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Parties Sign Portneuf Medical Center Joint Venture Agreement, Announce Board of Directors

Pocatello, Idaho (February 2, 2009) – Representatives of Bannock County, the Portneuf Health Care Foundation, Inc., and Legacy Hospital Partners, Inc., (LHP) announced today that they have signed definitive agreements to form a joint venture that will construct and operate a new regional medical center on the hospital's east campus under the name Portneuf Medical Center. In November's general election, 78 percent of Bannock County's voters approved placing the assets of Portneuf Medical Center into the joint venture. Pursuant to the agreements, Portneuf Health Care Foundation, Inc. will own a minority share of the new joint venture, but governance of the entity will be on a 50-50, "block voting" basis.

Steve Hadley, Chair of the Bannock County Commission, believes Bannock County will benefit from the arrangement. Hadley commented, "This joint venture will result in better health care for Bannock County and eastern Idaho. We're achieving what the commissioners had in mind when we started this. Bannock County will have a debt-free, state-of-the-art regional medical center that will be the leading medical facility in eastern Idaho. And we're doing it without giving up local control or having to sacrifice what the community values in a hospital."

(Joint Venture Agreement Signed – Continued)

Commissioner Larry Ghan agreed, “This went through a process that made sure we arrived at the right solution to our community’s need for a new medical center. It wasn’t necessarily the quickest solution, nor was it necessarily the most expedient. But I’m confident that in the future, Bannock County’s residents will agree that it was the right one.”

Dan Moen, CEO of Legacy Hospital Partners, Inc., said his company is excited to get started on construction of the new hospital and is looking forward to the company’s expanded presence in Pocatello. Moen said, “This is the beginning of the next chapter in Portneuf Medical Center’s history. This joint venture came about because a group of people had a vision of what quality healthcare could look like in eastern Idaho and were willing to come together to make it happen. The county commissioners, members of the Foundation and hospital boards, hospital administration, employees and medical staff are to be commended. Legacy Hospital Partners, Inc. is honored to be your partner and we look forward to a very bright future.”

During last summer’s review of prospective capital partners for the new medical center, the hospital’s medical staff (the area’s physicians with privileges to practice at Portneuf) expressed their preference for Legacy Hospital Partners, Inc., by a wide margin. According to Dr. Brad Burton, President of the Medical Staff and a local family medicine practitioner, “That hasn’t changed a bit. In fact, if anything, local physicians are even more enthusiastic about the community’s partnership with LHP. We’ve learned they are very serious about creating an environment where we can practice good medicine, where we can give patients the superior care they deserve. This is going to mean great things for health care in eastern Idaho.”

Gary Hill, the Division President at Legacy Hospital Partners, Inc., who will be responsible for LHP’s operations at Portneuf Medical Center, emphasized that there is still a great amount of work to do. “I continue to be impressed with this community and specifically the support the hospital has received. We have a vision of being the best hospital in Idaho and with the help of the medical staff and the employees, I know we will achieve that goal.”

In related news, Portneuf Health Care Foundation, Inc., (the Foundation) announced that six of that organization’s new seven-member board of directors will simultaneously serve on the new joint venture Community Benefit Organization board of directors. Mark Buckalew, a local investment advisor who is Chair

of the new seven-member board and former Chair of Portneuf Medical Center’s Board of Governors, said the move was made to ensure close attention will be paid to the success of the joint venture during its early stages. “As a board, we feel a great responsibility to represent the community’s interest in the new joint venture,” said Buckalew. “During the early stages, we think it’s important that we remain very close to the decisions that are made about the governance of the new medical center. We’ve been part of the process from the beginning. We know what the new joint venture is supposed to accomplish, and how it’s supposed to work. It’s going to mean more work for us since none of the board positions are compensated, but it’s the best way for us to ensure this joint venture gets off the ground successfully.”

In addition to Buckalew, those members of the Foundation’s board of directors who will also serve on the joint venture’s board include Stephen Weeg, Executive Director of Health West Medical Clinics; David Swindell, the City of Pocatello’s Chief Financial Officer; Dr. Sandra Hoffmann, a physician practicing with the ISU Family Medicine Clinic; Bill McKee, a licensed counselor with an office in Chubbuck; and Tom Dial, a retired attorney and magistrate judge.

LHP’s representatives on the joint venture board will be Hill, LHP CEO Dan Moen, and Doug Browning, Division Chief Financial Officer. LHP has also named two local physicians to its side of the board: Dr. Michael Callaghan, a radiation oncologist, and surgeon Dr. Drew McRoberts.

Nancy Renn, a professor of nursing at Idaho State University and the seventh member of the new Portneuf Health Care Foundation board, will not occupy a board position in the new joint venture. She will, however, serve on the new medical center’s Board of Trustees, the body responsible for quality assurance and daily clinical care oversight. Additional community members who will serve on the Board of Trustees include Jim Guthrie, a former Bannock County Commissioner; Elmer Martinez, a retired Pocatello paramedic and former state legislator; Arlo Luke, Chief Executive Officer of Varsity Contractors, Inc.; and Phil Joslin, CEO of Farm Bureau Mutual Insurance Companies of Idaho. Interviews are currently being conducted to identify a sixth community member to serve on the board.

The balance of the 12-member Board of Trustees will consist of local physicians. They include cardiologist Dr. Ben Call; gastroenterologist Dr. Darryl Cook; Dr. Jonathan Cree, Director of the Pocatello Family Medicine Center at Idaho State University; ear, nose and throat specialist Dr. David Donaldson; pulmonary specialist Dr. Cary Jackson; and family practitioner Dr. Ken Newhouse. PMC Medical Staff President Dr. Brad Burton will sit on the Board of Trustees in an ex officio capacity.

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About Bannock County, Idaho:

Bannock County was established in 1893 and is named after the Native American tribe who were the first inhabitants of the area. The county has a population of approximately 78,155. The county seat is Pocatello, home to Portneuf Medical Center. The county has operated the hospital since 1952. County commissioners Larry Ghan, Steve Hadley, and Lin Whitworth, in conjunction with Zach Parris, Deputy Attorney with the Bannock County Prosecuting Attorney's office, began the process of finding a capital partner in April, 2008. Effective January 1, 2009, Karl Anderson replaced Lin Whitworth on the County Commission. Joe Lupica of Stroudwater Capital served as transaction advisor to Bannock County. For more information, please go to www.co.bannock.id.us.

About Portneuf Medical Center:

Portneuf Medical Center (PMC) is an acute care facility with 250 licensed beds, and has served the regional health care needs of southeast Idaho since 1907. It is accredited by the Joint Commission on Accreditation of Healthcare Organizations and is licensed by the State Department of Health and Welfare. In its 2008 rankings, HealthGrades®, a leading national healthcare ratings organization, ranked PMC #1 in Idaho for Cardiac Surgery and #1 in the region for Overall Orthopedic Services. For more information, please go to www.portmed.org.

About Legacy Hospital Partners, Inc.:

Legacy Hospital Partners, Inc. (LHP) is a privately held company established to provide essential capital and expertise to not-for-profit hospitals and hospital systems. In cooperation with local hospitals, LHP forms joint ventures to acquire, own, operate and manage acute care facilities in small cities and select urban markets throughout the United States. Headquartered near Legacy Business Park in Plano, Texas, LHP is owned by affiliates of private equity firm CCMP Capital Advisors, LLC and the CPP Investment Board as well as members of management. For more information, please go to www.legacyhospitalpartners.com.