNN, of said Waterbury, whether or not she may be in my service at the time of my death, Three Thousand Dollars.

ARTICLE TWENTY-NINTH

I give to my waitress, NORA FLYNN, of said Waterbury, whether or not she may be in my service at the time of my death, Three Thousand Dollars.

ARTICLE THIRTIETH

I give to my janitor, WILLIAM FINCKLEY, of said Waterbury, whether or not he may be in my service at the time of my death, Three Thousand Dollars.

ARTICLE THIRTY-FIRST

I give to my friends, IRVING MARTIN MALSCH and his wife, MARGARET MINNAMAN MALSCH, both of the town of Milford, County of

THE WATERBURY HOSPITAL

Endowment or Permanent Room or Bed Fund

Name of Fund The Mary L. Mitchell Bed Fund

Established by Mary L. Mitchell, of Waterbury, Conn.

Condition of Gift.

Letter dated January 30, 1896, from Mary L. Mitchell, enclosing check for $5,000.00, reads as follows:

> "It is to be held in trust and invested for the establishment of a free bed for the benefit of persons suffering from disease, defect or injury of the eye or ear, subject to the following conditions, viz:
>
> 1. That the weekly charge per bed against this fund shall be the minimum one, or not greater than the charge made to the town of Waterbury, for similar service at the time.
>
> 2. That the unused income of any one year may be carried forward and applied in succeeding years.
>
> 3. That no restriction shall be placed upon the number of persons who at one and the same time may enjoy the benefit of this fund provided that the income or increment only be drawn upon, subject to the regulations of the Executive Committee.
>
> 4. Than any portion of said income not so applied may be used for the purchase of instruments, optical apparatus, appliances for the cure of relief of impaired sight or hearing or other supplies for said hospital or its patients at the direction of Dr. C. S. Rodman, to whom I hereby assign my right of designating the beneficiaries of this fund."

Treasurer's Report 1896 shows receipt of this Fund.

To the Executive Committee
of the
Waterbury Hospital

Dear Sirs:-

Inclosed herewith you will find my check for $5000., payable to the treasurer. The gift may be known as the Mary L. Mitchell Fund. It is to be held in trust and invested for the establishment of a free bed for the benefit of persons suffering from disease, defect or injury of the eye or ear, subject to the following conditions. viz.

1. That the weekly charge per bed against this fund shall be the minimum one, or not greater than the charge made to the town of Waterbury for similar service at the time.
2. That the unused income of any one year may be carried forward and applied in succeeding years.
3. That no restriction shall be placed upon the number of persons who at one and the same time may enjoy the benefit of this fund provided that the income or increment only be drawn on, subject to the regulations of the Executive Committee
4. That any portion of said income not so applied, may be used for the purchase of instruments, optical apparatus, appliances for the cure or relief of impaired sight or hearing or other supplies of said hospital or its patients at the direction of Dr. C. S. Rodman, to whom I hereby assign my right of designating the beneficiaries of this fund.

Sincerely yours,

Waterbury, Conn. January-30-1896.

Mary L. Mitchell

To the Executive Committee
of the
Waterbury Hospital

Dear Sirs:-

Permit me to call attention to certain facts pertinent or otherwise acording to the policy of the Hospital.

1. Some 15 or 20 per cent of admissions are ophthalmic or aural cases which have applied to me for relief.
2. These are cases whose care involves moderate labor, they are practically without mortality or expense for drugs, etc. The hospital has not been called upon to spend a dollar in the purchase of instruments for any of the delicate operations required.
3. No cases so easily travel elsewhere; none available for clinical instruction are so freely welcomed by the endowed hospitals of the large cities.
4. Here they are put in a general ward, often too well lighted and in company with delirious and dying patients.

Obviously the Hospital is of greatest value to persons incapacitated from choosing their place of treatment, to those who can nowhere else receive proper care. But if the policy is to compete with other institutions of like character to the extent of retaining cases of the class referred to above as they occur in this locality, additional inducements and facilities are needed. Hoping that such considerations may lead you to invite all possible aid in this direction and especially the endowment of free beds for ophthalmic and aural patients,

I am very respectfully,

Waterbury, Conn. January-30-1896.

C S Rodman-

THE WATERBURY HOSPITAL

ENDOWMENT OR PERMANENT ROOM OR BED FUND

Will of Nellie M. Montague

late of Middlebury, Connecticut

Date of Death January 16, 1963

ARTICLE SIXTH of the will reads as follows:

"I give and bequeath to the Waterbury Hospital, a corporation located in Waterbury, Connecticut, the sum of Five Thousand Dollars ($5,000.00) to establish a bed fund to be known as "The John V. Montague Fund" in memory of my husband, John V. Montague, the income of this bequest to be used for the purpose of providing free bed and medical care for such worthy and needy residents of said Middlebury as the Board of Trustees may designate. It is my request and desire that said Hospital place a suitable plaque in a room at said Hospital commerating the memory of my late husband, John V. Montague.

Per letter from Mr. Richard I. Drummer
Assistant Trust Officer
The Colonial Bank & Trust Company

NAUGATUCK FUND

THE WATERBURY HOSPITAL

Endowment or Permanent Room or Bed Fund

Name of Fund The Naugatuck, Conn. Bed Fund

Established by Mrs. Mary A. Tuttle, of Naugatuck, Conn.

Condition of Gift.

Letter from Mrs. Mary A. Tuttle, received with gift, reads as follows:

Naugatuck, June 10, 1899.

Mr. A. M. Blakesley

Dear Sir:

Enclosed please find my check made to your order for $5000.00 the income from this amount to be used in the support of a free bed to be called "The Naugatuck Bed". The bed to be for the use of any person from this town with the approval of one or more of our doctors practicing medicine in our town, subject only to your Hospital rules and regulations and benefited to the extent of income from said amount.

The second check for $1000 enclosed is for the general use of your Hospital as its officers may direct.

Yours truly

Mary A. Tuttle.

Treasurer's Report 1899 shows receipt of these funds.

Re: The Naugatuck Bed Fund
(Part of Permanent Bed Funds)

1899

Mr. A. H. Blakesley

Dear Sir

Enclosed please find my check made to your order for $5000. for the income from this amount to be used in the support of a free bed to be called the Naugatuck Bed. The bed to be for the use of any person from this town with the approval of one or more of our Doctors practicing medicine in our town, subject only to your Hospital Rules and Regulations and benefits to the extent of income from said amount.

The enclosed check for $100 inclosed is for the general use of [illegible] Hospital as its Officers may direct.

Yours truly
Mary A. Tuttle

96 HILLSIDE AVENUE
WATERBURY 10, CONNECTICUT

RECEIVED
MAR 2 1962
Administrator's Office

Dear Mr. Wynne:

I have talked with Mr. Hazen about the fund which you and I discussed the other day, and he will send the $25,000 to the Waterbury Hospital, also a similar fund to St. Mary's, to be used toward the free room. I am so glad that you settled the question of ~~desirability for me~~.

I am asking Mr. Hazen to send it from my husband's estate, as I am especially anxious to have it considered as an additional bequest from him, and not as a gift from me. Of course it was entirely his idea, and not what I should have been apt to choose, although I am delighted to know that you feel it will serve a useful purpose.

and just send it over for me to sign to you
and on Corp.

Sincerely,

Katherine Pomeroy

March 23, 1962.

To THE WATERBURY HOSPITAL, of Waterbury, Connecticut, the sum of Twenty-five Thousand Dollars, ($25,000.00), to be held as a permanent fund and the principal and income thereof used toward the establishment and maintenance of a free room in said Hospital for the use of the members of the attending medical and surgical staff of said Hospital.

Edith Poole

Francis A. & Florence A. Poole

living, for and during her life.

8. Upon the death of the last survivor of said beneficiaries, said trustee shall pay over, from the principal of said trust fund, the sum of Ten Thousand Dollars ($10,000.00), to the Waterbury Hospital, of Waterbury, Connecticut, to be known as the "Francis A. and Florence A. Poole Fund", in memory of my Father and Mother, and to be held as a permanent fund and invested and reinvested, and the net income thereof applied towards the establishment and maintenance of a free room in said hospital for the use of such person or persons as the minister in charge for the time being, of the Second Congregational Church, of Waterbury, Connecticut, may designate.

9. The remainder of the principal of said trust fund shall continue to be held in trust by the said The Colonial Trust Company, with like powers, and the net income thereof shall be divided equally, semi-annually, between the Second Congregational Church, of Waterbury, Connecticut, and The Waterbury Hospital, of Waterbury, Connecticut, the same to be used for the general purposes of said organizations.

10. I direct that all gifts, bequests and legacies herein given shall be paid in full, free from all succession or inheritance taxes, whether state or federal, and that all such taxes shall be borne and paid by my Executor out of my general estate.

11. I appoint The Colonial Trust Company, of Waterbury, Connecticut, Executor of this Will, without bonds.

**NORTHROP, OTIS S.**

THE WATERBURY HOSPITAL

Endowment or Permanent Room or Bed Fund

Name of Fund The Otis S. Northrop Fund

Established by Mrs. Henry D. Minor and Mr. Edwin C. Northrop

Condition of Gift.

Extract from Report of Executive Committee 1927.

"Grateful acknowledgment is made of the following gifts: * * * From Mrs. Henry D. Minot and Edwin C. Northrop $5,000.00 to establish the Otis Northrop bed fund (Non-Accumulative). Preference in the use of this fund to be given to the employees of the Dime Savings Bank and the Colonial Trust Co. and their families when such need may arise."

Treasurer's Report 1927 shows receipt of this fund.

DIME SAVINGS BANK
WATERBURY, CONNECTICUT

September 22, 1926

Mr. Albert J. Blakesley,
Treasurer, Waterbury Hospital,
Waterbury, Connecticut.

Dear Mr. Blakesley:

Enclosed please find my check for $5,000. to establish the Otis Northrop Bed Fund in the Waterbury Hospital. This is to be a non-accumulative fund, the income to be under the control of the executive committee.

The only provision to be that I desire preference to be given to employees of the Dime Savings Bank and the Colonial Trust Company, and their families when such need may arise.

This memorial is the gift of Mrs. Henry D. Minot, and Edwin C. Northrop, children of Otis S. Northrop.

If you will endorse the check and return it to me I will secure a real estate loan to cover the amount as soon as possible.

Very truly yours,

**PECK, FRANKLIN L.**

THE WATERBURY HOSPITAL

Endowment or Permanent Room or Bed Fund

Name of Fund Franklin L. Peck Fund

Established by Will of Henrietta Jeanette Peck, late of Waterbury deceased.

Condition of Gift

Paragraph 4 of Will of Henrietta Jeanette Peck reads as follows:

I give, devise and bequeath to The Waterbury Hospital, of said Waterbury, the sum of Five Thousand Dollars, in trust, the income thereof to be applied to the maintenance of a free cot in said Hospital. The said fund to be known as the Franklin L. Peck Fund, and said cot to be known as the Franklin L. Peck Memorial Cot.

Treasurer's Report 1915 shows receipt of this fund.

PECK, HENRY

take page 6

KNOW ALL MEN that I, Henry H. Peck, of Waterbury, County of New Haven, State of Connecticut, being of sound and disposing mind and memory, do make, publish and declare this my last will and testament, hereby revoking all former wills by me at any time heretofore made.

1. After the payment of my funeral expenses, and my debts which I possibly may owe, although I am not in the habit of owing anything, I give, devise and bequeath all of my property and estate in manner and form as follows:

2. To my sisters, Lucy A. Peck and Harriet E. Bradley, and to the survivor of them, I give all my furniture, pictures, books, wearing apparel, jewelry, and such other articles of personal use as may be contained in my rooms at The Elton, in said Waterbury, to make such disposition of the same as they deem best, and I direct that no inventory be made of the same.

3. To my sister, Lucy A. Peck, I give One Hundred Thousand Dollars ($100,000.00); to my sister, Harriet E. Bradley, I give One Hundred Thousand Dollars ($100,000.00); and to my nephew, Clarence P. Bradley, I give Fifty Thousand Dollars ($50,000.00), to be to them and their heirs forever. Should my said sister, Lucy A. Peck, die before me, I direct that the legacy herein given to her shall become part of the residue of my estate, to be disposed of as herinafter provided. Should my said sister, Harriet E. Bradley, die before me, I direct that the legacy herein given to her shall be paid over to my nephew, Clarence P. Bradley, if living, and if the said Clarence P. Bradley should

die before me, leaving issue, I direct that the legacy herein given to him, and the legacy of my sister, Harriet E. Bradley, herein given to him in the event of her death before me, shall be divided equally among his issue, per stirpes and not per capita, but in lieu of issue of the said Clarence P. Bradley, I direct that said legacies shall become part of the residue of my estate, to be disposed of as hereinafter provided.

4. To my cousin, Annie Armstrong Halstead, wife of Edgar Halstead, of Ocean Park, State of California, I give Five Thousand Dollars ($5,000.00); and to Justin Halstead, Robert G. Halstead, Lucia E. Halstead, Muriel E. Halstead and Hazel S. Halstead, sons and daughters of the said Annie Armstrong and Edgar Halstead, I give Five Thousand Dollars ($5,000.00) each, the same to be to them and their respective heirs and assigns forever.

5. To William D. Armstrong, Frank Armstrong and Wade Armstrong, sons of my cousin, Lucia Armstrong, deceased, I give Five Thousand Dollars ($5,000.00) each, the same to be to them and their respective heirs and assigns forever.

6. To my cousin, Emma W. Bonney, of Salem, Massachusetts, I give Five Thousand Dollars ($5,000.00); and to Frank S. Bonney, George Bonney and Robert Bonney, sons of my cousin Emma W. Bonney and Dr. Frank Bonney, I give One Thousand Dollars ($1,000.00) each, the same to be to them and their respective heirs and assigns forever.

7. If any of the legatees named in the three preceding sections of this will should die before me, leaving issue, I direct that the legacy bequeathed to him or her shall be paid to said issue, share and share alike, so that the issue of any one shall take between them the share which their

parent would have taken if living. In the event of the death of any one of said persons before me, without issue, I direct that the legacy herein given to him or her shall be divided equally among his or her brothers and sisters, and their issue, per stirpes, and not per capita.

8. To Almon C. Judd, to Pearl Judd, his wife, and E. Webster Judd, his son, all of said Waterbury, I give the sum of Two Thousand Dollars ($2,000.00) each, in token of my friendship and remembrance, to be to them and their heirs forever.

9. To Natalie Selby Schley and to her son, Buchanan Schley, Jr., of New York, I give the sum of One Thousand Dollars ($1,000.00) each, to be to them and their heirs forever.

10. To Richard Preusser, Joseph Henderson, Archie R. Evans, John L. Chatfield, Julia Wilson and Clara H. Small, all of said Waterbury, I give the sum of Two Thousand Dollars ($2,000.00) each, in appreciation of their services to me for many years past.

11. To the Colonial Trust Company, of Waterbury, Connecticut, I give the sum of Fifteen Thousand Dollars ($15,000.00), in trust, nevertheless, for the following purposes, to wit: to hold, possess, invest and reinvest the same at pleasure and to pay over the net income arising therefrom to such person or persons as shall from time to time have the charge and management of the Peck Memorial Library, in the village of Kensington, in the Town of Berlin, Hartford County, Connecticut, one-half of said income to be used in the care, maintenance and expenses of said Library, one-quarter of said income to be used exclusively in the purchase of books for said Library, and the remaining one-quarter to be held, invested and accumulated by the managers of said Library as a special fund to be used by

them for the general improvement of the Library building or making an addition thereto should the same become necessary.

12. To the Meriden Trust Company, of Meriden, Connecticut, I give Thirty Thousand Dollars ($30,000.00), in trust, nevertheless, for the following uses and purposes, to wit: to hold, possess, invest and reinvest the same at pleasure, and from the net income thereof to pay the Walnut Grove Cemetery Association, of Meriden, Connecticut, so much as may be necessary to care for my lot in said cemetery, and to maintain, care for and keep in repair the mausoleum erected thereon, forever. The balance of said net income is to be paid annually by said Trust Company to The Meriden Hospital, located in said Meriden, for the general uses of said institution.

13. To St. John's Protestant Episcopal Church, of Waterbury, Connecticut, I give the sum of Thirty Thousand Dollars ($30,000.00), and to Trinity Protestant Episcopal Church, of said Waterbury, I give the sum of Fifteen Thousand Dollars ($15,000.00), to be to them and their successors forever.

14. To the Waterbury Masonic Temple Corporation, of Waterbury, Connecticut, I give the sum of Twenty-five Thousand Dollars ($25,000.00), to be to it and its successors forever.

15. I give and bequeath to the following-named institutions, corporations and societies the amounts hereinafter set forth, to be to them and their successors forever, to wit:

St. Margaret's School for Girls, located on Grove Street, in said Waterbury, Ten Thousand Dollars ($10,000.00).

Westover School for Girls, located in Middlebury, Connecticut, Ten Thousand Dollars ($10,000.00).

The Waterbury Visiting Nurses Association, of said Waterbury, Ten Thousand Dollars ($10,000.00).

Berea College, located in the State of Kentucky, Three Thousand Dollars ($3,000.00).

The Mattatuck Historical Society, of said Waterbury, Two Thousand Dollars ($2,000.00).

The Southmayd Home, Incorporated, of said Waterbury, Three Thousand Dollars ($3,000.00).

The Waterbury Institute of Craft and Industry, of said Waterbury, Three Thousand Dollars ($3,000.00).

The Boys' Club, Incorporated, of said Waterbury, Ten Thousand Dollars ($10,000.00).

The Waterbury Day Nursery Association, of said Waterbury, Ten Thousand Dollars ($10,000.00).

The Connecticut Children's Aid Society, of Hartford, Connecticut, for the use of its Home for Crippled and Invalid Children, at Newington, Connecticut, Five Thousand Dollars ($5,000.00).

The Robert Hungerford Industrial School, or by whatever name it may be known, situated in or near the Town of Maitland, in the State of Florida, Two Thousand Dollars ($2,000.00).

16. Whereas, the Board of Directors of the Waterbury Hospital, of said Waterbury, has entered into a contract for the construction of an addition to the buildings of said hospital, and I have agreed with said directors to defray the cost of building the same, if I do not make other provision for said cost prior to my death, I direct my executor to pay over to the Treasurer of said Hospital such sum as may be determined by my executor and the Board of Directors of said Hospital to be necessary to pay the cost of said building.

17. I direct that all gifts, bequests, and legacies herein given shall be paid in full, free from all succession or inheritance taxes, whether State or Federal, and that all such taxes shall be borne and paid by my executor out of my general estate.

18. All the rest, residue, and remainder of my property, both real and personal, of which I shall die seized and possessed and to which I shall be entitled at the time of my decease, and wherever the same may be located, is to be divided into four equal shares, and I give, devise and bequeath one of said shares to The Colonial Trust Company, of said Waterbury, in trust, nevertheless, for the following purposes, to wit: to hold, possess, invest and reinvest the same at pleasure, and to pay over the net income semi-annually to the Waterbury Hospital, of said Waterbury, for the general uses of said institution.

I give, devise and bequeath one of the remaining three shares to The Colonial Trust Company, of said Waterbury, in trust, nevertheless, for the following purposes, to wit: to hold, possess, invest and reinvest the same at pleasure, and to pay over the net income therefrom to my sister, Lucy A. Peck, during her life, and upon her death, I direct that said share shall become a part of and be added to the Trust Fund held by The Colonial Trust Company for the use and benefit of the Waterbury Hospital, and that the income from both of said shares be thereafter paid semi-annually to said Hospital for the general uses of said institution.

The remaining two shares are to be divided equally between my sister, Harriet E. Bradley, and my nephew, Clarence P. Bradley, to be to them and their heirs forever. Should my said sister, Harriet E. Bradley, die before me, I direct that the share herein given to her shall be paid over to my nephew, Clarence P. Bradley, if living; and if the said

Clarence P. Bradley should die before me, leaving issue, I direct that the share herein given to him, and the share of my sister, Harriet E. Bradley, herein given to him in the event of her death before me, shall be divided equally among his issue, per stirpes and not per capita, but if the said Clarence P. Bradley should die without leaving issue, I direct that said shares shall become part of and be added to the Trust Fund held by The Colonial Trust Company for the use and benefit of the Waterbury Hospital.

19. I appoint The Colonial Trust Company, of Waterbury, Connecticut, Executor of this Will, without bonds, and hereby give to the said The Colonial Trust Company, both in its capacity of Executor and Trustee, power to sell and convey any and all of my real estate, without an order of court, and to execute and deliver such deeds and instruments as may be necessary to pass title thereto, and I empower it to invest and reinvest the proceeds of my property, real and personal, in such securities as it may deem wise, including such stocks, bonds and other securities of such companies as it may consider proper, hereby vesting The Colonial Trust Company as my Executor and Trustee with power to continue any of my investments in their present form, or to change the same to any other form which it may deem wise so that it shall not be obliged to invest only in securities prescribed by law for investment of trust funds, and I do hereby declare that it shall not be held liable for any loss resulting to my estate or to the Trust Fund held by it from any investment or reinvestment made or retained by it in good faith.

In Witness Whereof, I have hereunto set my hand and seal, at Waterbury, Connecticut, this 12th day of June, 1918.

HENRY H. PECK (SEAL)

# FAX

Date: 11/13/96

Number of pages including cover sheet: 8

To: Barbara H.

Phone: 573-636-6006

Fax phone: 573-636-6364

CC:

From:

Liz Richters

The Private Bank Wby

Phone: (203) 574-~~7611~~ 7648

Fax phone: (203) 574-7420

REMARKS: ☐ Urgent ☐ For your review ☐ Reply ASAP ☐ Please comment

Barbara -

Here's the will for Peck. I think this takes care of everything. Don't hesitate to call if you have any questions.

Thank you, Liz

**PERMANENT BEDS**

Permanent Funds

WATERBURY HOSPITAL
WATERBURY, CONN.

S. HENRY MASON, M. D.
SUPERINTENDENT

September 27, 1929

The Colonial Trust Company, "Permanent Funds"

Waterbury, Conn.

Dear Sirs:-

The By-Laws of The Waterbury Hospital provide that the Assistant Treasurer shall perform such of the duties of the Treasurer as the Treasurer and Finance Committee shall direct. At a meeting of the Treasurer and Finance Committee held to-day, the following motion was unanimously passed:

That the Assistant Treasurer on October 1, 1929 or as soon thereafter as is practicable, assume custody of all cash and securities in the hands of the Treasurer; set up proper books of account, and thereafter invest and reinvest the funds of the Hospital as instructed by the Treasurer or Finance Committee; receive all income of the Hospital from all sources, and deposit such income in a checking account to be known as the "General Account", which Account shall be subject to withdrawal by the President, Vice President, Treasurer or Assistant Treasurer; withdraw from the General Fund such sums as the Executive Committee shall instruct and deposit them in a checking account known as the "Operating Account", on which checks may be drawn by any of the above named Officers, by the Hospital Superintendent or by any member of the Executive Committee.

Invested funds of the Hospital shall be segregated under the following headings:

General Fund,
Miscellaneous Bed Funds (consolidated),
Accumulative Bed Funds (each one kept separate if it proves to be legally necessary),
Brooker Fund,
H. S. Chase Dispensary Endowment,
Any other Special Funds which are Trusts, and which legally must be segregated.

Income from each of these Funds, also income re-

WATERBURY HOSPITAL
WATERBURY, CONN.

B. HENRY MASON, M. D.
SUPERINTENDENT

September 27, 1929



ceived from the Agent for the Buckingham Building and receipts from operations turned in by the Superintendent shall be accounted for separately, though all receipts are to be deposited in the General Account.

The Assistant Treasurer, at its convenience, shall submit to the Finance Committee a detailed list of the present investments of the Hospital, with suggestions for the improvement thereof.

It has been the custom for many years to make new investments for the Hospital in legal securities. The Finance Committee believe that this is not essential, and on February 8, 1929 the Directors authorized the Finance Committee to invest the funds of the Hospital at their discretion in securities other than those authorized by Law for Trust Funds.

Yours truly,

B. Henry Mason

Secretary.

September 23, 1929

Voted:

That the Assistant Treasurer on October 1, 1929 or as soon thereafter as is practicable, assume custody of all cash and securities in the hands of the Treasurer; set up proper books of account, and thereafter invest and reinvest the funds of the Hospital as instructed by the Treasurer or Finance Committee; receive all income of the Hospital from all sources, and deposit such income in a checking account to be known as the "General Account", which Account shall be subject to withdrawal by the President, Vice President, Treasurer or Assistant Treasurer; withdraw from the General Fund such sums as the Executive Committee shall instruct and deposit them in a checking account known as the "Operating Account", on which checks may be drawn by any of the above named Officers, by the Hospital Superintendent or by any member of the Executive Committee.

Invested funds of the Hospital shall be segregated under the following headings:

General Fund,
Miscellaneous Bed Funds (consolidated)
Accumulative Bed Funds, (each one kept separate if it proves to be legally necessary,)
Brooker Fund,
H. S. Chase Dispensary Endowment,
Any other Special Funds which are Trusts, and which legally must be segregated.

Income from each of these Funds, also income received from the Agent for the Buckingham Building and receipts from operations turned in by the Superintendent shall be accounted for separately, though all receipts are to be deposited in the General Account.

The Assistant Treasurer, at their convenience, shall submit to the Finance Committee a detailed list of the present investments of the Hospital, with suggestions for the improvement thereof.

**POWELL, EMILY**
**AUGUST**

THE WATERBURY HOSPITAL

Endowment or Permanent Room or Bed Fund

Name of Fund Emily Augusta Powell Bed Fund.

Established by Mr. Edward Powell

Condition of Gift.

Extract from Report of Executive Committee 1918

"For free Cot benefits, we record that of

* * *

The Emily Augusta Powell Bed Fund $5,000.

Treasurer's Report 1918 shows receipt of this fund and states that it was established by Mr. Edward Powell.

THE WATERBURY HOSPITAL

Endowment or Permanent Room or Bed Fund

Name of Fund The Rosemary Cot Fund

Established by Friends of Mary Rose Anderson Munger.

Condition of Gift.

Letter from Committee Rosemary Cot Fund accompanying this gift reads as follows:

Waterbury, Conn.

Nov. 10th, 1892

To the Executive Committee of the Waterbury Hospital:-

We hereby tender you the sum of three thousand ($3,000) dollars, to endow a Cot for Children, to be known as the Rosemary Free Cot, the occupants thereof to be designated by a committee consisting of the Rev. Joseph Anderson D.D., Dr. Carl E. Munger, and Miss Alice E. Kingsbury, who shall have power to appoint their own successors. We also request permission to place a memorial tablet in the lower hall of the main hospital building.

The Rosemary Free Cot fund shall be invested by the Treasurer of the Hospital, and the income only thereof shall be expended to maintain a free bed for children, designated by the committee above named, but all children so designated shall be recommended by one of the Hospital Staff of Physicians, and approved by the Executive Committee before they are admitted to the Hospital.

Alice E. Kingsbury Katherine Mattison Chapin

Edith Terry Bronson Helen M. Rice

Lucy S. Minor Elizabeth Kellogg Chase

Committee Rosemary Cot Fund.

The above fund is in memory of Mary Rose Anderson, first wife of Dr. Carl E. Munger, and daughter of Dr. Joseph Anderson, Pastor of the First Congregational Church. Mrs. Munger died November 25th, 1889. Fund was started by the Mission Circle of the First Congregational Church.

For further particulars see page 18 of the first annual Report of the Waterbury Hospital, 1890.

This fund appears in Treasurer's report for the year 1892.

Re: Rosemary Cot Fund
(Part of Permanent Bed Funds)

Waterbury Conn
Nov. 16th, 1892

To the Executive Committee of the
Waterbury Hospital:—

We hereby tender you the sum of three thousand ($3000) dollars, to endow a Cot for Children, to be known as the Rosemary Free Cot, the disposition thereof to be designated by a Committee consisting of the Rev. Joseph Anderson D.D., Dr. Carl L. Munger, and Miss Alice L. Kingsbury, who shall have power to appoint their successors.

We also request permission to place a memorial tablet in the lower hall of the main Hospital building.

The Rosemary Free Cot fund shall be invested by the Treasurer of the Hospital, and the income only thereof shall be expended to maintain a free bed for Children, designated by the Committee above named; but all Children so designated shall be recommended by one of Hospital Staff of Physicians and approved by the Executive Committee upon

They are admitted to the Hospital.
Alice L. Kingsbury
Edith Amy Brouton Lucy S. Elliot.
Catharine Mattison Hopkin.
Helen M. Rice.
Elizabeth Kellogg Chace.
Committee Pomeroy Col. Fund.

**SCOVILL, MOTHER**

THE WATERBURY HOSPITAL

Endowment or Permanent Room or Bed Fund

Name of Fund The Mother Scovill's Endowed Room Fund

Established by Mr. and Mrs. Henry W. Scovill

Condition of Gift.

Copy of receipt of Treasurer reads as follows:

Waterbury, Conn., September 22m 1916

Received from Mr. and Mrs. Henry W. Scovill, Ten Thousand Dollars ($10,000.) for the endowment of a room in The Waterbury Hospital to be known as "Mother Scovill's Room." The income from said fund to be used as a free cot fund. Patients nominated by Mr. and Mrs. Scovill, or the Scovill Manufacturing Company, of Waterbury, to be preferred and unexpended balances each year to be applied or covered in by the executives of The Waterbury Hospital to the general free cot funds established for the benefit of the sick poor.

Treasurer.

Treasurer's Report 1916 shows receipt of this fund.

SECOND
CONGREGATIONAL
CHURCH

THE WATERBURY HOSPITAL

Endowment or Permanent Room or Bed Fund

Name of Fund Second Congregational Church Bed Fund

Established by Contributions

Condition of Gift.

First mentioned in 1912 Treasurer's Report - - $363.00

Fund reported complete ($5,000.00) - Treasurer's Report, 1924

May 1954 $1,000.00 added to Fund under will of Helen E. Chase, making total amount of Fund $6,000.00

I, HELEN E. CHASE, of the Town of Waterbury, County of New Haven, and State of Connecticut, make this Will, hereby revoking all former Wills heretofore made by me.

FIRST: I direct that all my debts (including any written charitable pledges signed by me, whether or not for consideration) and my funeral expenses be paid by my Executor hereinafter named. I direct that all Estate and Inheritance Taxes that may be assessed against my Estate or against any of the bequests or devises herein, be paid out of my Estate generally as though such taxes were a debt against my Estate.

SECOND: I give and bequeath to those of my brothers and sisters who may survive me all my household furniture, pictures, silverware, jewelry, and personal effects, and I request them to distribute the aforesaid articles in accordance with suggestions contained in my book marked "curios and antiques", said book bearing my signature and being kept in my desk; but because of my confidence in them I do not impose upon them any legal or equitable obligation so to do in respect thereof. I request that my sister, MARY CHASE KIMBALL, and my cousin, EMILY B. HOWLAND, have charge of this book and the distribution of these articles.

THIRD: I give and bequeath to the following organizations the sum set after their names, to be used as indicated or to be given freely and absolutely if no specific use is mentioned:-

-A- THE AMERICAN BOARD OF COMMISSIONERS FOR FOREIGN MISSIONS, incorporated under the Laws of the Commonwealth of Massachusetts, in 1812, at 14 Beacon Street, Boston, Massachusetts, the sum of One Thousand and no/100 Dollars ($1000.00);

-B- BEREA COLLEGE, Berea, Kentucky, the sum of One Thousand and no/100 Dollars ($1000.00);

-C- THE BOY'S CLUB, INC., of Waterbury, Connecticut, the sum of Five Hundred and no/100 Dollars ($500.00);

-D- THE HENRY SABIN CHASE MEMORIAL DISPENSARY, of Waterbury, Connecticut, the sum of Five Hundred and no/100 Dollars ($500.00);

-E- THE CONNECTICUT JUNIOR REPUBLIC ASSOCIATION, INC., of Litchfield, Connecticut, the sum of One Thousand and no/100 Dollars, ($1000.00);

-F- THE GAYLORD FARM ASSOCIATION, INC., of Wallingford, Connecticut, the sum of Two Thousand and no/100 Dollars, ($2000.00);

-G- THE ITALIAN CONGREGATIONAL CHURCH of Waterbury, Connecticut, the sum of One Thousand and no/100 Dollars ($1000.00);

-H- THE HELEN I. GOODRICH CHAPTER OF THE KING'S DAUGHTERS, of Waterbury, Connecticut, the sum of Two Thousand and no/100 Dollars ($2000.00), to be used for the benefit and purposes of Grove Hall;

-I- THE LINCOLN HOUSE ASSOCIATION, INC., of Waterbury, Connecticut, the sum of Five Hundred and no/100 Dollars ($500.00);

-J- THE NEEDLEWORK GUILD OF AMERICA, Waterbury Branch, the sum of One Hundred and no/100 Dollars, ($100.00);

-K- THE WATERBURY DAY NURSERY, of Waterbury, Connecticut, the sum of Five Hundred and no/100 Dollars ($500.00);

-L- THE GIRL SCOUTS, INC., Waterbury Council, of Waterbury, Connecticut, the sum of Five Hundred and no/100 Dollars ($500.00);

-M- THE WATERBURY HOSPITAL, of Waterbury, Connecticut, the sum of One Thousand and no/100 Dollars, ($1000.00), to be added by it to the Principal of the Free Bed Fund standing in the name of the Second Congregational Church of Waterbury;

SHIPLEY, ALFRED J.

THE WATERBURY HOSPITAL

Endowment or Permanent Room or Bed Fund

Name of Fund The Alfred J. Shipley Fund

Established by Will of Alfred J. Shipley, Waterbury, Conn.

Condition of Gift.

Paragraph 3 of will of Alfred J. Shipley reads, in part as follows:

3. All the rest, residue and remainder of my estate, real or personal, and wherever located, I direct to be divided into fifteen (15) equal parts or shares to be distributed as follows:-

* * * *

d. I direct that one of the remaining shares be divided into two equal parts, and I give, devise and bequeath one of said parts to the FIRST BAPTIST CHURCH, of Waterbury, Connecticut, * * *

The remaining part I give, devise and bequeath to the WATERBURY HOSPITAL OF WATERBURY, CONNECTICUT, to be known as "The Alfred J. Shipley Fund", which fund shall be held in trust and invested and the net income thereof shall be used toward the support of a free bed in said Hospital.

Executive Committee Report 1921 acknowledges receipt of $623.50 for this fund.

THE WATERBURY HOSPITAL

PERMANENT BED FUNDS

Name of Fund Eugene S. Skilton Memorial Fund.

Established by Agreement with John H. Skilton dated December 7 1938

Condition of Gift.

See copy of Agreement attached hereto.

$5,000 received December 13, 1938

THIS AGREEMENT, made by and between JOHN H. SKILTON, of the Town of Watertown, County of Litchfield, State of Connecticut, and The Waterbury Hospital, a corporation chartered by the General Assembly of the State of Connecticut, and located in Waterbury, County of New Haven, State of Connecticut,

WITNESSETH:

Whereas the said John H. Skilton has given to the said The Waterbury Hospital the sum of Five Thousand Dollars ($5,000.00) to be held by the said hospital as a permanent bed fund, to be known as "The Eugene S. Skilton Memorial Fund",

NOW, THEREFORE, it is agreed as follows:

1. The income from said fund shall be used for the care, while in said Hospital, of such persons as the Executive Committee of said hospital may designate from time to time providing, however, that during the lifetime of Charles H. Skilton, of Watertown, Connecticut, he may name the beneficiaries of said fund, and that thereafter preference shall be given, as needed, to the members of the Skilton family, but it is agreed and understood that the income from said fund shall not be accumulative, and that all unexpended balances shall pass to the hospital administration at the end of each fiscal year.

2. The said The Waterbury Hospital, acting through its Executive Committee, shall hold, manage and control said trust fund and collect and receive the income thereof, and shall have the power and discretion to change the form of investment of said trust fund, and to reinvest the money realized therefrom in other securities authorized by law for the investment of trust funds.

3. This trust agreement shall be irrevocable and no part of the principal or income thereof shall enure to the

benefit of the said John H. Skilton.

IN WITNESS WHEREOF, the said parties have hereunto set their hands and seals, and to a duplicate of the same tenor and date, this 7th day of December, 1938.

John H. Skilton (L.S.)

The Waterbury Hospital

By Edwin C. Northrop, Treas.

(2)

13-00859-000
CURTIS HURLBUT SMITH FUND - AGENCY

A.859

THE WATERBURY HOSPITAL

Endowment or Permanent Room or Bed Fund

Name of Fund Curtiss Hurlbut Smith Bed Fund

Established by Mrs. Flora S. Page and Mr. George W. Smith

Condition of Gift.

Extract from Report of Executive Committee 1917

"The Curtis Hurlbut Smith Endowed Bed has been added to our list. Mr. Smith, a native of Southbury, is thus memoralized by the generosity of a brother and sister."

Treasurer's Report 1917 shows receipt from Mrs. Flora S. Page and George William Smith of $5,000.00

**SMITH, RICHARD**

THE WATERBURY HOSPITAL

ENDOWMENT OR PERMANENT ROOM OR BED FUND

Name of Fund The J. Richard Smith Memorial Bed Fund

Paragraph of will providing for devise or bequest to

THE WATERBURY HOSPITAL, of Waterbury, Connecticut

ARTICLE FOURTH.

"I give and bequeath to THE WATERBURY HOSPITAL, of Waterbury, Connecticut, the sum of TEN THOUSAND DOLLARS ($10,000.00), the income only thereof to be used for the establishment and maintenance of a bed in said Hospital for the use of needy and worthy patients, the same to be known as "The J. Richard Smith Memorial Bed" in memory of my father, J. Richard Smith, late of said Waterbury, deceased."

SMITH, W. EASTON

I, W. EASTON SMITH, of Waterbury, County of New Haven, State of Connecticut, do make and constitute this my Last Will and Testament, hereby revoking all wills by me heretofore made.

1. I direct that all my just debts and funeral expenses be paid by my Executor hereinafter named.

2. I give and bequeath to CORNELIUS LUCIAN, of said Waterbury, should he survive me, the trade and business carried on by me at No. 47 Center Street, in said Waterbury, and known as "The China Shop", including the goodwill of said business, all stock in trade, merchandise, fixtures and effects belonging thereto, the benefit of all contracts subsisting in respect of said business and all book debts and moneys due to me in respect thereof, or standing to the credit of said business account at my bank at the time of my decease, and the leasehold interest in said premises; provided and on condition that the said CORNELIUS LUCIAN shall discharge and indemnify my general estate from all debts and liabilities due or subsisting in respect of the said business at my decease or thereafter to become due, and if required by my Executor, shall enter into a bond or covenant in that behalf. I further authorize and instruct my Executor to deliver and transfer said business to the said CORNELIUS LUCIAN immediately after my death, so that this gift shall become effectual as of the date of my death. I further direct that this bequest shall not be subject to contribution or diminution as set forth in Paragraph 14 of this Will.

3. I give and bequeath to Riverside Cemetery Association, of Waterbury, Connecticut, the sum of Six Hundred Dollars ($600.00), to be held as a perpetual fund, the income only thereof to be used for the care of my cemetery lot, also the monument and markers thereon, the balance of said income not required for said purpose to be used for the care of the William Perkins Lot in said Cemetery.

4. I give and bequeath to my Executor hereinafter named all my household furniture and furnishings, books, pictures, wearing apparel and all articles of a similar and personal nature, to be disposed of in accordance with a written memorandum on file with this Will.

5. To each of the persons hereinafter named, I give and bequeath the following sums, the same to be to each of them absolutely:

To LUCY G. RICH, of said Waterbury, if living, the sum of Two Thousand Dollars ($2,000.00).

To CORNELIUS LUCIAN, of said Waterbury, the sum of Seven Thousand Dollars ($7,000.00).

To SABINA CALLAHAN LATTIN, of Franklin, New York, the sum of Three Thousand Dollars ($3,000.00).

To MARY PERKINS WILLIAMS, wife of David A. Williams, of said Waterbury, the sum of Six Thousand Dollars ($6,000.00).

To ALICE PERKINS JOHNSON, sister of Mary Perkins Williams, the sum of Six Thousand Dollars ($6,000.00).

To such of the children of DAVID A. and MARY PERKINS WILLIAMS, of No. 186 Perkins Avenue, Waterbury, Connecticut, as may be living at the time of my decease, the sum of Two Thousand Dollars ($2,000.00) each.

To LAURA HARVEY, of said Waterbury, if living, the sum of Five Thousand Dollars ($5,000.00).

To LENA L. DOWNEY, of Middlebury, Connecticut, the sum of Five Thousand Dollars ($5,000.00).

To WILLIAM J. KELLY, of Harwichport, Cape Cod, Massachusett the sum of Three Thousand Dollars ($3,000.00).

To ANNA METZ, of said Waterbury, now a teacher at St. Margaret's School, Three Thousand Dollars ($3,000.00).

To MILDRED C. O'BRIEN, wife of John M. O'Brien, of Naugatuck, Connecticut, the sum of Three Thousand Dollars ($3,000.00).

Should any of the above named persons predecease me, I direct that the legacy herein given to him or her become a part of the rest and residue of my estate, and be distributed as such.

6. I give and bequeath to The Waterbury Hospital, of Waterbury, Connecticut, the sum of Five Thousand Dollars ($5,000.00), in trust, however, to be known as "The Howard Easton Smith Fund", to be applied to the establishment of a free room in said hospital, for the use of such person or persons as may be designated by the Rector in charge for the time being of St. John's Protestant Episcopal Church, of said Waterbury.

7. I give and bequeath to St. John's Parish of the Protestant Episcopal Church, of said Waterbury, the sum of Five Thousand Dollars ($5,000.00), to be known as "The Howard Easton Smith Fund", and added to its permanent fund, the income only thereof to be used for the general purposes of said Parish.

8. I give and bequeath to The Colonial Trust Company, of Waterbury, Connecticut, the sum of Five Thousand Dollars ($5,000.00), in trust, however, to hold, manage, invest and reinvest, and pay over the net income thereof semi-annually to the Waterbury Visiting Nurses Association, of said Waterbury, for its general purposes, said fund to be known as "The Howard Easton Smith Fund".

9. I give and bequeath to The Colonial Trust Company, of Waterbury, Connecticut, the sum of Five Thousand Dollars ($5,000.00), in trust, however, to hold, manage, invest and reinvest, and pay over the net income thereof semi-annually to the Waterbury Day Nursery Association, of said Waterbury, for its general purposes, said fund to be known as "The Howard Easton Smith Fund".

10. I give and bequeath to The Colonial Trust Company, of Waterbury, Connecticut, the sum of Five Thousand Dollars ($5,000.00), in trust, however, to hold, manage, invest and reinvest, and pay over the net income thereof semi-annually, to The Waterbury Council of Boy Scouts of America, of said Waterbury, for its general purposes said fund to be known as "The Howard Easton Smith Fund".

11. Should any of the corporations, institutions or organizations named as beneficiaries of the trust created by Paragraphs 8, 9 and 10 of this Will, dissolve, terminate or cease to carry on their corporate purposes, I direct that the income otherwise to be paid to such corporation, institution or organization shall thereafter be paid to The Waterbury Hospital, of said Waterbury, for its general purposes.

12. Should my estate be insufficient to pay all of said legacies and bequests in full, I direct that they be reduced in such proportion as they bear to the amount of my estate, but if my estate be more than sufficient to pay all claims, expenses and legacies hereinbefore set forth, I direct that any rest and residue there may be shall be divided among the corporations, institutions and organizations named in Paragraphs 6 to 10, inclusive, of this Will, in such proportions as the legacies hereinbefore given to them bear to the total of said rest and residue, to be similarly paid over or held in trust.

13. I direct that all gifts, bequests and legacies herein given shall be paid in full, free from all succession or inheritance taxes, whether State or Federal, and that all such taxes shall be borne and paid by my Executor out of my general estate.

14. I appoint The Colonial Trust Company, of Waterbury, Connecticut, Executor of this Will, without bonds. I further hereby authorize and empower said The Colonial Trust Company as such

Executor and as Trustee of all trusts herein created, in its discretion, to sell, exchange, transfer or otherwise dispose of or retain any and all property, real or personal, from time to time acquired by it in either capacity, and to invest and reinvest the proceeds of any property, real and personal, in such securities as it may deem wise, including stocks, bonds and other securities, or in a common trust fund established by it pursuant to any statutes now or hereafter created, expressly directing that it shall not be confined to investments permissible by law for trustees, and I do hereby declare that it shall not be liable for any loss resulting to my estate or to the trust funds held by it from any investment or reinvestment made or retained by it in good faith. I further authori said The Colonial Trust Company, both in its capacity as Executor and as Trustee, to vote upon any and all stocks held by it in such capacities, and to sell, mortgage or lease any or all of my real property, without an order of court, and to execute and deliver such deeds and instruments as may be necessary thereto. I further authorize said The Colonial Trust Company, as such Executor, in its discretion to make distribution of my estate by transferring money, securities or other property as it may deem advisable at the market value thereof as determined by it at the time of such distribution, and its judgment therein shall be binding and conclusive on all parties.

IN WITNESS WHEREOF, I have hereunto set my hand and seal, this 31st day of May, A.D. 1944.

W. EASTON SMITH (SEAL)

Signed and sealed by the within named Testator, W. EASTON SMITH, and by him declared to be his Last Will and Testament in our presence who have hereunto subscribed our names as witnesses in his presence and in the presence of each other, and at his

request, this 31st day of May, A.D. 1944.

GERTRUDE L. SNAGG)
LENA W. BOISVERT } Witnesses.
GUSTAV A. ANDERSON)

STATE OF CONNECTICUT:
COUNTY OF NEW HAVEN : SS. Waterbury May 31st, A.D. 1944

Be it remembered that on this 31st day of May, A.D. 1944, before me, ROBERT S. WALKER, a Notary Public within and for the State of Connecticut, personally appeared the undersigned, who, being duly sworn, severally make oath and say that they witnessed the within will of the within named Testator, W. EASTON SMITH, and subscribed the same in his presence and at his request, and in the presence of each other; that the said W. EASTON SMITH at the time of the execution of said will appeared to them to be of full age and of sound mind and memory; that he signed said will and declared the same to be his Last Will and Testament in their presence, and that they make and sign this affidavit at the request of said Testator.

GERTRUDE L. SNAGG of Waterbury, Conn.
LENA W. BOISVERT of Waterbury, Conn.
GUSTAV A. ANDERSON of Middlebury, Conn.

Subscribed and sworn to before me, the day and year above written,

ROBERT S. WALKER
Notary Public.

STATE OF CONNECTICUT }
DISTRICT OF WATERBURY } SS. Probate Court June 4 1944
The above and foregoing is a true copy of the original on file in this Court.
Attest: _____ Judge
Ass't Clerk

**SPENCER, EDWARD**

THE WATERBURY HOSPITAL

Endowment or Permanent Room or Bed Fund

Name of Fund Edward Spencer Memorial Bed Fund

Established by Will of Elizabeth L. Spencer, of Patchogue, N.Y.

Condition of Gift.

Paragraph Ninth of the Will of Elizabeth L. Spencer reads as follows:

Ninth, I give and bequeath unto Waterbury Hospital of Waterbury, Connecticut, the sum of Five Thousand Dollars, ($5,000) to establish a "Free Bed" to be called the "Edward Spencer Memorial". Patients from Naugatuck Connecticut to invariably have the preference in its use, in perpetuity; The said bequest to be held in trust by the Trustees of said Hospital, and the income therefrom to be devoted and applied to said purpose in perpetuity, and as aforesaid. In case the said Hospital have to pay a tax on the aforesaid bequest I give, devise and bequeath a further sum of Two Hundred and Fifty Dollars. ($250) for such purpose, but if a lesser amount is sufficient to pay such tax - meaning Collateral Tax, as now in force in the State of New York, then such overplus shall be included in my residuary estate.

Formal acceptance of the above gift, by the Executive Committee of the Hospital, dated August 8th, 1907 is as follows:

THIS AGREEMENT made this 8th day of August A.D. 1907, BETWEEN The Waterbury Hospital of Waterbury, Connecticut, AND Smith W. Conklin one of the Executors of the last Will and Testament of Elizabeth L. Spencer of Patchogue, Suffolk County, New York, in the manner following:-

IN CONSIDERATION of the sum of Forty Nine Hundred and Eighty Seven and 50/100 ($4,987.50) Dollars received from said Executor, we accept the same and agree to perform in perpetuity the terms and conditions required in said Will,- That is to establish and keep in good and respectful condition a Free Bed to be called the EDWARD SPENCER MEMORIAL, and that patients from Naugatuck Connecticut shall have the preference, the same to be performed by the officers of said Hospital, for themselves and their successors in office of said Hospital in perpetuity.

Witness:

H. H. Peck

A. J. Blakesley.

J. S. Elton, Pres.

Otis S. Northrop, Chairman Ex. Com.

A. M. Blakesley, Treas.

TReasurer's Report of 1907 shows receipt of this fund.

Re: Edward Spencer Memorial Bed Fund
(Part of Permanent Bed Funds)

THIS AGREEMENT made this 8th day of August A. D. 1907, BETWEEN The Waterbury Hospital of Waterbury, of Waterbury, Connecticut, AND Smith W. Conklin one of the Executors of the last Will and Testament of Elizabeth L. Spencer of Patchogue, Suffolk County, New York, in the manner following:-

IN CONSIDERATION of the sum of Forty Nine Hundred and Eighty Seven and 50/100 ($4.987.50) Dollars received from said Executor, we accept the same and agree to perform in perpetuity the terms and conditions required in said Will,- That is to establish and keep in good and respectful condition a Free Bed to be called the EDWARD SPENCER MEMORIAL, and that patients from Naugatuck, Connecticut shall have the preference, the same to be performed by the officers of said Hospital, for themselves and their successors in office of said Hospital in perpetuity.

WITNESS:

H.H. Peck
A.J. Blakesley

J. S. Elton, Prest.
Chas. S. Mortson, Chairman Ex. Com.
H.M. Buckley Sec.

Waterbury Conn
Aug 12 1907

therefrom to be deveted and applied th the keeping in thereugh good condition and repair the plot of ground and Tombstones in said Cemetery owned by the late William Lum. The same to be performed by the said trustees of said association in perpetuity.

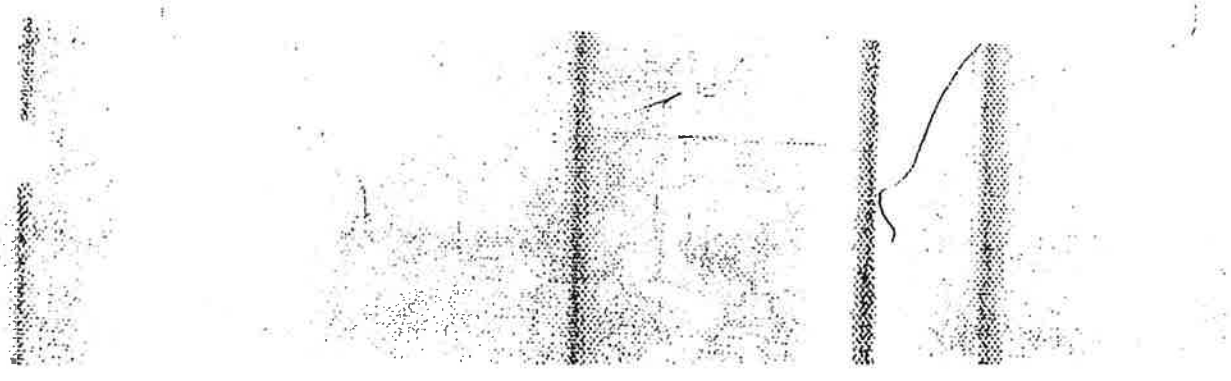
h, I give,devise and bequeath unte St Michaels Church,of Naugatuck Connecticut,the sum of Two Thousand Dollars; ($2000) The same to be held in trust by the trustees of said church in perpetuity, and the income therefrom to be deveted and applied to the poor people of their Parish,and to be called the Beecher and Spencer Memorial Fund. The same to be so held and applied for the benefit of such poor people by the said trustees in perpetuity.

venth, I give,devise and bequeath unte the Congregational Church of Naugatuck Connecticut,the sum of Two Thousand Dollars,($2000). to be held in trust by the Trustees of said Church in perpetuity, the income therefrom to be deveted and applied to the relief of the poor people of said church and Parish,to be called the Beecher and Spencer Memorial Fund. The same to be so held and applied to the benefit of such poor people by the said trustees in perpetuity.

hth, Daniel Beecher donated to the said Churches the grounds upon which said Churches stand,and the Green between them. and it was my late husbands intention,-the late Edward Spencer,- to perpetuate the memory of that liberality in some substantial way,and it is therefore my great pleasure to fulfil his wishes.

nth, I give and beque th unte Waterbury Hospital,of Waterbury Connecticut, the sum of Five Thousand Dollars,($5000.) To establish a "Free Bed "to be called the"Edward Spencer Memorial". Patients from Naugatuck Connecticut to invariably have the preference in its use,in perpetuity; The said bequest to be held in trust by the Trustees of said Hospital ,and the income therefrom to be deveted and applied to said purpose in perpetuity,and as aforesaid. in case the said Hospital have to pay a tax on the aforesaid bequest I give,devise and beque th a further sum of Two Hundred and Fifty Dollars.($250.) for such purpose,but if a lesser amount is sufficient to pay such tax-meaning a Collatteral Tax,as now in force in the State of New York,then such overplus shall be included in my residuary estate.

enth, I give ,devise and bequeath unte Smith W.Conklin,of Patchogue, Suffolk County New York,The sum of Three Hundred Dollars,($300.) the same to be in Lieu of Commissions as Executor of this my last Will and Testament .



THE WATERBURY HOSPITAL

Endowment or Permanent Room or Bed Fund

Name of Fund Julia V. Warner Spencer Fund

Established by Will of Julia V. Warner Spencer

Condition of Gift.

Paragraph 3 of the Will of Julia V. Warner Spencer reads as follows:

> 3. I give, devise and bequeath to the Waterbury Hospital, a corporation of said Waterbury, the sum of Twenty-five Thousand Dollars ($25,000.00) in trust, to be known as the "Julia V. Warner Spencer Fund", the income therefrom to be used in establishing and maintaining forever a room to be used for the objects and purposes of said corporation, to be known as the "Warner Room" in memory of the Charles Warner family."

Additional paragraph gives $5,000.00, in trust, to be known as the "Julia V. Warner Spencer Memorial for Miss Emmeline D. Warner Fund", for free bed.

Julia V. Warner Spencer died March 13, 1916.

W. H. Lowe, Executor

Will recorded in Vol. 136, page 305, Waterbury Probate Records.

Treasurer's Report 1916 shows receipt of this fund.

SPERRY, MARK L. &
JULIA P.

Feb. 11th 3:15 p. m.

Mr. Rodney Kleinhans of Colonial Trust called.
Re: The Mark L. Sr. and Julia P. Sperry Bed Fund.

The only record of the condition of this gift of $5,000, which was originally given by Miss Ruth Sperry, is a copy of your letter to Carl Johnson, dated June 25, 1951. (The original copy of this letter is in your endowment book.) This $5,000 was a gift, not a bequest from a Will. The three conditions of the gift are indicated in the letter of 6/25/51. According to the third provision, Mr. Kleinhans said that Miss Sperry certainly can have Mr. Perry Haines designate people to receive care.
There are two amounts of income in this Fund.
The fund designated as A2346 contains the following:

| | |
|---|---|
| Capital ..... | $8,056 |
| Estimated Income .. | $ 327 |

The fund designated as A2346.10 contains the following:

| | |
|---|---|
| Principal Value .... | $4,114 |
| Income ..... | $ 128 |

$12,170

A2346 is the principal fund.
A2346.10 is the accumulative income fund.

327.8
17
155

Mr. Carl Johnson
Colonial Trust Company
Waterbury, Connecticut

Dear Carl:

We have changed our records at the hospital relative to the five thousand dollar Permanent Bed Fund which you carry under the name of "Ruth Sperry Bed Fund".

It should now be identified as "The Mark L. Sr. and Julia P. Sperry Bed Fund" and added to the permanent funds of the hospital with the following stipulations concerning its use:

1. For employees and their families of the Scovill Manufacturing Company.

2. For members of the Sperry family.

3. For such persons as Miss Ruth Sperry, or somebody that she might designate, might direct.

The unexpended balance in the fund to be carried over to the next year until the Fund reaches the sum of $10,000. After that it may be turned over to the Superintendent for general purposes of the institution.

I have replied to Miss Sperry and the matter has been straightened out.

Sincerely yours,

Charles V. Wynne

CVW:HA
CC: Mr. Northrop

P.S. When I told you that I hadn't visited your bank since the last time I saw you, I was in error. I feel that visits over the telephone are almost as good as personal ones. I hope to get down to have a long chat with you one day about all of these funds just to gain a more thorough working knowledge of them.

Condition of Gift:
Income to be used for maintenance of bed for employees of Scovill and their families; then to members of Sperry family; then to such persons as Ruth Sperry designates. When fund reaches $10,000, it may be used for general purposes of Waterbury Hospital.
(Information from Colonial Trust Co., Sept. 26, 1956)

Church from the beginning. I have a copy of a letter, dated Feb 17, 1959, written by Mr. Wynne to Rev. Mr. Harris, who was then minister of the First Congregational Church. I quote, "Miss Sperry has recently discussed with us a gift which she she has given to the hospital and which reposes in our permanent bed funds, known as the Mark L. Sr. and the Julia P. Sperry Bed Fund. Miss Sperry has discussed with us to include in the use of the accumulative income from the Fund such person or persons that you may elect to tell us need financial support toward their hospital service. Miss Sperry has asked that we Notify you in this regard".

Would it be possible for any unused income during the year to be added to the Capital of the Fund instead of being turned over to the hospital; and could the income be used during the whole year instead of ending in October?

I will write again what I want the

excerpt from will
dated March 20,

(3)

come from the Fund used for.

I wish the income from the fund to be used for employees of the Sewill Mfg. Co., members of the Sperry family, and the Makepeace family, and such persons as I shall name. I also wish the income to be used for any people of the First Congregational Church parish that a minister of the First Congregational Church wishes to assist toward their hospital service. I also wish that any unused income, during a year, be added to the capital of the fund instead of being given to the hospital.

Sincerely
Ruth Sperry

THE WATERBURY HOSPITAL

Endowment or Permanent Room or Bed Fund

Name of Fund The Augusta M. Stiles Bed Fund

Established by Miss Anne Stiles

Condition of Gift.

Extract from Executive Committee Report 1914.

> "Two bed funds have been added to our list during the year: one, endowed by Miss A. F. Stiles, of Southbury, in memory of her sister, to be named the Augusta M. Stiles Cot; * * *

Treasurer's Report 1915 shows receipt from Miss Anne Stiles - $5,000.

SWENSON, JOHN

THE WATERBURY HOSPITAL

ENDOWMENT OT PERMANENT ROOM OR BED FUND

Will of John Swenson

late of _____

Date of Death _____

Refer to letter, dated December 17, 1965 from
George P. Stevenson
Vice Pres. & Trust Officer
Colonial Bank & Trust

In accordance with the provisions of the will, the remainder of the funds is now payable to the Waterbury Hospital for the purpose of establishing and maintaining a free bed.

You will recall that this is the trust in which we carried an "open end" promissory note of the Hospital so that in addition to inheriting its own note the hospital will receive approximately $107,000.00 in cash.

Letter dated March 8, 1966 from
George P. Stevenson
Vice Pres. & Trust Officer
Colonial Bank & Trust

Our final accounting on the John Swenson trust was accepted by the Probate Court at the hearing held yesterday morning.

Income cash of $466.67 and principal cash in the amount of $112,718.95 or a total of $113,185.62 has been transferred to the Permanent Bed Fund of the Waterbury Hospital. The promissory note of the Waterbury Hospital has of course been cancelled.

1091

# LAST WILL AND TESTAMENT

BE IT KNOWN TO ALL PERSONS, that I, JOHN SWENSON, of the City of Waterbury, County of New Haven and State of Connecticut, being of lawful age, of sound and disposing mind, memory and judgment, do hereby make, publish and declare this to be my Last Will and Testament, hereby revoking all previous wills and codicils by me made.

I. I direct by executor hereinafter named to pay all of my just debts and funeral expenses. I further provide that my body shall be cremated.

II. I give and bequeath the sum of One Hundred Dollars ($100.) unto the C. F. Williams Memorial Chapel and Receiving Vault, Hillside Cemetery, of the Town of Thomaston, Litchfield County, Connecticut.

III. All of the rest, residue and remainder of my estate I give, devise and bequeath unto my Trustee hereinafter named, in trust Nevertheless, to hold, manage, control, invest and reinvest as by law provided, and to pay out principal and income of said trust estate as follows:

A. To pay unto my sister, Laura Swenson, of said Waterbury, the sum of Four Hundred Dollars ($400.) per annum, in equal quarterly payments of One Hundred Dollars ($100.) for and during the term of her natural life;

B. To pay unto or use and expend for the benefit of my niece, Mary Swenson, daughter of my brother, Andrew C. Swenson M. D., the sum of Six Hundred Dollars ($600.) per annum, in quarterly amounts of One Hundred Fifty Dollars ($150.), for and during the term of her natural life;

C. Upon the death of both my said sister and my said niece, to pay and transfer the remainder of my said trust estate unto the Waterbury Hospital of Waterbury, Conn., to establish a free bed in said hospital.

IV. I hereby nominate, constitute and appoint The Citizens and Manufacturers National Bank of Waterbury, a corporation organized under the laws of the United States and having it principal place of business in said Waterbury, (or if said bank shall change its corporate structure or name, or merge with any other banking institution under the same or any other name or charter, then the succeeding corporation by whatever name it is known) as the Executor of and Trustee under this my Last Will and Testament, and I further direct that my said executor and trustee be allowed to qualify and act in those capacities without furnishing any bond or other security whatsoever.

PLEASE RETURN

Dwight & Martha Terry

I, Dwight H. Terry, of the Town of Plymouth, County of Litchfield, and State of Connecticut, being of sound and disposing mind and memory, do make, publish and declare the following to be my last will and testament, hereby expressly revoking any and all wills and any and all codicils thereto, by me heretofore made.

1. I order and direct that all my just debts, my funeral expenses and the expenses of settling my estate, be first paid and satisfied out of my personal estate.

2. I give and bequeath to my beloved wife, Martha J. Terry, the brass clock with the long case; also the parchment letters-patent on clocks issued to my grandfather, Eli Terry, and the lacquer-ware lead lined box containing said letters-patent; also the old family B ible used by my father, and containing the family record; also the old account book of my grandfather, Eli Terry, and the oil paintings of my father and mother, and all the rest, residue and remainder of my clocks, wearing apparel, books, household furniture, useful and ornamental, and all other household articles of every name, nature and description in my residence in Plymouth or elsewhere, to be to her and her heirs and assigns forever.

3. In the event that my said wife shall decease before me, I give and bequeath all the articles hereinbefore specified in paragraph 2 of my will, to The Colonial Trust Company, of Waterbury, Connecticut, absolutely, and I request said Company to distribute said articles mentioned, to the surviving legatees named herein and so far as practicable to such persons mentioned in a memorandum of even date herewith filed with said Trust Company, surviving at the time of the acceptance of the final administration account of my estate, and I direct that said

Trust Company may pay any expenses incidental to the delivery of said articles, and charge the same as an expense against my estate.

4. All the rest, residue and remainder of my estate, both real and personal, of whatever name and nature and wherever situated, I give, devise and bequeath to The Colonial Trust Company, of Waterbury, Connecticut, and its successors, in trust, nevertheless, for the uses and purposes following; that is to say, to hold, possess and manage, invest and reinvest the same, with full power and authority to sell, lease or mortgage the same at pleasure and to execute any deeds or conveyances as may be necessary for that purpose, and generally to execute said trust in accordance with the laws of this State regarding investment of trust funds.

5. I direct my said Trustee to add the net income of said fund to the principal of said fund, and that said fund and all accumulations thereto shall be held by said Trust Company and be disposed of in accordance with the provisions of this will for the distribution of the rest and residue of my estate; provided, however, that if at any time my said wife shall show to the satisfaction of said Trust Company that all her own property has been expended or lost, and that her income from other sources has become insufficient for her comfortable maintenance and support, then, in that event, the said Trust Company is authorized and empowered from time to time, upon her written request, to pay over to her such portions of said income as she may require for her comfortable maintenance and support, and if said income shall be insufficient for her comfortable maintainance and support, then, in that event, said Trust Company is authorized and empowered in like manner to pay over such a portion of the

principal of said trust fund as may be necessary for her support, and her request and receipt for the same shall be a full discharge to said Trust Company.

6. I also direct my Trustee, upon the death of my said wife, to pay the sum of One Thousand Dollars ($1,000.00) to the Boys' Club of Bridgeport, Connecticut, but upon the express condition that it shall use only the income therefrom for the purposes of said Boys' Club, or by whatsoever name it may be legally known, the same to be to it and its successors forever.

7. I also direct my said Trustee, upon the death of my said wife, to pay the sum of Two Thousand Dollars ($2,000.00) to the Young Men's Christian Association of Bridgeport, Connecticut, upon the express condition that it shall use only the income therefrom for the purposes of said Young Men's Christian Association, the same to be to it and its successors forever.

8. Upon the decease of my said wife, I direct my said Trustee to hold and possess the net income arising from said trust fund for a period of one year, and at the end of that time partition the whole of said net income among the following persons, or the survivors of them at that time, share and share alike, to wit: Laura Arnold, Beryl Arnold, Phyllis Arnold, Catherine Arnold and Seth Arnold, the children of my niece, Gertrude Terry Arnold, all of Arlington, Massachusetts, and to Samuel Fairbank, now or formerly of Minneapolis, Minnesota, Allan Fairbank, now or formerly of South Dakota, and Ruth Fairbank, now or formerly of Glastonbury, Connecticut, the children of my niece, Ruby Harding Fairbank, deceased, and to pay the same in equal monthly payments, but in case either of said persons shall decease before all of said payments have been made, then all future payments payable to such deceased, shall be

withheld by said Trust Company and added to the income on hand. Said Trust Company shall accumulate the income accruing during the second year and make a like division thereof and pay the same in the manner as before provided for the payments during the first year, and so, year by year, until the number of beneficiaries is by death or otherwise reduced to three persons. The Trust Company shall then pay each of the three the sum of One Thousand Dollars ($1,000.00), and the trust, so far as they are concerned, shall cease and terminate.

9. It is my wish and desire that in the final settlement and distribution of my estate by said Trust Company that so far as practicable it will distribute securities at the then market or appraisal value instead of reducing them to cash for the purpose of distribution.

10. I direct that all gifts, bequests and legacies herein given shall be paid in full, free from all succession or inheritance taxes, whether State or Federal, and that all such taxes shall be borne and paid by my executor out of my general estate.

11. I understand it is the desire of my wife, Martha J. Terry, to establish a hospital in Plymouth, Connecticut, to be known as The Plymouth Memorial Hospital. Now, therefore, if my wife leaves a will providing that a corporation be formed for such purpose, I give, devise and bequeath all the rest and remainder of my estate, after the trust provided for in paragraph 8 of this will is terminated as therein provided, to the corporation in charge of said hospital, in trust, nevertheless, to hold, possess, invest and reinvest in such securities as trust funds in Connecticut may be invested in, and the income only of said fund shall be used for the general purposes of said hospital.

If, however, my said wife should not leave a will providing for the establishment of a hospital in the said Town of Plymouth, or, if she should leave such a will and a corporation should not be formed to take charge of same, as provided in her will, then in such event, I give, devise and bequeath said rest and remainder to The Waterbury Hospital, a corporation chartered by the General Assembly of the State of Connecticut, and located in Waterbury, New Haven County, in said State, as a trust fund. Said fund shall be known as the "Dwight H. and Martha J. Terry Fund", and shall be invested by the Trustees of said hospital in such securities as it may be lawful for trust funds to be invested in, in Connecticut, and only the proceeds thereof shall be used for the purpose of providing free beds and medical care and attention for the poor and needy of the Towns of Plymouth and Thomaston, of Litchfield County, in said State, and that the surplus of said income, if any, may be used for the general uses of said institution.

Should said fund be given to The Waterbury Hospital, it is my desire that a memorial tablet be placed in said hospital, setting forth that said fund was established by Dwight H. Terry and Martha J. Terry, in memory of Mr. Terry's grandfather, Eli Terry, late of Plymouth, Connecticut, deceased, inventor, pioneer clock-maker and founder of clock manufacturing in the State of Connecticut.

12. I appoint The Colonial Trust Company, of Waterbury, Connecticut, Executor of this will, without bonds, and hereby give to The Colonial Trust Company, both in its capacity of Executor and Trustee, power to sell and convey any and all of my real estate, without an order of court, and to execute and

deliver such deeds and instruments as may be necessary to pass title thereto.

IN WITNESS WHEREOF, I have hereunto set my hand and seal, at New Haven, Connecticut, this 8th day of March, 1919.

Dwight H. Terry (SEAL)

Signed and sealed by the within-named testator, Dwight H. Terry, and by him declared to be his last will and testament, in our presence who have hereunto subscribed our names as witnesses in his presence and in the presence of each other, and at his request, this 8th day of March, 1919.

Julia M. Greene
Marion A. Wolcott } Witnesses
Anna Manning

STATE OF CONNECTICUT )
) SS. New Haven.
COUNTY OF NEW HAVEN )

Be it remembered that on this 8th day of March, 1919, before me, Robert S. Walker, a Notary Public within and for said State, personally appeared the within-named

Julia M. Greene of Bristol, Conn.

Marion A. Wolcott of Terryville, Conn.

Anna Manning of Rockville, Conn.

who, being duly sworn, severally make oath and say that they witnessed the within will of the within-named testator, Dwight H. Terry, and subscribed the same in his presence and at his request, and in the presence of each other, that the said Dwight H. Terry, at the time of the execution of said will, appeared to them to be of full age and of sound mind and memory; that he signed said will and declared the same to be his last will and testament, in their presence; and that they make and sign this affidavit at the request of said testator.

Julia M. Greene

Marion A. Wolcott

Anna Manning

Subscribed and sworn to before me the day and year above written.

Robert S. Walker.

Notary Public.

We hereby certify that the within and foregoing is a true and correct copy of the original instrument on file in the Probate Court for the District of Plymouth, Conn.
The Colonial Trust Company
By: Edward G. Hayes
Asst. Trust Officer

**TERRY, MARTHA**

# THE COLONIAL TRUST COMPANY

HARRIS WHITTEMORE, President
G. M. WOODRUFF, Vice President — J. P. ELTON, Vice President
W. P. BRYAN, Treas & Secy — H. W. TRIPP, Asst Treasurer
L. S. ANDREW, Asst Treasurer — JOS. B. ELLS, Asst Secretary
R. S. WALKER, Trust Officer

CAPITAL
$ 500.000.00
SURPLUS AND PROFITS
$ 1,280.000.00

WATERBURY, CONN.

TRUST DEPARTMENT


September 24 1925

Mr. Edwin C. Northrop,
Care The Dime Savings Bank,
C i t y.

Dear Sir: Estate Martha J. Terry

We have delivered to Mr. A. J. Blakesley, today, the assets of the above entitled estate, which we understand constitute two separate funds, to be held by The Waterbury Hospital under the terms of Mrs. Terry's will. The funds under Paragraph 5 amount to $15,000.00 and the residue under Paragraph 9 to $15,878.81.

We are enclosing copy of Mrs. Terry's will, together with copy of letter from Atty. W. W. Gager, dated May 7, 1925, regarding interpretation.

We have had numerous comments made to us from time to time by residents of Thomaston and Plymouth in regard to how this fund should be handled. In all such cases we have referred them to you. Yesterday, a Miss Langdon, of Plymouth, made inquiry, stating that there is a woman in Plymouth, a patient of Dr. Wight, who would be a proper beneficiary of this fund and would like to go to The Waterbury Hospital for treatment about October 1st. I told her to

I, MARTHA J. TERRY, wife of DWIGHT H. TERRY, of Plymouth, Litchfield County, State of Connecticut, being of sound and disposing mind and memory and hereby expressly revoking any and all wills and codicils thereto by me heretofore made, do make, publish and declare the following to be my last Will and Testament.

1. I order and direct that my just debts and funeral expenses and the expenses of settling my estate be paid out of my estate by my executor hereinafter named.

2. I give absolutely to my nephew, FRANK POTTER, of Patchogue, Long Island, New York, my deposit in the BRISTOL SAVINGS BANK, of Bristol, Connecticut, with the accumulations thereon at the time this Will takes effect, the same having been received from my mother. If no such deposit exists when this will takes effect, then and in lieu thereof, I give absolutely to said FRANK POTTER the sum of Fifteen Hundred ($1,500) Dollars.

3. I give and devise to THE COLONIAL TRUST COMPANY, of Waterbury, Connecticut, all the land with buildings thereon, which I may own in the first voting district of Plymouth, formerly known as Plymouth Center, in the town of Plymouth, Connecticut, IN TRUST, NEVERTHELESS, for the following purposes, to wit: To hold and to maintain the same as a homestead for the use of my husband, DWIGHT H. TERRY, for and during his life. I also give to said Trust Company the sum of Ten Thousand ($10,000) Dollars, IN TRUST, NEVERTHELESS, for the following purposes, to wit: To hold, possess, invest and reinvest the same in such securities as may be lawful for the investment of trust funds in Connecticut, and to pay over the net income arising therefrom to my husband, DWIGHT H. TERRY, for and during his life.

4. Should my said husband predecease me, or if he survives me, then upon his death, I desire that said homestead and said trust fund of Ten Thousand ($10,000) Dollars be used for the purpose of establishing a hospital in the Town of Plymouth, Connecticut, and I direct THE COLONIAL TRUST COMPANY, as said Trustee, as soon as may be possible after the death of my husband, or the settlement of my estate, to obtain from the Legislature of the State of Connecticut, a charter, or cause a corporation to be formed under the laws of said State, for the purpose of receiving said devise and bequest and establishing a hospital in said Plymouth, to be known as THE PLYMOUTH MEMORIAL HOSPITAL, which shall be open to all people irrespective of considerations of nationality, religion or color. I direct my said Trustees to see that in the charter or certificate of incorporation all the details of organization and management are fully set forth, and that the same be supplemented by appropriate by-laws; and it is my desire that my esteemed friends, DR. R. S. GOODWIN, of Thomaston, Connecticut, CHARLES P. TREADWAY, of Bristol, Connecticut, GEORGE C. CLARK, of Terryville, Connecticut, and HENRY E. STOUGHTON, of Thomaston, Connecticut, if living, and they are willing to accept, shall be included in the Trustees named in the charter of said Hospital.

Upon the establishment of the corporation, I direct my Trustees to convey by deed my said homestead to said corporation and to pay over and transfer to the proper officers thereof, the said trust fund of Ten Thousand Dollars ($10,000) and any accumulations thereof, which fund shall then be released of all trust, and all or any part thereof may be used by said Hospital corporation for the purpose of making necessary alterations and equipping said Hospital for the uses of said institution.

Upon the conveyance and transfer of said trust property my said Trustee shall be released from all further responsibility relative thereto.

It is my desire that a memorial tablet be placed in said Hospital, setting forth that said Hospital was established by Martha J. Terry and Dwight H. Terry, in memory of Mr. Terry's grandfather, Eli Terry, late of Plymouth, Connecticut, deceased, inventor, pioneer clock-maker and founder of clock manufacturing in the State of Connecticut.

I hope and trust that further gifts will be made to said institution, from time to time, in order that the Town of Plymouth may have a hospital suitably equipped to take care of the needs of said community, and that additional tablets may be placed in said Hospital setting forth the names of said donors or in whose memory the gifts are made.

5. If, however, for any reason, my said Trustee should fail to obtain from the Legislature of the State of Connecticut, within five years of the date of the death of my said husband, a charter for the corporation to establish and maintain a hospital in said Plymouth, in accordance with the provisions of the foregoing paragraph, then in such event, I direct that said homestead be sold and the proceeds thereof be added to and become a part of the trust fund of Ten Thousand ($10.000) Dollars held by THE COLONIAL TRUST COMPANY, and I give and bequeath said fund to THE WATERBURY HOSPITAL, a corporation chartered by the General Assembly of the State of Connecticut, and located in Waterbury, New Haven County, in said State. Said fund shall be known as the "Martha J. Terry Fund," and shall be invested by the Trustees of said Hospital in such securities as it may be lawful for trust funds to be invested in, in Connecticut and the proceeds thereof shall be used for the purpose of providing free beds and medical care and attention for the poor and needy of the Towns of Plymouth and Thomaston, of Litchfield County, in said State, and that the surplus of said income, if any, may be used for the general uses of said institution. Should said

fund be given to said Waterbury Hospital, it is my desire that a memorial tablet be placed in said Hospital, setting forth that said fund was established by Martha J. Terry and Dwight H. Terry, in memory of Mr. Terry's grandfather, Eli Terry, late of Plymouth, Connecticut, deceased, inventor, pioneer clock-maker and founder of clock manufacturing in the state of Connecticut.

6. If my husband, DWIGHT H. TERRY, survives me I give all the rest and residue of my estate, real and personal, wherever situated, to him absolutely and in fee simple.

7. Should my said husband predecease me, I give and bequeath absolutely to the said THE COLONIAL TRUST COMPANY, of Waterbury, Connecticut, the brass clock with the long case, which was made by my husband's grandfather, Eli Terry; also the parchment letters-patent on clocks issued to his said grandfather, Eli Terry, and the lacquer-ware, lead lined box containing said letters-patent; also the old family Bible used by my husband's father, containing the family record; also the old account book of his grandfather, Eli Terry, and the oil paintings of his father and mother, and all the rest, residue and remainder of my clocks, wearing apparel, books, household furniture, useful and ornamental, pictures, tools, jewelry, personal ornaments, carpets, stoves, beds and bedding, books, and pamphlets, all crockery, table-ware and linen, cutlery, spoons, knives and forks, silver-ware, and all other household articles of every name, nature and description, now in my residence at Plymouth, Connecticut. And I request said Executor to divide and dispose of all said articles, among the persons named in a memorandum filed herewith, as far as may be found practicable and satisfactory when the time arrives for the distribution of my estate. Said articles not so disposed of may be sold and the proceeds added to my residuary estate. I direct that said Trust Com-

pany may pay any expense incident to the delivery of said articles and charge the same as an expense against my estate.

8. Should my said husband predecease me, I give, and bequeath absolutely Five Hundred ($500) Dollars to each of the children of my nephew, FRANK POTTER, who may be living when this clause of my Will shall take effect, namely: Alice, Leonard and Russell (to be paid in full without deduction for inheritance tax.)

9. Should my said husband predecease me, I give, devise and bequeath all the rest and residue of my estate, real and personal, to THE PLYMOUTH MEMORIAL HOSPITAL, of Plymouth, Connecticut, IN TRUST, NEVERTHELESS, for the following uses and purposes, to wit: To hold, possess, manage, invest and reinvest the principal of said fund in such securities as trust funds in Connecticut may be invested in and to use only the net income arising therefrom for the general uses of said Hospital, but if such a corporation should not be organized in accordance with paragraph four of this Will, then I direct that said rest and residue be given to THE WATERBURY HOSPITAL, IN TRUST, NEVERTHELESS, for the following uses and purposes, to wit: To hold, possess, manage, invest and reinvest the principal of said fund in such securities as trust funds in Connecticut may be invested in, and to use only the net income arising therefrom to provide medical care and attention for the poor and needy of the Towns of Plymouth and Thomaston in said State of Connecticut.

10. I hereby nominate and appoint my said husband Executor of this Will and direct that no bonds be required of him. Should my said husband predecease me, then I nominate and appoint THE COLONIAL TRUST COMPANY, of Waterbury, Connecticut, to be Executor of this Will, without bonds.

IN WITNESS WHEREOF, I have hereunto set my hand and seal, at Waterbury, Connecticut, this 21st day of November, 1918.

MARTHA J. TERRY [L. S.]

Signed and sealed by the within-named Testatrix, MARTHA J. TERRY, and by her declared to be her last will and testament, in our presence, who have hereunto subscribed our names, as witnesses, in her presence, and in the presence of each other, and at her request, this 21st day of November, 1918.

LORENA I. MILLER
ORINDA E. HALL
C. SANFORD BULL

Witnesses.

STATE OF CONNECTICUT }
COUNTY OF NEW HAVEN } ss: Waterbury

Be it remembered that on this 21st day of November, 1918, before me, ROBERT S. WALKER, a Notary Public, within and for said State, personally appeared the within-named LORENA I. MILLER, ORINDA E. HALL and C. SANFORD BULL, all of said Waterbury, who being duly sworn, severally make oath and say that they witnessed the within Will of the within-named testatrix, Martha J. Terry, and subscribed the same in her presence and at her request, and in the presence of each other; that the said MARTHA J. TERRY, at the time of the execution of said Will appeared to them to be of full age and of sound mind and memory; that she signed said Will and declared the same to be her last Will and Testament in their presence, and that they make and sign this affidavit at the request of said testatrix.

LORENA I. MILLER
ORINDA E. HALL
C. SANFORD BULL

Subscribed and sworn to before me the day and year above written.

ROBERT S. WALKER
Notary Public

From the will of Dwight H. Terry

If, however, my said wife should not leave a will providing for the establishment of a hospital in the said Town of Plymouth, or, if she should leave such a will and a corporation should not be formed to take charge of same, as provided in her will, then in such event, I give, devise and bequeath said rest and remainder to The Waterbury Hospital, a corporation chartered by the General Assembly of the State of Connecticut, and located in Waterbury, New Haven County, in said State, as a trust fund. Said fund shall be known as the "Dwight H. and Martha J. Terry Fund", and shall be invested by the Trustees of said hospital in such securities as it may be lawful for trust funds to be invested in, in Connecticut, and only the proceeds thereof shall be used for the purpose of providing free beds and medical care and attention for the poor and needy of the Towns of Plymouth and Thomaston, of Litchfield County, in said State, and that the surplus of said income, if any, may be used for the general uses of said institution.

Should said fund be given to The Waterbury Hospital, it is my desire that a memorial tablet be placed in said hospital, setting forth that said fund was established by Dwight H. Terry and Martha J. Terry, in memory of Mr. Terry's grandfather, Eli Terry, late of Plymouth, Connecticut, deceased, inventor, pioneer clock-maker and founder of clock manufacturing in the State of Connecticut.

12. I appoint The Colonial Trust Company, of Waterbury, Connecticut, Executor of this will, without bonds, and hereby give to The Colonial Trust Company, both in its capacity of Executor and Trustee, power to sell and convey any and all of my real estate, without an order of court, and to execute and

Bean at the Colonial Bank & Trust Company - To Be Invested.

EDWARD T. CARMODY
WILLIAM B. FITZGERALD
WALTER F. TORRANCE, JR.
G. BRADFORD PALMER
DAVID W. COLLINS
WILLIAM B. FITZGERALD, JR.
TIMOTHY R. CARMODY
JOSEPH F. BUDNY
ANTHONY M. FITZGERALD
MEYLERT M. ARMSTRONG III
KENNETH J. POCIUS

CARMODY & TORRANCE
ATTORNEYS AT LAW
37 LEAVENWORTH STREET
POST OFFICE BOX 1110
WATERBURY, CONNECTICUT 06720

TELEPHONE (203) 757-1521
CABLE ADDRESS "CARTOR"

WALTER F. TORRANCE
GUERIN B. CARMODY
OF COUNSEL

RUSSELL J. BLAIR
JAMES K. ROBERTSON, JR.
THOMAS R. CANDRICK, JR.
JAMES WU
JOHN C. BULLOCK

September 20, 1977

RECEIVED
ADMINISTRATION

Mr. Richard A. Derr, Administrator
The Waterbury Hospital
64 Robbins Street
Waterbury, Connecticut 06720

Re: Estate of Dwight H. Terry

Dear Dick:

Enclosed you will find a check of The Colonial Bank and Trust Company in the amount of $216,569.47 in connection with the above matter. This represents principal of $188,500.70 and income of $28,068.77 as reflected in the account filed with the probate court. In addition, you should be receiving at a later date the income accrued since March 31, 1977 which was the date of the account.

Sincerely yours,

Brad Palmer

G. Bradford Palmer

GBP/sh
Enclosure
cc: George W. Hurlbutt
Trust Officer
The Colonial Bank and Trust Company

Cert. Mail

RECEIVED

TO THE PROBATE COURT FOR THE DISTRICT OF PLYMOUTH: ADMINISTRATION

Estate of Dwight H. Torry in said District, deceased in Trust.

The subscriber represents that it is trustee of a fund created under the will of said decedent for the benefit of Laura Arnold Adams, et al; that the said Laura Arnold Adams died on the twenty-fifth day of July, 1975. The will provides that when the number of beneficiaries is reduced to three, the trust shall terminate, distributing to each of the three remaining, the sum of one-thousand dollars; the remainder of the fund is then to be distributed to the Waterbury Hospital to be held in trust.

The subscriber therefore, in its capacity aforesaid exhibits the following as a true statement of the receipts and disbursements since last account rendered (to June 5, 1975) with previous accounts as are on file made a part hereof by reference for allowance by said Court and makes application for an order to distribute said balance.

Estate of Dwight H. Terry
The Colonial Bank and Trust Company, Trustee

In Account with Said Estate

## Schedule A

### Balance on hand to be Distributed in Accordance with the Will

| | |
|---|---|
| Cash | 191,500.70 |
| To: Katherine A. Osgood<br>728 Webster Street<br>Needham, Massachusetts 02192 | 1,000.00 |
| Phyllis Arnold<br>13 Water Street<br>Hingham, Massachusetts 02043 | 1,000.00 |
| Beryl Terry Claflin<br>Cohasset Knoll<br>Route 3A Chief Justice Cushing Highway<br>Cohasset, Massachusetts 02025 | 1,000.00 |
| Waterbury Hospital<br>Robbins Street<br>Waterbury, Connecticut | 188,500.70 |
| | 191,500.70 |

Reserve for closing expenses, any unused portion to be distributed in accordance with the will. 100.00

Balance on hand per Schedule A to be distributed in accordance with the will 191,500.70

192,714.27

Estate of Dwight H. Terry
The Colonial Bank and Trust Company, Trustee

BY: _____
George W. Hurlbutt-Trust Officer

Subscribed and Sworn to Before me

this day of November, 1975.

A. DAVID GARY
NOTARY PUBLIC NOV 20 1975

_____
Notary Public

THE WATERBURY HOSPITAL

Endowment or Permanent Room or Bed Fund

Name of Fund, Martha J. Terry Fund

Established by Will of Martha J. Terry, of Plymouth, Conn.

Condition of Gift.

Under paragraph 4 of the Will of Martha J. Terry, The Colonial Trust Company, of Waterbury, Executor, was directed to apply to the General Assembly of the State of Connecticut for a charter for a hospital in Plymouth, Connecticut. The funds available, however, were inadequate for this purpose and the application for charter was reported unfavorably by the legislative committee, and the charter refused by the General Assembly. Paragraph 5 of the will then provided that the homestead in Plymouth be sold

> * * * and the proceeds thereof be added to and become a part of the trust fund of Ten Thousand ($10,000) Dollars held by The Colonial Trust Company, and I give and bequeath said Fund to THE WATERBURY HOSPITAL, a corporation chartered by the General Assembly of the State of Connecticut, and located in Waterbury, New Haven County, in said State. Said fund shall be known as the "Martha J. Terry Fund," and shall be invested by the Trustees of said Hospital in such securities as it may be lawful for trust funds to be invested in, in Connecticut and the proceeds thereof shall be used for the purpose of providing free beds and medical care and attention for the poor and needy of the Towns of Plymouth and Thomaston, of Litchfield County, in said State, and that the surplus of said income, if any, may be used for the general uses of said institution. Should said fund be given to said Waterbury Hospital, it is my desire that a memorial tablet be placed in said Hospital, setting forth that said fund was established by Martha J. Terry and Dwight H. Terry, in memory of Mr. Terry's grandfather, Eli Terry, late of Plymouth, Connecticut, deceased, inventor, pioneer clock-maker and founder of clock manufacturing in the State of Connecticut.

Income from this fund is non-cumulative.

The Waterbury Hospital also received an additional fund from residue of Mrs. Terry's estate on which income is cumulative.

Executive Committee and Treasurer's Reports 1926 show $15,122.00 received for this fund.

The Colonial Trust Co.,

C i t y.  Attention Robert S. Walker, Esq.

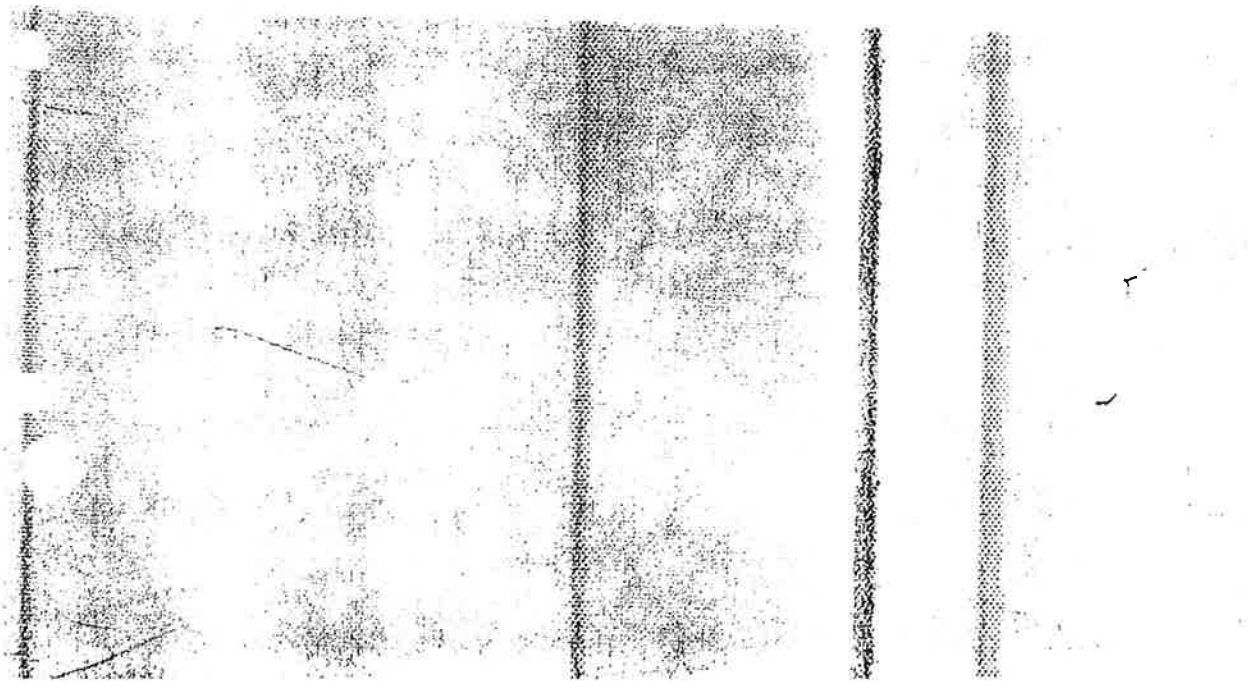
Re: Estate of Martha J. Terry.

Dear Sir:

Replying to your letter of May 4th.

It is my opinion that The Colonial Trust Company should sell the homestead in Plymouth and deliver the funds only to the Waterbury Hospital. Paragraph 5 particularly directs that the homestead shall be sold and the resulting fund "turned over to The Waterbury Hospital." If it were the intention of the testatrix to allow the property to be turned over to the Hospital and sold by them at their discretion, no direction to sell would have been necessary and the inclusion of such directions indicates to my mind that it was not intended that The Waterbury Hospital should ever have the property itself.

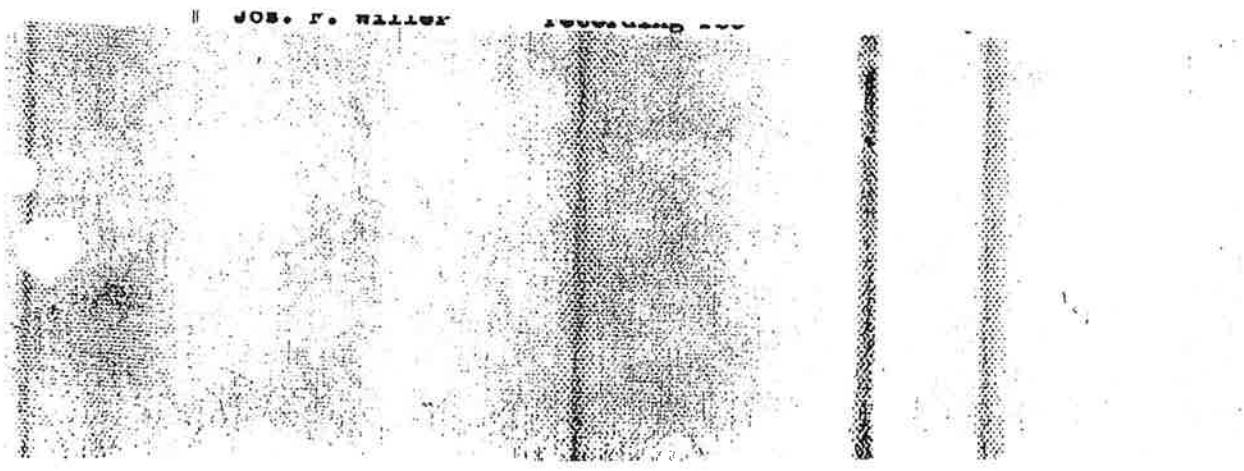
As to the question of whether or not there are two separate and distinct funds, I am inclined to believe that there are, the first consisting of $10,000.00, and proceeds of the homestead. You will note that the income from this fund may be used "for the purpose of providing free beds and medical care and attention for the poor and needy of the towns of Plymouth and Thomaston in Litchfield County of said state, and the surplus of said fund, if any, may be used for the general uses of said institution." The residuary fund must be invested and the income can be used



only "to provide medical care and attention for the poor and needy of the towns of Plymouth and Thomaston in said State of Connecticut." There is no provision by which the income from this second fund may be used for the general uses of the institution and this would indicate that the two funds must be kept separate in order that the uses to which the incomes are put may be separately accounted for.

Very truly yours,

(Signed) Wm. W. Gager



**UPSON, JENNIE**

THE WATERBURY HOSPITAL

ENDOWMENT OR PERMANENT ROOM OR BED FUND

Will of Jennie Upson

late of _____

Date of Death _____

Refer to letter dated July 2, 1963 from
Edward G. Hazen
Vice President & Trust Officer
The Colonial Bank & Trust Company

Gentlemen:

We have received for the account of the Waterbury Hospital the following securities representing the distribution from the Jennie Upson trust at the Waterbury National Bank.

These securities have been added to the First Congregational Bed Fund, which is held by us under the "Waterbury Hospital Permanent Bed Fund" account.

**WADE, HENRY L.**

A865

THE WATERBURY HOSPITAL

Endowment or Permanent Room or Bed Fund

Name of Fund Henry L. Wade Bed Fund

Established by Will of Henry L. Wade, late of Waterbury, deceased.

Date of Death October 31, 1912

Condition of Gift.

Article XIX of Will of Henry L. Wade reads as follows:

I give, devise and bequeath to the Waterbury Hospital, the sum of Five Thousand Dollars.

Extract from Annual Report of Executive Committee, 1912.

On October 31st died Henry L. Wade, a Director and member of your Executive Committee since 1905. We have lost a generous broad-minded associate, who gave thought to the needs of this charity almost to the last of his active, farsighted career. Mr. Wade's last gift to the hospital was a bequest of $5,000 for a free cot. This will be known as the Henry L. Wade Free Bed Fund.

Treasurer's Report 1913 shows receipt of this fund.

# WATERBURY HOSPITAL

WATERBURY, CONN.

CHARLES LEE,
SUPERINTENDENT

October 8, 1928

The Colonial Trust Company,

Waterbury, Conn.

Dear Sirs:-

Herewith is a memorandum of the information I have in regard to the Hospital Bed and Special Funds, together with the original documents from which the information was secured.

Answering your letter of the 7th, the Mary L. Mitchell Free Bed Fund is the $5,000 given by Mrs. Mitchell in her lifetime, in accordance with her letter of January 30, 1896, which letter is enclosed. This was received and set up as a Bed Fund February 17, 1896. The bequest of $5,000 from Mrs. Mitchell appears in the report for the year ending October 1,1912, under the General Fund,- "Received from Estate of Mary L. Mitchell $5,000." I also find in the report for the year ending October 1, 1904, under the heading "General Fund", "Received from Mrs. Mary L. Mitchell $8,000."

The Henry L. Wade Bed Fund first appears in the report for the year ending October 1, 1913, and is set up as a Bed Fund with the notation "Received from Estate of Henry L. Wade". I have no information as to why this was made a Bed Fund. In the report of the Executive Committee for the

# WATERBURY HOSPITAL

WATERBURY, CONN.

CHARLES LEE,
SUPERINTENDENT

October 8, 1928



same year there is mentioned "an additional private room is to be provided by Mrs. Henry L. Wade, to be furnished by her in memory of her husband". This appears to be an entirely separate transaction, and I can not find any record of anything being received. Possibly there was a separate building fund in existence. It does not appear in the Treasurer's report.

Yours truly,

BB-S

Enc.

THE WATERBURY HOSPITAL

Endowment or Permanent Room or Bed Fund

Name of Fund The Emeline D. Warner Bed Fund

Established by Will of Julia V. Warner Spencer

Condition of Gift.

Second section of Paragraph 3 of the Will of Julia V. Warner Spencer reads as follows:

* * *

> Also the sum of Five Thousand dollars ($5000) in trust, to be known as the "Julia V. Warner Memorial for Miss Emmeline D. Warner Fund", to be applied to the establishment and maintenance of a free bed in said Hospital forever, for the use of such persons as St. John's Episcopal Church may designate.

Julia V. Warner Spencer died March 13, 1916

W. H. Lowe, Executor

Will recorded in Vol. 136, page 305, Waterbury Probate Records

Treasurer's Report 1916 shows receipt and investment of this fund.

**WARNER, OLIVE**

THE WATERBURY HOSPITAL

Endowment or Permanent Room or Bed Fund

Name of Fund ~~Oscar~~ Olive Warner Fund

Established by Oscar L. Warner

Condition of Gift.

Copy of letter from Waterbury Hospital Mch. 24th, 1928

Mr. Oscar L. Warner
219 Hillside Avenue
Naugatuck, Conn.

Dear Mr. Warner:

In reply to your letter of March 8th, relative to endowment fund of $5000 which you wish to establish in the name of your wife, I would say that the donor could name any patient that he wished to be carried on the income of this fund during his hospital residence.

The benefits of the fund would not be accumulative, but the unexpended balance would be turned in as receipts at the end of each hospitalyear.

Although the benefits of an endowment fund of $5000 are only supposed to apply during the donors life, an extension of that period could be made by the Executive Committee, and as a matter of fact, requests from the nearest relative of the donor for the admission of a patient has as a rule always been recognized.

Yours very truly,

Waterbury Hospital

B. Henry Mason, Supt.

Mr. Robert S. Walker,
Colonial Trust Co.

Oct. 19, 1929.

Dear Mr. Walker:

Above is in reply to conversation with you this morning, and is satisfactory to me.

Yours very truly,

Oscar L. Warner.

$2,000 reported on hand by Treasurer 1928

Fund completed - $5,000 - Treasurer's Report 1929.

Re: Oscar Warner Fund
(Part of Permanent Bed Funds)

FROM 219 HILLSIDE AVE.
NAUGATUCK, CONN.

Copy of letter from Waterbury Hospital Mch. 24th. 1928.

Mr. Oscar L. Warner,
219 Hillside Avenue,
Naugatuck, Conn.

Dear Mr. Warner:

In reply your letter of March 8th. relative to endowment fund of $5000 which you wish to establish in the name of your wife, I would say that the donor could name any patient that he wished to be carried on on the income of this fund during his hospital residence.

The benefits of the fund would not be accumulative, but the unexpended balance would be turned in as receipts at the end of each hospital year.

Although the benefits of an endowment fund of $5000 are only supposed to apply during the donors life, an extension of that period could be made by the Exutive Committee, and as a matter of fact, requests from the nearest relative of the donor for the admission of a patient has as a rule always been recognized.

Signed, Yours very truly,

WATERBURY HOSPITAL

B. Henry Mason, Supt.

Mr. Robert S. Walker,
Colonial Trust Co.

Oct 19. 1929.

Dear Mr. Walker:

Above is in reply to conversation with you this morning, and is satisfactory to me.

Youre very truly.

Oscar L. Warner

**WARNER, OSCAR L.**

I, OSCAR L. WARNER, of the Town of Naugatuck, County of New Haven, State of Connecticut, do make and constitute this my Last Will and Testament, hereby expressly revoking any and al wills by me heretofore made.

1. I direct that all my just debts and funeral expenses be paid by my Executor hereinafter named.

2. I give and bequeath to James C. Warner, of said Naugatuck, if living at the time of my decease, the sum of One Thousand Dollars ($1,000.00).

3. I give and bequeath to my chauffeur, Joseph A. Zehnder, of No. 29 Hillcrest Avenue, Naugatuck, Connecticut, if in my employ at the time of my death, the sum of One Hundred Dollars ($100.00) a year for each year or fraction thereof that he has been in my employ since May, 1913.

4. I give and bequeath to my sister-in-law, Clarissa S. Warner, of the Oliver Hotel, South Bend, Indiana, if living, the wash bowl and pitcher of antique design and green decoration which stands on the high daddy in my room, also the Royal Kashan silk prayer rug, size 3 ft. x 2 ft. 2 in., which hangs in my hall at foot of stairs.

5. I give and bequeath to The Colonial Trust Company, of Waterbury, Connecticut, the sum of Three Thousand Dollars ($3,000.00), in trust, however, to hold, possess, invest and reinvest the same at pleasure and to pay over the net income thereof to the Grove Cemetery Association of Naugatuck, Connecticut, to be used for the care and maintenance of my lot

and the monument and markers thereon. Any income not used for said purposes may be used for the general purposes of said association.

6. I give and bequeath to The Colonial Trust Company, of Waterbury, Connecticut, the sum of Three Thousand Dollars ($3,000.00), in trust, however, to hold, possess, invest and reinvest the same at pleasure, and to pay over the net income thereof to the Ecclesiastical Society of the Congregational Church of Naugatuck, Connecticut, to be used for the general expenses of said society.

7. To my friend, D. C. Hakes, of Catchings, Sharkey County, Mississippi, I have promised the sum of One Thousand Dollars ($1,000.00) each year for four years, to assist in the further education of his son, Doric Hakes, who began a college course in the fall term of 1929. In case of my death before the end of said four year period, I give and bequeath to the said D. C. Hakes, if living, otherwise to his son, Doric Hakes, the necessary amount to complete the payments of the four year period, said payments to be made annually.

8. I give and bequeath to Katharine O'Rourke, R.N., of No. 174 Willow Street, Waterbury, Connecticut, any unpaid balanc there may be due on her note to me under date of November 13,193 to be hers absolutely.

9. All the rest and residue of my estate, of every kind and nature, I give, devise and bequeath to The Colonial Trust Company, of Waterbury, Connecticut, in trust, however, for the following purposes: To hold, manage, sell, exchange, invest and reinvest the same in such securities as trust funds

in the State of Connecticut may be invested in, and to accumulate and pay over the net income of said estate as hereinafter set forth.

If my sister, Lucia B. Warner, widow of Lewis C. Warner, should survive me and be then unmarried, I authorize and direct my executor hereinafter named to give her the right to occupy my homestead situated at No. 219 Hillside Avenue, Naugatuck, Connecticut, so long as she remains a widow, and if she does not remarry, said right of occupation may continue during her life. It is to be optional with her to accept said right of occupation or not, but acceptance must be made by her by written notice to that effect to my executor within one year after my decease, otherwise this offer shall be void and of no effect. If she accepts and occupies said homestead I give and bequeath to her my automobiles and all equipment used in connection therewith. And I further authorize and direct my executor and trustee to pay my said sister, out of the net income of my estate, the sum of Eight Hundred Dollars ($800.00) per month in cash towards the running expenses of said premises, it being understood that all taxes, premiums of insurance, water rents and necessary repairs shall be paid for by her out of said allowance.

Any net income from my estate remaining after the payment of said monthly allowance shall be added to principal and invested and reinvested by my executor or trustee and disposed of as hereinafter set forth.

If my said sister should not accept the provisions of this will, or if she should accept and later vacate said premises, or remarry, or if she should accept and remain in possession during her life, then upon her death, I direct that

my homestead, No. 219 Hillside Avenue, Naugatuck, Connecticut, and all my rugs, furniture, pictures, books, jewelry, wearing apparel, automobiles, if any, antiques, and all other articles of personal and domestic use not otherwise disposed of, be sold by my trustee and the proceeds divided equally among my nephew and nieces, George A. Warner, Julia Warner and Emily Warner, son and daughters of Lewis C. Warner and Lucia B. Warner, or to such of them as may be then living. But permission is hereby granted to sell or dispose of any of my clothing or household effects at any time, provided my sister, Lucia B. Warner, and her son and daughters agree that it seems best.

If, in the judgment of my trustee, a situation should develop in which it would appear to be to the advantage of all parties concerned that the right of my sister to occupy my homestead should cease, I hereby specifically authorize said trustee, in accordance with its discretion, to terminate said right, and upon said termination to sell said real and personal property and divide the proceeds equally among my nephew and nieces, George A. Warner, Julia Warner and Emily Warner, or such of them as may then be living.

Out of the remainder of my estate in possession of The Colonial Trust Company, as my trustee, after the interest of my said sister has ceased and terminated, I make the following bequests:

A. To my nephew, George A. Warner, one hundred (100) shares of the capital stock of the Southern New England Telephone Company, and two hundred and twenty (220) shares of the capital stock of the Hartford Electric Light Company.

B. To my niece, Julia Warner, forty-three (43) shares of the capital stock of The Colonial Trust Company, of Waterbury, Connecticut.

C. To my niece, Emily Warner, forty-three (43) shares of the capital stock of The Colonial Trust Company, of Waterbury, Connecticut.

D. To Grace Bradbury, who has been living at my house recently, fifty (50) shares of the capital stock of the Torrington Company.

The remainder of my estate shall be held by the said The Colonial Trust Company and known as "The Warner Memorial Fund", for the following purposes: Said trustee shall invest and reinvest said fund and add the income to the principal and reinvest the same for a period not exceeding twenty years from the date when the interest of my said sister shall cease and terminate. If, during said twenty-year period, the Naugatuck Hospital Corporation shall decide to erect a building, it being found by the directors of said corporation that the funds in its possession together with the proceeds from this fund are sufficient to build and maintain said hospital, and it shall notify The Colonial Trust Company to that effect, and request, in writing, that the accumulated income of said fund be paid to it for said purposes, The Colonial Trust Company is hereby authorize and directed to pay over to said hospital corporation all of said accumulated income to be used as the Board of Directors of the Naugatuck Hospital Corporation may deem wise and for the best interest of the corporation, and thereafter to pay the net income arising from said fund to said hospital, quarterly, for the general purposes of said hospital.

In the event that at the end of said twenty-year period no hospital shall have been built by the Naugatuck Hospital Corporation I direct that The Colonial Trust Company shall continue to hold said fund, and, until a hospital is erected in Naugatuck by said corporation, shall pay to the Waterbury Hospita

of Waterbury, Connecticut, the income thereof for the purpose of providing accomodations and medical care and attention for the poor and needy residents of the Borough of Naugatuck, Connecticut, with the understanding, however, that the surplus of said income, if any, may be used for the general purposes of the Waterbury Hospital.

If at some later period a hospital shall be built in said Naugatuck by said corporation I direct that the income from said fund shall be paid over to said hospital in Naugatuck to be used for the general purposes of said institution.

10. I direct that all gifts, bequests and legacies herein given shall be paid in full, free from all succession or inheritance taxes, whether state or federal, and that all such taxes shall be borne and paid by my executor out of my general estate.

11. I appoint The Colonial Trust Company, of Waterbury, Connecticut, Executor of this Will, without bonds, and hereby give to the said The Colonial Trust Company, both in its capacity of Executor and Trustee, power to sell and convey any and all of my real estate, without an order of court, and to execute and deliver such deeds and instruments as may be necessary to pass title thereto.

IN WITNESS WHEREOF, I have hereunto set my hand and seal, this 29th day of February, 1932.

OSCAR L. WARNER (SEAL)

Signed and sealed by the within named testator, Oscar L. Warner, and by him declared to be his last will and testament in

our presence who have hereunto subscribed our names as witnesses in his presence and in the presence of each other, and at his request, this 29th day of February, 1932.

Gertrude L. Snagg
Gustav A. Anderson } Witnesses
Lucian D. Warner

STATE OF CONNECTICUT } SS. Waterbury
COUNTY OF NEW HAVEN }

Be it remembered that on this 29th day of February, 1932, before me, Robert S. Walker, a Notary Public within and fo the State of Connecticut, personally appeared the undersigned, who, being duly sworn, severally make oath and say that they witnessed the within will of the within named testator, Oscar L. Warner, and subscribed the same in his presence and at his request, and in the presence of each other; that the said Oscar L. Warner, at the time of the execution of said will, appeared to them to be of full age and of sound mind and memory that he signed said will and declared the same to be his last will and testament in their presence, and that they make and si this affidavit at the request of said testator.

Gertrude L. Snagg of Waterbury, Conn.
Gustav A. Anderson of " "
Lucian D. Warner of Naugatuck, Conn.

Subscribed and sworn to before me,
this 29th day of February, 1932.

Robert S. Walker
Notary Public

By: Authorized Sig

WARNER, RICHARD V.

R V Warner A1120

THE WATERBURY HOSPITAL

Endowment or Permanent Room or Bed Fund

Name of Fund Richard Vincent Warner Memorial Fund

Established by Will of Olive R. Warner, of Naugatuck, Conn.

Condition of Gift.

Part of Paragraph 6 of the Will of Olive R. Warner reads as follows:

> 6. * * * I give, devise and bequeath said rest, residue and remainder to The Waterbury Hospital, a corporation chartered by the General Assembly of the State of Connecticut, and located in Waterbury, New Haven County, in said State, as a trust fund. Said fund shall be known as "The Richard Vincent Warner Memorial Fund" and shall be invested by the trustees of said hospital in such securities as it may be lawful for trust funds to be invested in, in Connecticut, and only the proceeds thereof shall be used for the purpose of providing accommodations and medical care and attention for the residents of the Borough of Naugatuck, of New Haven County, in said State and that the surplus of said income, if any, may be used for the general uses of said institution.

Fund was delivered to The Waterbury Hospital by The Colonial Trust Company, Trustee, on May 20, 1942, and returned by said Hospital to The Colonial Trust Company, as Agent for the Treasurer, for management.

I, Olive Rogers Warner, of the Town of Naugatuck, County of New Haven, State of Connecticut, do make, publish and declare the following to be my Last Will and Testament, hereby expressly revoking any and all wills by me heretofore made.

1. I direct that all my just debts, funeral expenses, and the expenses of settlement of my estate, be first paid and satisfied out of my personal estate.

2. I give and bequeath to my beloved husband, Oscar L. Warner, all my automobiles, garage equipment, and all other tools and articles pertaining thereto, to be his absolutely.

3. All the rest and residue of my estate, of every kind and nature, I give, devise, and bequeath to The Colonial Trust Company, a corporation chartered by the General Assembly of the State of Connecticut, and located in Waterbury, New Haven County, in said state, IN TRUST, NEVERTHELESS, for the following uses and purposes, to hold, possess, invest and reinvest the same in such securities as trust funds in the State of Connecticut may be invested in, and to pay over the net income accruing therefrom to my husband, Oscar L. Warner, for and during his life.

4. After the death of my husband, Oscar L. Warner, I desire that all my rugs, furniture, pictures, books, jewelry, wearing apparel, and all other articles of personal and domestic use be divided as nearly equally as may be, by my Executor and Trustee, between my nephew and nieces, George A. Warner, Julia Warner, and Lucy Warner, son and daughters of Lewis C. Warner and Lucia B. Warner.

5. The remainder of my estate in possession of the Colonial Trust Company after the death of my husband shall be held for the use and benefit of the Naugatuck Hospital Corporation, of said Naugatuck, and if said corporation shall, within ten years after the termination of the life interest as above set forth, establish and maintain a hospital in Naugatuck, I direct my Trustee to assign, transfer, convey and deliver to the proper officers of said corporation said rest and residue and any accumulation thereof, and upon said transfer, the Colonial Trust Company shall be released from all further responsibility relative thereto.

I direct that said hospital corporation may use one-third of the amount of said fund for the general purposes of said hospital and that the balance of said fund shall be held by said corporation, in trust, as an endowment for said hospital, and shall be known as "The Richard Vincent Warner Memorial Fund", in memory of my son born December 26, 1890, died January 21, 1905. Said corporation shall hold, possess, invest and reinvest said fund in such securities as trust funds in Connecticut may be invested in, and the income only of said fund shall be used for the general purposes of said hospital.

6. If, for any reason, said Naugatuck Hospital Corporation fails, within ten years after the termination of the life interest as above set forth, to establish and maintain a hospital in said Naugatuck, and there should be no

hospital in said Naugatuck which the said trustee should find, after due inves-
gation and in the exercise of its own discretion, suitable to receive said fu-
fund, then in such event, I give, devise and bequeath said rest, residue and re-
mainder to The Waterbury Hospital, a corporation chartered by the General Ass-
the State of Connecticut, and located in Waterbury, New Haven County, in sa-
State, as a trust fund. Said fund shall be known as "The Richard Vincent Warn-
Memorial Fund", and shall be invested by the trustees of said hospital in such
securities as it may be lawful for trust funds to be invested in, in Connecti-
and only the proceeds thereof shall be used for the purpose of providing accom-
dations and medical care and attention for the residents of the Borough of Naug-
tuck, of New Haven County, in said State, and that the surplus of said income,
if any, may be used for the general uses of said institution.

7. I appoint the Colonial Trust Company, of Waterbury, Connecticut, Executor of this will, without bonds, and hereby give to The Colonial Trust Company, both in its capacity of Executor and Trustee, power to sell and convey any and all of my real estate, without an order of court, and to execute and deliver such deeds and instruments as may be necessary to pass title thereto.

IN WITNESS WHEREOF, I have hereunto set my hand and seal, at Waterbury, Connecticut, this 10th day of March, 1921.

Olive R. Warner (SEAL)

Signed and sealed by the within named testatrix, Olive Rogers Warner, any by her declared to be her last will and testament in our presence who have h- unto subscribed our names as witnesses in her presence and in the presence of each other, and at her request, this 10th day of March, 1921.

Gertrude L. Snagg )
Lorena I. Miller ) Witnesses
C. Sanford Bull )

STATE OF CONNECTICUT )
COUNTY OF NEW HAVEN ) SS. Waterbury

Be it remembered that on this 10th day of March, 1921, before me, Robert S. Walker, a Notary Public within and for the State of Connecticut, personally appeared the within named Gertrude L. Snagg, Lorena I. Miller and C. Sanford Bull, all of said Waterbury, who, being duly sworn, severally make oath to say that they witnessed the within will of the within named testatrix, Olive Rogers Warner, and subscribed the same in her presence and at her request, and the presence of each other; that the said Olive Rogers Warner, at the time of execution of said will appeared to them to be of full age, and of sound mind & memory; that she signed said will and declared the same to be her last will and testament in their presence; and that they make and sign this affidavit at the req- st of said testatrix.

Gertrude L. Snagg

Lorena I. Miller

C. Sanford Bull

Subscribed and sworn to before me, the day and year above written.

Robert S. Walker, Notary Public.

OF CONNECTICUT )
) SS. Probate Court, April 22, 1926.
CT OF NAUGATUCK )

The within and foregoing will was this day proved, approved, owed and admitted to probate and the executor named therein was approved.

Attest: Frank W. Eaton, Judge.

####################

MUTUAL DISTRIBUTION

KNOW ALL MEN BY THESE PRESENT, That, whereas the subscribers, Ralph E. and Frank A. Smith, both of Naugatuck, County of New Haven, and State of necticut, are all the persons interested as heirs-at-law and next of kin in estate of Agnes E. Smith, late of Naugatuck, Connecticut, deceased, who left personal property to be divided among us, and

WHEREAS, after the payment of all claims against the estate of said ased and the expenses of settlement, there remains the personal property inafter described, to be divided among us.

NOW, THEREFORE, KNOW YE, that we the subscribers, being legally capable hereby make a division of said property among ourselves in the manner oving:

Said Ralph E. Smith shall take and have:

| | | |
|---|---|---|
| ares. | American Zinc Lead & Smelting Co., Pfd., | $145.00 |
| " | Anaconda Copper Mining Co., | 210.00 |
| " | Conn. Lt. & Power Co., 8% pfd., | 1,652.00 |
| " | Inspiration Consolidated Copper Co., | 140.63 |
| " | Kennecott Copper Co., | 427.00 |
| " | Scovill Mfg. Co., | 1,380.00 |
| " | U. S. Steel Corp., Pfd., | 1,875.00 |
| 00 | Conn. Ry. & Ltg., 1st & ref., 4½% Bonds, due 1951, | 1,830.00 |
| | vided interest in Conn. Ry. & Ltg., 1st & ref., 4½% Bond, due 1951, | 457.50 |
| | ehold furniture, | 187.50 |
| | | 203.71 |
| | | $8,508.34 |

Said Frank A. Smith shall take and have:

| | | |
|---|---|---|
| ares. | American Zinc Lead & Smelting Co., Pfd., | $145.00 |
| " | Anaconda Copper Mining Co., | 210.00 |
| " | Conn. Lt. & Power Co., 8% pfd., | 1,534.00 |
| " | Inspiration Consolidated Copper Co., | 140.62 |

THE WATERBURY HOSPITAL

Endowment or Permanent Room or Bed Fund

Name of Fund Nelson J. Welton Bed Fund

Established by Will of Nelson J. Welton, late of Waterbury, Conn.

Condition of Gift.

Article Fourteenth, Clause B. of Will of Nelson J. Welton reads as follows:

Clause B. I give and bequeath to said Waterbury Hospital the sum of Five Thousand Dollars ($5,000), IN TRUST, NEVERTHELESS, for the following uses and purposes: To hold, manage and control, invest and reinvest as in the discretion of the Directors of said Trustee shall seem to be for the best interests of said trust estate, and the avails thereof and any property thereby acquired to lease, mortgage, sell and convey as shall be by said directors deemed proper, the income thereof to be devoted to the establishment and maintenance of a free bed in said hospital for the use of such persons as the Directors of said corporation may designate, and to be known as the "N. J. Welton Bed".

Treasurer's Report 1918 shows receipt and investment of this fund.

THE WATERBURY HOSPITAL

Endowment or Permanent Room or Bed Fund

Name of Fund The J. H. Whittemore Endowed Room

Established by Family of John Whittemore

Condition of Gift.

Extract from Report of Executive Committee 1911

> "A room furnished and endowed by the family of John Howard Whittemore * * * hereby thankfully acknowledged.

Treasurer's Report 1912 shows receipt of $10,000 for this fund.

**WHITTEMORE, JULIA S.**

THE WATERBURY HOSPITAL

Endowment or Permanent Room or Bed Fund

Name of Fund Julia S. Whittemore Memorial Room

Established by Miss Gertrude B. Whittemore and Mr. Harris Whittemore

Condition of Gift.

Extract from Report of Executive Committee 1919.

" Mr. Harris Whittemore and Miss Gertrude Whittemore have offered to furnish a room in the Matermity Ward and endow it with $10,000.00."

Treasurer's Report 1919 shows receipt of $10,000.00 for this fund.