July 22, 2026

<u>VIA ELECTRONIC MAIL AND</u>
<u>CERTIFIED MAIL – RETURN RECEIPT REQUESTED</u>

North Carolina Department of Justice
Consumer Protection Division
114 W. Edenton Street
P.O. Box 629
Raleigh, NC 27602-0629
Attention: Llogan R. Walters, or Attorney Responsible for Review of Nonprofit Transactions Email:
LWalters@ncdoj.gov

North Carolina Department of Justice
114 W. Edenton Street
P.O. Box 629
Raleigh, NC 27602-0629
Attention: Stephanie Robinson, or General Counsel
Email: SRobinson@ncdoj.gov

North Carolina Department of Justice
114 W. Edenton Street
P.O. Box 629
Raleigh, NC 27602-0629
Attention: Kunal Choksi, or Chief of Consumer Protection Division
Email: KChoksi@ncdoj.gov

Re: Notification Pursuant to Section 7.17(b) of the Amended and Restated Asset Purchase Agreement dated as of January 31, 2019 (the "Purchase Agreement") Regarding the Annual Report for Fiscal Year Ending December 31, 2025, dated April 30, 2026

Dear Ms. Walters, Ms. Robinson, and Mr. Choksi:

Dogwood Health Trust ("Dogwood"), the Seller Representative with respect to obligations under Section 7.17 of the Purchase Agreement, hereby notifies the North Carolina Attorney General (the "North Carolina AG"), pursuant to Section 7.17(b) of the Purchase Agreement, of Dogwood's intent to notify MH Master Holdings, LLLP ("Buyer") of "potential noncompliance by Buyer" (as that phrase is used in Section 7.17(b) of the Purchase Agreement) with Buyer's obligations under the Purchase Agreement. Capitalized terms used in this letter have the meanings set forth in the Purchase Agreement, unless otherwise defined herein. References to the Annual Report in this letter shall mean the Annual Report for the year ending December 31, 2025, dated as of April 30, 2026 ("Annual Report"). The period from January 1, 2025, through December 31, 2025, which is the period covered by the Annual Report, is referred to in this letter as the "Reporting Period."

Dogwood's assessment of potential noncompliance with the Purchase Agreement is informed by a variety of factors including, but not limited to: discussions with Buyer, with the Independent Monitor, and with the communities within Western North Carolina; Buyer's responses (and lack thereof) to Dogwood's requests for information; publicly available information; and the findings represented in the Independent Monitor's Annual Compliance Review Cycle Reports.

As in previous years, the Independent Monitor used meetings to inform the community and stakeholders about Buyer's obligations and to provide a mechanism for community input regarding Buyer's discharge of those obligations. The Independent Monitor held calls and in-person meetings during the evaluation of the Annual Report with community organizations, elected officials, healthcare professionals, and individuals. Site visits were conducted by the Seller Representative (which included members of the Independent Monitor team) in conjunction with the Reporting Period evaluation.

For the purpose of providing advice to Dogwood, the Independent Monitor engaged in discussions with various parties as described above, reviewed data provided by Buyer at the request of the Independent Monitor, and conducted an evaluation as to whether any concerns expressed gave rise to potential noncompliance during the Reporting Period. The Independent Monitor queried and discussed relevant matters with Buyer.

Taken together, these factors raise concerns regarding potential noncompliance with Sections 7.13(a) and 7.13(h), which are discussed below.

In sum, Dogwood and the Independent Monitor will continue to evaluate and seek community input along with meaningful, candid, timely and useful responses from Buyer with respect to these concerns. Dogwood remains committed to its oversight of Buyer's obligations under the Purchase Agreement.

Dogwood Intends to Notify Buyer of Potential Noncompliance with Respect to Buyer's Obligations Covered by the Annual Report.

Dogwood reviewed the Annual Report carefully and received advice from the Independent Monitor, in accordance with Section 7.12(c) of the Purchase Agreement. Based upon the foregoing, Dogwood hereby notifies the North Carolina AG that it intends to notify Buyer of two instances of potential noncompliance with respect to the Continuing Obligations, specifically the obligations set forth in Sections 7.13(a) and 7.13(h) for the Reporting Period.[1]

Potential Noncompliance with Section 7.13(a)

Section 7.13(a) provides, in relevant part:

Unless otherwise consented to in writing by the Advisory Board for a period of ten (10) years immediately following the Closing Date, Buyer shall not discontinue the provision of the services set forth on Schedule 7.13(a) (the "Mission Hospital / CarePartners Services") at the Mission Hospital Campus Facility, the Community CarePartners Facilities or the Mission Children's Hospital Reuter Outpatient Center, as applicable, subject to Force Majeure making the provision of such

[1] The matters to be addressed in the Annual Report are identified in Section 7.17(a) of the Purchase Agreement.

services impossible or commercially unreasonable (but only for the period of Force Majeure and the applicable Remediation Period).

As you are aware, the North Carolina AG sued Buyer in the North Carolina Business Court, alleging that Emergency and Trauma Services and Oncology Services have degraded to the point of violation of Section 7.13(a) of the Purchase Agreement. Dogwood acknowledges that the claims asserted in the lawsuit will be addressed by the North Carolina Business Court, pursuant to Section 13.2 of the Purchase Agreement.

In addition, during the Reporting Period, concerns were expressed regarding other services that Section 7.13(a) requires to be continued. First, there was a cessation of service in Industrial Rehabilitation Services at CarePartners. Specifically, between April 1, 2025 and December 31, 2025, there were zero Industrial Rehabilitation services provided by CarePartners. Second, there continues to be a significant diminishment of access to other services at Mission Hospital, Mission Children's Hospital Reuter Outpatient Center, and CarePartners that Section 7.13(a) requires to be continued. However, as noted in the Independent Monitor's most recent Monitoring Report, "HCA requested that all information provided in response to the Monitor's *Requests for Information* be treated as 'Highly Confidential' as it contains trade secrets and competitive healthcare information." Consequently, out of an abundance of caution, Dogwood will confer with the North Carolina AG regarding the proper forum for Dogwood to express and discuss concerns informed by such information.

Buyer did not seek or obtain consent from the Advisory Board, pursuant to Section 7.13(a) to discontinue any of these services, and there was not a Force Majeure making the provision of such services impossible or commercially unreasonable during the Reporting Period.

Based on degradation of Emergency and Trauma Services and Oncology Services, the cessation of the Industrial Rehabilitation program, and continued diminishment of access to certain other services, Dogwood intends to notify Buyer of potential noncompliance with Section 7.13(a) of the Purchase Agreement.

Potential Noncompliance with Section 7.13(h)

Section 7.13(h) provides, in relevant part:

Unless otherwise consented to in writing by (i) with respect to any Material Facility other than the Local Hospital Facilities, the Advisory Board, or (ii) with respect to any Local Hospital Facility, its applicable Local Advisory Board, for a period of ten (10) years immediately following the Closing Date, subject to Force Majeure making doing so impossible or commercially unreasonable (but only for the period of Force Majeure and the applicable Remediation Period), Buyer shall cause the Material Facilities and the Local Hospital Facilities to remain enrolled and in good standing in Medicare, Medicaid or their successor program(s); provided that Buyer shall only be obligated to cause the Material Facilities and the Local Hospital Facilities to accept conventional Medicare and Medicaid, and shall not be obligated to cause the Material Facilities or the Local Hospital Facilities to accept managed Medicare or Medicaid or participate in any other alternative payment models.

From October 17, 2025 until November 21, 2025, Buyer was under Immediate Jeopardy findings by the Centers for Medicare and Medicaid Services ("CMS") and the North Carolina Department of

Health and Human Services ("NCDHHS") following a survey of operations at Mission Hospital. The Immediate Jeopardy findings notification, issued on October 17, 2025, by CMS in coordination with NCDHHS, included a 23-day notice of termination due to noncompliance with noted subparts of the Conditions of Participation in the Medicare and Medicaid program (Sections 482.12, 482.13, 482.23, and 482.55).

Dogwood intends to notify Buyer of potential noncompliance with Section 7.13(h) of the Purchase Agreement, based on apparent failure to remain "enrolled and in good standing" in Medicare and Medicaid. Buyer did not seek or obtain consent from the Advisory Board and a Force Majeure did not occur during the Reporting Period. Dogwood notes that Buyer took corrective action, and on November 21, 2025, CMS withdrew its termination action against Buyer because (i) Buyer's Plan of Correction adequately addressed the cited deficiencies and (ii) a follow-up survey conducted on November 6-7, 2025, concluded Buyer had taken actions to correct the cited deficiencies and procedural changes had been made giving reasonable assurance that a similar violation would not recur. During 2025, Buyer took the necessary actions to return itself to good standing with CMS. That said, Dogwood would be remiss not to state that shortly after this corrective action and commitment by Buyer, in January of 2026, Mission Hospital received an Immediate Jeopardy finding which has subsequently been lifted, although oversight has continued under an Enhanced Plan of Correction.

Conclusion

In its role as Seller Representative under the Purchase Agreement, Dogwood has reviewed the Annual Report and been advised by the Independent Monitor. Dogwood hereby notifies the North Carolina AG pursuant to Section 7.17(b) of the Purchase Agreement that, based upon the foregoing, Dogwood intends to notify Buyer of potential noncompliance with regard to the Annual Report.

Should the North Carolina AG desire additional discussion of the Annual Report or the matters addressed in this letter, please contact me.

Sincerely,

Fred Jones

Fred Jones
Chair of Covenant Compliance

Enclosures (Sections 7.17 and 13.13(b) of the Purchase Agreement)

Cc: Neil F. Luria, SOLIC Capital (via electronic mail; w/ encs.)