



June 12, 2015

Carl Forrester, Chair
Hospital Authority of Washington County
P.O. Box 636
610 Sparta Road
Sandersville, GA 31082

Dear Mr. Forrester:

As you know, University Health Care System has been very committed to the success and sustainability of Washington County Regional Medical Center. During the six months since we have been involved in the management of your facility, we have improved operations, enhanced physician satisfaction and managed to pass the Joint Commission's tri-annual inspection that required a major effort on the part of our Team and the employees at Washington County Regional Medical Center. Unfortunately, despite our best efforts, it is clear that the future of the hospital is in doubt as evidenced by your most recent audit and in our opinion, the only way to extend the life of the organization is to link it into a larger health system to achieve further cost reductions.

To achieve the integration of Washington County Regional Medical Center into the University Health Care System and its operations, University made an April 2015 offer to lease Washington County Regional Medical Center (WCRMC). In response to input from the Hospital Authority we revised that offer in late May. We have continuously emphasized the need to expeditiously enter into the lease. On Friday, June 5, 2015, representatives from the Hospital Authority and Washington County Board of Commissioners met with representatives of the University Health Care System. At that meeting the May offer was rejected and the Hospital Authority presented a counter proposal. We received a letter detailing the counter offer on June 12. As promised, I have discussed your offer with members of my Board who unanimously have found it unacceptable to University.

On June 9, 2015, we learned that the Commissioners have scheduled a meeting with Navicent Health on June 23, 2015. Obviously, the time line being pursued by the Hospital Authority and the Commissioners is inconsistent with the course of action University believes is required to save the hospital. University has no objection to WCRMC entering into an agreement with Navicent, but we are unwilling to be involved in managing the hospital during a protracted and speculative effort to, as proposed in Mr. Rawlings' June 8 letter, "structure a partnership with a larger hospital system."

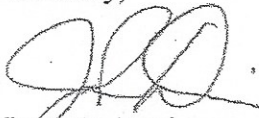
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Although the counter offer technically terminated University's proposal to lease WCRMC and the extended care facility, in order to remove any doubt, this letter is written notice that University's letter of intent dated May 27, 2015 is withdrawn. Should the Hospital Authority submit a letter of intent substantially similar to the May 27 letter within the next week, University will consider it.

Pursuant to Section 12.C of the Management Agreement dated December 8, 2014 between the Hospital Authority of Washington County and University Health, this letter serves as notice of termination of the Management Agreement. The termination will be effective on December 11, 2015 or such earlier date as is acceptable to the Hospital Authority. We will diligently assist the Hospital Authority in transitioning to the replacement management organization.

You and your Hospital Authority colleagues are fine representatives of Washington County. Your dedication to your community is laudatory. We wish you and the Commissioners the best of luck in preserving a hospital in Washington County.

Sincerely,



James R. Davis
President and Chief Executive Officer

JRD:cdm