

INUREMENT AND SELF-DEALING

§ 999.5(d)(3)(A)

Copies of any documents or writings of any kind that relate or refer to any personal financial benefit that a proposed affiliation between applicant and the transferee would confer on any officer, director, employee, doctor, medical group or other entity affiliated with applicant or any family member of any such person as identified in Corporations Code section 5227(b)(2).

Please see the response in this application to § 999.5(d)(5)(F) for a complete description of employment-related financial benefits that Prime and Prime Foundation have promised to DCHS employees.

Pursuant to § 2.6(g) of the Definitive Agreement, all contracts in existence at closing will continue after closing, including those contracts between the Hospital Corporations and independent physicians or medical groups. A complete list of these contracts may be found in Disclosure Schedule 2.6(g).

To DCHS's knowledge, there are no special agreements with any officer, director, employee, doctor, medical group or other entity affiliated with applicant or any family member of any such person as identified in Corporations Code § 5227(b)(2) (collectively, "**DCHS-connected persons**") that will become effective, and, therefore, confer any personal financial benefit to the DCHS-connected persons, as a result of the transaction. As stated above, ordinary agreements will continue to be in force after closing.

To the extent that any DCHS-connected person is a bondholder, that individual is expected to receive payment of principal and interest when the Bonds are prepaid. DCHS does not keep records of which, if any, DCHS-connected persons may be bondholders; however, this financial benefit is identical to that which would be received by any bondholder and not in any way dependent upon or related to that individual's connection to DCHS or Prime.