

Hutcheson Medical Center Proposal

Summary

Liberty Healthcare ("Liberty"), a 501c3 not for profit company, in conjunction with Custom Healthcare Services, LLC ("Custom") proposes to purchase and manage Hutcheson Medical Center. Liberty will issue tax-exempt 501c3 bonds to finance the purchase. The purchase price would be the assumption of all outstanding liabilities of the current operating entity. Custom, which is owned by its Chief Executive Officer, James C. Rogers, would manage the facility. The objective to this transaction is to maintain a community hospital prepared to meet the needs of the growing tri-county area and retain local ownership and control of Hutcheson Medical Center.

Vision for Hutcheson Medical Center

Hutcheson Medical Center would be transitioned into a basic community hospital, much like North Park Hospital in Hixson, Tennessee, except the obstetrics program would continue. Staffing would be based on a much smaller patient census than the current licensed beds. Liberty commits to employment of the current hospital staff. Attrition would be utilized as much as possible to reduce the staffing level. Services would be limited to those essential to a community hospital, including a strong emergency room.

Knowledge of Hutcheson Medical Center

James Rogers was treated as a child at the Hutcheson emergency room. Mr. Rogers' family received treatment at Hutcheson throughout their lives. Mr. Rogers' family operated Masters Grocery in Graysville, GA in the 1940s through 1990s. James' grandfather was Leonard Masters and his uncle who later took the store over was Ruben Masters. Mr. Rogers worked as an Ernst & Young financial statement auditor and consultant in the mid-80s for Hutcheson Medical Center. Custom Healthcare Services managed Hutcheson Medical Center Home Health for two years prior to the sale of the home health agency. During that period, Mr. Rogers was a member of the Hutcheson management team and attended department head meetings.

Turn Around Specialist

Mr. Rogers has worked as a healthcare turnaround specialist since 1989. As the Chief Financial Officer and later the President of a Chattanooga based chain of hospitals. Mr. Rogers assisted with the management and turnaround of community hospitals. This turnaround success was a result of working with the medical staff and recruiting physicians back to the community hospital. A strong nursing staff and daily access of the medical staff to the hospital leadership brings back physicians that may have left in the past. Mr. Rogers already knows many of the local physicians. In addition, Mr. Rogers led several Chattanooga based entities from bankruptcy or near bankruptcy to market leader.

These entities include PPS Home Infusion Therapy, Caremed, and PPS Orthotic and Prosthetic Services.

In 2011 Mr. Rogers purchased the assets of Fuller Rehabilitation, a large medical equipment provider based in Ringgold, Georgia, out of bankruptcy. Over 30 previously discharged Fuller employees were rehired. Subsequent to that purchase, the new entity, Phoenix Rehab and Mobility, has grown to one of the leading providers of all types of mobility services in the southeast. Furthermore, Phoenix in 2013 purchased the majority of the southeastern assets of the Scooter Store out of bankruptcy and the Chattanooga branch of Holland Medical.

Based upon his knowledge of Hutcheson Medical Center and North Georgia, Mr. Rogers clearly has knowledge of the local healthcare landscape. As the owner and manager of many healthcare entities in North Georgia, Mr. Rogers is very familiar with the needs of the community, and has cared for thousands of patients in this area. Hutcheson is in need of an experienced turnaround specialist. Mr. Rogers is well known and respected in the healthcare community and is the perfect leader at this time.

Indigent Care

Liberty will maintain the commitment to care for the uninsured and underserved in the service area.

Liberty Health, Inc.

Liberty Health, Inc. was formed in 2000 to provide health care services. To this date, there has been little activity at Liberty. Liberty has consistently filed its reports to the state and the IRS to maintain its tax-exempt status. A copy of the IRS tax determination letter is enclosed, as is the annual filing to the IRS and the state. James Rogers and his wife, Judith Rogers, are the current Trustees for Liberty. This proposal contemplates adding new trustees for this organization representing various stakeholders in the local community.

Local Involvement

Liberty Healthcare's Board would be formed by a coalition of County representatives, medical staff members and representatives from a local tertiary care hospital. Walker, Dade, and Catoosa Counties would be asked to provide financial assistance, including guarantee of a new bond issue. In addition, one of the local tertiary care hospitals would become the regional referral center for Hutcheson Medical Center. This tertiary care hospital would also be required to provide financial and operational assistance for the new entity.

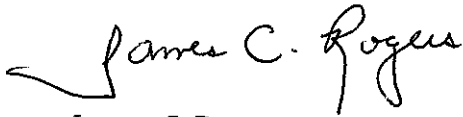
Custom Healthcare Services, LLC

Custom is owned by James C. Rogers and has provided management services to Hutcheson (home health) in the past. In addition, Custom manages healthcare programs for Mr. Rogers' owned and non-owned entities.

Alternative Proposal

Mr. Rogers' objective is to retain local ownership and control of Hutcheson Medical Center. Mr. Rogers is available and ready to help in any capacity on a go forward basis to achieve this objective. He is willing to serve as a consultant, provide interim leadership or long-term leadership of this facility. Mr. Rogers resume is included as a part of this proposal. Mr. Rogers is prepared to work with other entities that are committed to local ownership and control.

Respectfully submitted,



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