



January 11, 2011

Ms. Alice Mills Sadler
Chairperson
Beaufort Regional Health Systems
628 East 12th Street
Washington, NC 27889-3498

Mr. Paul Spruill
Beaufort County Manager
121 W 3rd St.
Washington, NC 27889

Dear Ms. Sadler and Mr. Spruill:

For the past several months, Community Health Systems has expressed its sincere desire to partner with Beaufort Regional Health System ("BRHS") in a lease agreement that would have brought stability and growth to Beaufort County Medical Center. We have been enthusiastic about the prospects of using our considerable resources to serve the healthcare needs of your patients. We looked forward to partnering with your medical staff and employees and to becoming a major contributor to the economic health of your community.

However, in the past few days, it has become increasingly apparent to us that your community may not yet be ready to move forward with this extremely important decision. The close 5-4 vote in favor of our proposal by the BRHS Hospital Authority Board last week was followed by strong reaction and differing opinions across the community. This issue appears to have become a divisive force among local residents, the medical community, and hospital employees. Last night, our concern that this issue could become the catalyst for community conflict was confirmed when Superior Court Judge Walter H. Godwin, Jr. issued an injunction interjecting the judicial system into the review process and further delaying an ultimate decision in this matter.

We originally expressed our interest to BRHS last summer – more than half a year ago. In October, 2010, we withdrew our proposal and planned to redirect our resources to other, more immediate opportunities, but at the urging of members of the County Commission and citizens from the community, we re-entered the discussions. However, given the recent turn of events, we believe your community needs more time to consider a decision of this magnitude, and we further believe it is in the best interest of both of our organizations to move forward with other opportunities. We have decided to permanently withdraw our proposal and will formally notify the BRHS Hospital Authority Board of our decision today.

COMMUNITY
HEALTH
SYSTEMS

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We appreciate the opportunity to have been a part of this dialogue and we wish you best as you move forward to find the right solution for your community and your hospital.

Sincerely,

A handwritten signature in black ink, appearing to read 'K. Hawkins', with a long horizontal flourish extending to the right.

Kenneth D. Hawkins

Senior Vice President of Acquisitions and Development