

March 25, 2019

Town of Massena  
60 Main Street, Room 1  
Massena, New York 13662  
Attn: Steven O'Shaughnessy, Town Supervisor

Massena Memorial Hospital  
One Hospital Drive  
Massena, New York 13662  
Attn: Loretta Perez, Chairperson, Board of Managers

Re: Proposed Engagement

Ladies and Gentlemen:

St. Lawrence Health System, a New York not-for-profit corporation ("SLHS") is pleased to provide this letter of intent (this "LOI") to the Town of Massena ("Massena") and Massena Memorial Hospital (the "Hospital").

The Hospital, a municipal hospital owned and operated by Massena, has experienced long-standing financial difficulties. Accordingly, Massena and the Hospital have requested that SLHS conduct a financial assessment of the Hospital and share the results with Massena and the Hospital, and Massena and the Hospital will share with SLHS the information SLHS requires to conduct the assessment.

As described in more detail below, and subject to the conditions set forth in this LOI: (i) SLHS will conduct, and provide to Massena and the Hospital, an assessment of the Hospital operations in contemplation of a possible proposal from SLHS to acquire certain assets of the Hospital, and (ii) at the request of Massena and the Hospital, during the time that such assessment and proposal are being conducted and developed, SLHS will make certain administrative and management services available to the Hospital.

1. *Assessment.* SLHS will conduct a high-level assessment of the Hospital operations in coordination with Massena (the "Assessment") and SLHS will procure qualified consultants to conduct a critical access hospital evaluation, evaluate the transition from a defined benefit plan to a defined contribution plan for the Hospital employees and explore possible bridge coverage options. The goals of the Assessment will include clarifying existing liabilities and understanding Hospital operations in part so that SLHS can develop a high-level plan to preserve substantial health care services at the Hospital within a sustainable operating model. SLHS will present the Assessment to Massena and the Hospital upon its completion (SLHS will be entitled to share the Assessment with the New York State Department of Health ("DOH") after consultation with Massena and the

