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December 8, 2017

VIA EMAIL AND U.S. MAIL

Tennessee Department of Health
710 James Robertson Parkway
Nashville, TN 37243
Attention: Commissioner of Health

**Re: Request for extension of Closing Date and End Date under the
Terms of Certification Governing the Certificate of Public
Advantage Issued to Ballad Health**

Dear Commissioner Dreyzehner:

Section 9.13 of the Terms of Certification Governing the Certificate of Public Advantage Issued to Ballad Health provides that the Master Affiliation Agreement between Wellmont Health System and Mountain States Health Alliance (the "Applicants") shall be consummated and the Certificate of Public Advantage issued within ninety days after the Tennessee Department of Health approved the application for a Cooperative Agreement unless a later date is mutually agreed upon.

The Department approved the application on September 19, 2017, so that the ninety-day period ends on December 18, 2017. Section 9.13 provides that if the closing does not occur by January 1, 2018 (the "End Date"), the Department's grant of the application shall be null and void, except that the Applicants may request to extend the End Date to January 31, 2018, in order to afford them time to obtain final approval of an index or other mechanism required by the Letter Authorizing Cooperative Agreement issued by the Commonwealth of Virginia.

By this letter, the Applicants request that the parties to the Terms of Certification mutually agree to extend the End Date to January 31, 2018, and further agree that the closing and issuance of the Certificate of Public Advantage take place on or before January 31, 2018.

The Virginia Commissioner's Order dated October 30, 2017, states that quantitative measures shall be determined by the Commissioner after the receipt of recommendations from the Technical Advisory Panel. The Technical Advisory Panel has met twice but has not yet finalized its recommendations to the Commissioner. While the Virginia Technical Advisory Panel is working diligently to complete its

December 8, 2017

Page 2

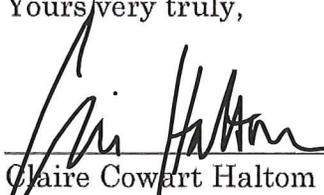
task, the recommendations may not be finalized before January 1, 2018, and even if the Technical Advisory Panel finalized its recommendations and the Virginia Commissioner adopted them in late December, there would not be sufficient time for the Applicants or the Department to complete the necessary preparations for a closing by January 1, 2018.

The Applicants would also note the impact of proposed federal tax reform legislation on the transaction. The House version of that legislation would prohibit using tax-exempt financing for 501(c)(3) organizations, such as the Applicants, after this year. In order to preserve as much flexibility as possible with both entities' financing options, both Applicants are planning to restructure their bank-held tax-exempt bonds by year end. This restructuring is a significant undertaking that will benefit both entities, and it is advisable for both Applicants to be able to devote staff resources this month toward completing these refinancings.

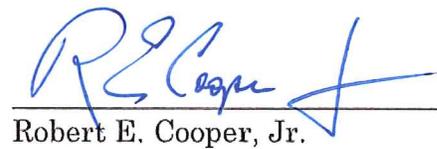
Given these circumstances, it is in the best interest of the Applicants and the State of Tennessee to grant the requested extension so that all of the parties to the Terms of Certification will have sufficient time to prepare for the closing.

Thank you for your consideration of this request. We are available to provide you with any additional information you might need.

Yours very truly,



Claire Cowart Haltom
Counsel for Wellmont Health System



Robert E. Cooper, Jr.
Counsel for Mountain States Health Alliance

REC:dw

cc: Attorney General Herbert S. Slatery
Deputy Attorney General Janet M. Kleinfelter
Jeff Ockerman, Tennessee Department of Health
Judy Knecht, Tennessee Department of Health
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