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CERTIFICATE OF NEED PROGRAM
DEPARTMENT OF HEALTH

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September 9, 2015

Janis Sigman, Manager
Certificate of Need Program
Department of Health
P. O. Box 47852
Olympia, WA 98504-7852

Dear Ms. Sigman:

Pursuant to WAC 246-310-080, Ogden Murphy Wallace, on behalf of our client Columbia Capital Medical Center Limited Partnership ("Columbia"), which owns and operates Capital Medical Center, hereby submits a letter of intent in connection with the proposed sale and lease-back of the real property and assets of Capital Medical Center in Olympia, Washington. The following information is to comply with the requirements of WAC 246-310-080.

A. Description of the Services Proposed.

Columbia, a subsidiary of Capella Healthcare, Inc., currently owns the hospital, real property and improvements (the "Hospital Property") occupied by Capital Medical Center. Columbia and MPT of Olympia-Capella, LLC have entered into a Real Property Asset Purchase Agreement transferring ownership of the Hospital Property to MPT of Olympia-Capella, LLC. MPT of Olympia-Capella, LLC will lease the Hospital Property to its affiliate MPT of Olympia-Capella Hospital, LLC. MPT of Olympia-Capella Hospital, LLC will then sublease the Hospital Property to Columbia, which will retain sole and exclusive possession of the Hospital Property, subject to the terms of the sublease.

Capital Medical Center will continue to provide the same services presently provided at Capital Medical Center, including but not limited to, the provision of both inpatient and outpatient hospital services.

B. Estimated Cost of the Proposed Project.

The proposed purchase price related to the purchase of the Hospital Property is \$100,000,000. The proposed rent for the sublease starts at \$8,000,000 per year.

C. Description of Service Area.

Capital Medical Center's service area is the Thurston County Hospital Planning Area.

Please contact me if you have any questions relating to this matter.

Very truly yours,

OGDEN MURPHY WALLACE, P.L.L.C.

A handwritten signature in blue ink, appearing to read "Donald W. Black". The signature is fluid and cursive, with the first name "Donald" and last name "Black" clearly distinguishable.

Donald W. Black

cc: Neil Kunkel, Capella Healthcare