

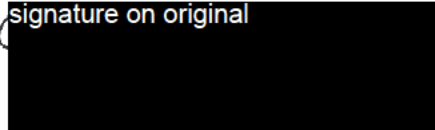
**CERTIFICATION AS TO MINUTES OF MEETING OF THE BOARD OF
DIRECTORS OF**

Evergreen Health, Inc.
(a Maryland non-stock corporation)

I, Mary T. Porter, the duly elected, qualified and acting Secretary of Evergreen Health, Inc. a Maryland non-stock corporation duly organized and existing under the laws of the State of Maryland (the "Corporation"), do hereby certify that attached hereto are the Minutes of the Meeting of the Board of Directors of April 4, 2017, and do hereby further certify that the Minutes were duly adopted by appropriate corporate action of the Board of Directors of the Corporation.

IN WITNESS WHEREOF, I have hereunto set my hand under seal as of this 1st day of May 2017.

signature on original

A black rectangular redaction box covering the signature of Mary T. Porter.

Mary T. Porter, Secretary
Evergreen Health, Inc.

Evergreen Health, Inc.
Board of Directors Meeting
April 4, 2017
1:00 P.M. – 4:00 P.M.

Board Attendees:

Fran Phillips (Chair)
John Pearson (Vice-Chair) (via phone)
Carolyn Walker

Staff Attendees:

Dr. Peter Beilenson (CEO, President)
Ms. Mary Porter (General Counsel, Secretary)
Dan Reagan, Chief Financial Officer – Interim
Seth Benson, Chief Business Officer
Elliott Hooper, Counsel

Guests

Carol Coughlin, BottomLine Growth Strategies, Inc.
Ren Tundermann, Esq., Funk & Bolton
Jonathan Burklund, River Corp. Advisors
Roberta Hurst, River Corp. Advisors
Jim Taylor, Esq., Funk & Bolton (via phone)
Calvin Swartley, Moss Adams (via phone)
Donna Novak, NovaRest, Inc. (via phone)

1. Welcome and Chair's Remarks

Ms. Phillips called the meeting to order and welcomed everyone and addressed the full agenda for the meeting.

2. Approve February 2, 2017 Minutes

The minutes from the February 2, 2017 Board of Directors meeting were presented. A motion to approve the February 2, 2017 minutes was made by Ms. Walker, seconded by Mr. Pearson and they were approved unanimously.



3. Re-election of Chair and Vice Chair

Ms. Walker moved to re-elect the Chair and Vice Chair. The motion was seconded by Mr. Pearson and unanimously approved.

4. Reappointment of Corporate Officers

Mr. Pearson moved for appointment of corporate officers called for in the Bylaws - Peter Beilenson as President, interim CFO Danial Reagan as Treasurer and Mary Porter as Secretary – Ms. Walker seconded and the Board unanimously approved.

5. CEO and Financial Updates

Financial Condition

REDACTED AS CONFIDENTIAL

Budget

REDACTED AS CONFIDENTIAL

Status of Audit

REDACTED AS CONFIDENTIAL

6. Conflict of Interest Questionnaires

REDACTED AS CONFIDENTIAL

7. Amended and Restated Loan Letter and Acquisition Letter

Ms. Tundermann reviewed the terms of the loan letter and acquisition letter as entered into in January and the terms of the amended and restated loan letter and acquisition letter, the reasons for the restructuring of the loan letter, and the new timeline. The amended and restated loan letter structure includes the \$6 million loan from January, an additional \$3 million coming in yesterday, and another \$3 million coming in on May 1. The amended and restated acquisition letter provides that the investors will bring Evergreen's surplus to 71% RBC at closing and covenant to bring Evergreen's RBC to 200% by December 31, 2018. The new structure was negotiated last week with Anne Arundel, JARS, and LifeBridge and accepted by the Insurance Commissioner.

Ms. Tundermann also discussed the timeline for the Form A and conversion application and the need for the transaction to close within 90 days of filing the annual statement blank. If the annual statement blank is filed on May 1, the acquisition must close by July 31.



8. Review of Maryland Non-Profit Conversion Statutory Requirements

Ms. Tundermann led a refresher discussion of the conversion and acquisition requirements of Title 6.5 of the State Government Article and Title 7 of the Insurance Article. She described the expectations for the Board, including retention of appropriate experts and application of significant diligence in selecting the acquirers and negotiating the definitive agreement. A key part of the Board's responsibility is to protect the public interest by determining the fair value of the Company and safeguarding any public or charitable assets. Ms. Tundermann discussed the required contents of the conversion application. Ms. Tundermann explained that the Form A is the buyers' application to the MIA, providing information about the buyers' corporate structure, leadership, and financial condition. Ms. Tundermann explained that the agenda for this Board meeting will go through various pieces of the applications and requirements. The experts will provide their analyses and opinions to the Board, and then the Board will go into executive session to discuss the proposed conversion and acquisition.

9. Experts Used for the Reports

Ms. Porter led a discussion related to the experts used for the reports. Initial reports were received from the experts at the October 3, 2016 Board meeting. Ms. Porter reminded the Board of management's process in the selection of experts in August and September 2016 to provide independent opinions related to valuation, the financial and community impact, and the antitrust impact. Mr. Burklund and Ms. Hurst from River Corporate Advisors assisted in the selection of the valuation expert. Mr. Burklund noted that they spoke with about a dozen firms that have specific experience in valuing health care companies and Moss Adams, and their Principal Calvin Swartley, was chosen because their accounting division had performed audits for three or four other health care CO-OPs so they were very familiar with issues of risk adjustment and risk corridors and, therefore, they were much higher on the learning curve than other firms that were interviewed. Ms. Tundermann and the firm of Funk & Bolton assisted Evergreen in the retention of experts to provide the financial and community impact and the antitrust opinion. Donna Novak of NovaRest was selected to provide the financial and community impact independent expert opinion. Ms. Novak has significant experience in this area, including performing a similar analysis for the District of Columbia Department of Insurance, Securities, and Banking in connection with the proposed CareFirst conversion in 2002. In the area of antitrust, Haug Partners and Counsel Michael Brockmeyer were retained to provide an antitrust analysis, in part based on the recommendation of the Maryland Office of the Attorney General, Antitrust Division. A discussion ensued about the expert selection process. Ms. Phillips noted that the selection was done vigorously and the Board was satisfied with the experts' reports in October.

Ms. Porter advised the Board that all three of the expert reports were updated in February and March based on the current investors and deal structure.

10. Conflicts of Interest Disclosure

Ms. Porter led a discussion regarding conflicts of interest related to the transaction, and disclosure of conflicts or potential conflicts relating to the transaction, the experts and others to ensure there are no conflicts with respect to the Board's actions and the advice the Board received and information it is considering. Detailed information related to the parties to the transaction, including the investors and their affiliates and information related to the experts and consultants, was provided to the Board and



management. Conflict of interest disclosures were distributed to each expert and others assisting with the transaction. The directors, officers, and management present at the meeting confirmed they have no conflicts including conflicts with the investors/potential acquirers, experts and other consultants. Ms. Porter described the contents of the conflict disclosures for the experts and consultants that include information related to Evergreen management and directors, the investors (and potential acquirers) and their affiliates. Ms. Porter advised the Board that conflict of interest disclosures were received from Moss Adams, Haug Partners, River Corp. Advisors, Funk & Bolton, NovaRest and Carol Coughlin. The Funk & Bolton disclosure form disclosed representation of two insurance carriers controlled by members of JARS and two insurance carriers at which a different member of JARS is employed. The representation is as to insurance regulatory matters and none of the four carriers engages in commercial health business. The Board determined that it was not a conflict for Funk & Bolton to represent Evergreen in this matter given its separate representations in connection with members of JARS. Ms. Coughlin disclosed that she is a board member of University of Maryland Medical Center and a member of the audit and finance committee for University of Maryland Medical Systems. It was determined there was no conflict with respect to Ms. Coughlin.

Mr. Pearson noted that both acquiring health systems had an insurance company and inquired about the nature of the insurance companies. Mr. Burklund explained that Anne Arundel Health System has an insurance company named Cottage Insurance Company which is their self-insurer for medical malpractice, and Anne Arundel Health System also disclosed a 7% ownership in Hopkins Medicare Advantage Plan. Anne Arundel Health System has no interest in a commercial health insurer. LifeBridge also has a captive insurer named LifeBridge Insurance which is their captive insurer for medical malpractice and general liability insurance. There were no conflicts of interests with respect to the acquirers' insurance operations.

Ms. Phillips disclosed encounters with LifeBridge and Anne Arundel Health System in connection with her serving as a Commissioner with the Maryland Health Care Commission, which hears applications from providers having to do with regulated services. Recently there was an application by Anne Arundel that was reviewed and voted on dealing with a certificate of need for Anne Arundel to perform cardiac surgery. Ms. Phillips recused herself from the vote. She has voted in the past on matters that came before the Commission for LifeBridge prior to LifeBridge's involvement in the proposed acquisition. She does not recall the specific details of the matters.

Ms. Porter summarized that all three directors advised that they do not have conflicts with respect to the parties, the experts and other entities involved in the acquisition. Management participating in the meeting (Dr. Beilenson, Mr. Reagan, and Ms. Porter) discussed their relationships with the acquirers and consultants and confirmed they have no conflicts with the acquisition parties, experts, or consultants. Ms. Porter advised that confirmations are being obtained from management not present at the meeting that there are no conflicts of interest.

11. Due Diligence

Mr. Burklund discussed due diligence performed by River Corporate Advisors beginning with its retention by Evergreen in July 2016 with respect to potential investors, including a refresher of information presented at the October 3, 2016 Board meeting and the specific due diligence performed on the three proposed investors (JARS, LifeBridge, and Anne Arundel Health System).



River Corporate Advisors contacted over 60 parties, including private equity investors and strategic acquirers. River Corporate ended up with two potential transactions for the Board to consider at its October 3, 2016 meeting. The Board selected one of the two bidders. That bidder turned out to be unacceptable to CMS and to the MIA. Conversations were started with what is now known as JARS. From late October, through November and into December, JARS moved forward not only as the bridge lender but also the ultimate acquirer. At the time, a junior source of capital was still being considered to complement JARS. JARS proceeded with negotiations with both Evergreen and the MIA. JARS was able to achieve two objectives with the MIA. One objective was to have the closing on the acquisition occur after the 2016 risk adjustment assessment was calculated by the MIA and the second objective was creating a schedule to fund the Company's RBC needs over time. In October, the Company negotiated with CMS to repay its surplus note to CMS for a discounted amount of \$.05/\$1.00. Negotiations continued through November and December resulting in a settlement agreement that included repayment of the surplus note, waiver of certain risk corridor receivables, and dismissal with prejudice of the Company's pending litigation against HHS with regard to the risk adjustment calculation methodology.

Meanwhile, the other sources of bridge financing were on terms not acceptable to the Company so the Company needed to broaden the search for new investors to complement JARS. In late November and December, River Corporate contacted approximately 25 additional investors, including re-contacting Anne Arundel Health System and LifeBridge, which were contacted in the initial rounds.

From December to the closing on the first tranche of lending on January 17th, the three parties (JARS, Anne Arundel Health System, and LifeBridge) began the due diligence and transaction structuring. At the initial close, LifeBridge had not completed its initial due diligence so they participated on a less than pro rata basis with the other two investors. JARS and Anne Arundel Health System each loaned Evergreen \$2.5 million, and LifeBridge loaned Evergreen \$1 million. From February through April 2017, the investors performed additional due diligence and continued negotiations with the MIA, adjusting the titration of the capital and RBC needs based on new financial projections. The investors hired KPMG to assist with financial diligence.

On April 3rd, the investors loaned a second tranche to Evergreen. LifeBridge increased its pro rata share such that each investor held a \$3 million surplus note from Evergreen.

Mr. Burklund discussed trends in the health care marketplace and acceleration of trends by the Affordable Care Act, including hospitals building integrated delivery systems and attempting to reach more patients. CMS is attempting to shift the healthcare delivery system away from fee-for-service to risk-based payments as evidenced by ACO trials. Payers are coming up with hybrid models that are fully-integrated delivery systems with insurance layered on. Acquisition activity has been seen with cross-over from payers to providers. Recent acquisition examples were discussed and a detailed discussion occurred with regard to health care trends and integrated-delivery systems.

Mr. Burklund discussed specific diligence undertaken on the three investors. The members of JARS were discussed. Management expressed appreciation for Mr. Puente's leadership within JARS. It was noted that Mr. Puente's knowledge of the insurance industry and ongoing experience with the MIA was important in keeping the potential transaction alive through innumerable twists and turns. Mr. Burklund reported to the Board that JARS's interest in Evergreen is purely as a financial investor. He



noted that JARS confirmed it is able to fund up to \$10 million as its pro rata share, given an estimated \$30 million total investment in Evergreen over time. JARS reported to Mr. Burklund that believes Evergreen should participate in the individual market in 2018. JARS is finished with due diligence and prepared to move forward.

Anne Arundel Health System is the sixth largest provider in the marketplace with \$668 million in revenue and \$25 million in operating profit. Anne Arundel has cash and investments on the balance sheet of \$330 million. Mr. Burklund confirmed there was no concern with Cottage Insurance Company from a conflict standpoint. Anne Arundel has a Vision 20/20, 5-year strategic plan in which they partner with other providers and health plans similar to other large integrated delivery systems. Anne Arundel has completed due diligence and is working to resolve governance issues with the other investors.

LifeBridge is the fourth largest hospital system in the marketplace with \$1.5 billion in revenue and \$50 million in operating profits. LifeBridge has cash and investments of \$880 million. Their insurance subsidiary was determined to be a captive for malpractice and they have no other conflicts in the health-plan specific business. LifeBridge's strategic plan for investing in Evergreen included access to Evergreen's membership as other health plans are narrowing their networks. LifeBridge's Board is meeting on April 27th for final approval at which time they will look at updated financials. Mr. Burklund believed that LifeBridge was essentially completed with due diligence.

Led by Mr. Burklund, the Board discussed potential concerns with the three investors, including inherent conflicts between payers and providers in integrated delivery systems and the lack of insurance experience on the part of Anne Arundel and LifeBridge. The Board also discussed the governance structure with three equal owners. Mr. Burklund commented that the board structure post-acquisition is anticipated to be five: one from each investor and two independents. The two independent directors are anticipated to be individuals with health insurance experience.

12. Independent Valuation

Calvin Swartley of Moss Adams reviewed the power point slides provided to the Board. Moss Adams looked at the range of value of Evergreen Health, Inc. as of January 31, 2017. As part of that analysis, Moss Adams wanted to have a good understanding of the operations, the balance sheet, and financial metrics. Mr. Swartley addressed the six statutory considerations from State Government Article, § 6.5-301 that touch upon factors that are import to consider in valuing the company, but one methodology or another is not required to be followed.

Mr. Swartley discussed each of the following valuation methodologies and Moss Adams' interpretation of each of the valuation methodologies:

1. The value as if the Company or an affiliate or the assets of such an entity that is determined as if the entity had voting stock outstanding and 100% of its stock was freely transferable and available for purchase without restriction;
2. The value as a going concern;
3. The market value;
4. The investment or earnings value;
5. The net asset value; and



6. A control premium, if any.

Mr. Swartley also discussed Moss Adams' valuation considerations including:

1. Discussions with management;
2. Review of historical financial statements;
3. Review of a five-year financial projection;
4. Review of a wind-down scenario financial projection;
5. Consideration of other factors that were deemed necessary under the circumstances including marketplace uncertainty;
6. Financial Performance;
7. Industry Characteristics;
8. Market Participants; and
9. Economy.

Mr. Swartley indicated that the valuation approaches considered in their analysis are the same as were considered in the prior valuation in September 2016.

Moss Adams considered an income approach in which they looked at projections that were provided by the Company and ran them out for a number of years to look at how profitable the Company could really become and what types of return rates would be required for investors taking on the riskiness of the business and brought those rates of return back to a present value.

Moss Adams considered two types of market approaches, both looking at other public companies in the marketplace that actively trade and also at merger and acquisition activity.

Moss Adams used an asset based approach where they looked at the assets on Evergreen's books as of January 31st and removed the liabilities to get to a concluded equity value.

Mr. Swartley explained that invested capital would be the value of the interest bearing debt and the equity of a company. To get to an equity value, interest bearing debt is removed. In most cases, their valuation approaches start by reaching an invested capital or market value of invested capital conclusion and then remove debt to get to an equity number.

Mr. Swartley indicated that these are important considerations to ensure the value provided to the company is the one most applicable to the situation. Their approaches typically get to an equity value. They have tried to show invested capital and they have also tried to show what the net asset value would be looking at the balance sheet and the outcome of assets versus liabilities on the Company's books.

Mr. Swartley went through the value conclusions coming out of the approaches considered from both an invested capital standpoint and also from an equity standpoint. What Moss Adams was finding was that the income approach, which was based off of future projections, was showing some value on an invested capital perspective but depending on the treatment of the surplus note, that would take the equity value down to a zero value or a very minimal level. The other approaches showed either negative results or not meaningful type results which also meant that they were negative, which resulted in a zero to be shown in those columns.



With regard to net asset value, Mr. Swartley noted that, as of January 31, there were roughly \$44 million in assets, including cash, receivables, and long-term investments, and, after subtracting all of Evergreen's liabilities, there was a negative net asset value which would conclude to zero. The detail was shown on slide 15.

13. Financial & Community Impact Analysis

Donna Novak of NovaRest presented to the Board regarding her financial and community impact analysis. Ms. Novak indicated that this is an interesting case because there are more impacts to the community of the transaction not happening than if it does happen, so her report and the analysis addressed the implications if the transaction does not take place. She also indicated they addressed certain Maryland statutory requirements including diseconomies of scale and the impact on operations. NovaRest did not see any diseconomies of scale; that is, they don't see that there would be a less efficient operation if the transaction took place. If the transaction does not take place, there would certainly be reduced competition in Maryland because there would be one less carrier in the marketplace. A number of Evergreen's plans are the lowest cost or among the lowest cost plans available so, if the transaction does not occur, there would be a loss of some of the cost-effective plans in Maryland.

Ms. Novak stated that another impact of the transaction not taking place is that Evergreen's insureds would have to find coverage elsewhere and that would result in them having to move to other physician networks and potentially losing access to their current physician. It would also most likely result in an increase in premiums if Evergreen's insureds were required to go to another carrier. There is also a large impact if the transaction does not occur on employees of Evergreen and on Your Health Networks because of the large percentage of their patients that are Evergreen members. The Board discussed with Ms. Novak additional impacts, including the ways in which Evergreen has been a unique and innovative addition to the Maryland marketplace.

14. Antitrust Analysis

Ms. Porter addressed the antitrust opinion provided by Michael Brockmeyer of Haug Partners, who was not asked to be at the meeting due to the straightforward nature of the analysis and conclusion. Mr. Brockmeyer conducted an analysis of the proposed acquisition by the three investors (JARS, Anne Arundel Health System, and LifeBridge) and his conclusion, after defining the relevant market as commercial health insurance in the State of Maryland, is that the acquisition should produce no adverse effects on competition in any relevant line of commerce in Maryland, and does not raise any issues under, or violate, Maryland or federal antitrust laws. As discussed earlier, none of the acquirers are in the commercial health insurance market.

15. Discussion of the Proposed Transaction

Ms. Tundermann advised the Board that a draft of the stock purchase agreement had been provided to Evergreen by the investors, but a number of the deal term provisions are bracketed and the document does not include any of the exhibits relating to the governance documents among the investors. As a result, a discussion of the terms of the stock purchase agreement is premature. Ms. Tundermann recommended that the Board consider approving the conversion and acquisition based on the business



terms in the amended and restated loan letter and acquisition letter and reserve the right to approve the stock purchase agreement at a meeting to be scheduled at the end of April.

There was a discussion regarding the proposed Board Resolution, including the authorization for management to negotiate the final documents and present them to the Board for approval. The Board agreed there is a need to move forward promptly with the acquisition and discussed the potential timing of the acquirers' announcement of the transaction.

The Board went into Executive Session to discuss and analyze the proposed transaction.

16. Executive Session

The three directors of the Board met in Executive Session and they asked Ms. Tundermann to join them in Executive Session.

17. Approve Conversion and Acquisition

Ms. Tundermann reviewed with the Board the proposed Resolution of the Board of Directors and there was a discussion regarding the resolution. Mr. Pearson moved to approve the Resolution, Ms. Walker seconded and the Board unanimously approved the Resolution.

18. Adjourn

Ms. Walker moved to adjourn, Mr. Pearson seconded and the motion to adjourn was unanimously approved. The meeting was adjourned at 4:07.

EVERGREEN HEALTH, INC.
RESOLUTION OF THE BOARD OF DIRECTORS
APRIL 4, 2017

WHEREAS, Evergreen Health, Inc. (“Evergreen” or “the Company”) is a Maryland non-stock corporation and a nonprofit health entity under Title 6.5 of the State Government Article.

WHEREAS, Evergreen was assessed a risk adjustment charge by CMS for plan year 2015 in the amount of \$24.2 million, which caused the Company to be in an impaired financial condition.

WHEREAS, Evergreen determined that it would need to obtain external financing to meet its minimum financial requirements and to continue to transact business as a health maintenance organization.

WHEREAS, the Maryland Insurance Commissioner (the “Commissioner”) advised Evergreen that it would need to obtain external financing in amounts sufficient to meet its minimum financial requirements in order to continue to transact business and avoid being placed in receivership.

WHEREAS, the Commissioner has determined that Evergreen is in a financially hazardous condition and, therefore, the Company has been directed to cease issuing or renewing individual policies without the approval of the Commissioner.

WHEREAS, Evergreen requires access to funds not available to the Company as a nonprofit entity to meet, and to be able to continue to meet, its obligations to policyholders and other third parties, and to achieve a level of capital and surplus necessary for the Company to continue to operate as a health maintenance organization in Maryland.

WHEREAS, the Board of Directors of Evergreen (the “Board”) determined it is in the best interest of Evergreen, its policyholders and the public for the Company to convert to a for-profit entity and be acquired by acquirers willing to infuse capital into the Company to enable it to meet its existing and future obligations and to support the Company in its future operations as a health maintenance organization.

WHEREAS, Evergreen has pursued financing and negotiated with potential acquirers in an effort to obtain financing necessary to continue its operations as a health maintenance organization.

WHEREAS, Evergreen has determined it is in the best interests of Evergreen, its policyholders and the public to enter into an agreement for the conversion of the Company and acquisition of the Company (the “Acquisition”) by JARS Health Investments, LLC, Anne Arundel Health System, Inc. and LifeBridge Investments, Inc. (collectively, the “Acquirers”).

WHEREAS, the Acquirers desire to acquire Evergreen in order to enable it to carry on its mission to provide high quality and affordable health insurance to all Marylanders, and the Acquirers have agreed to provide Evergreen with the funds necessary to satisfy its ongoing risk based capital (“RBC”) and other operational needs.

WHEREAS, Evergreen has entered into an Amended and Restated Loan Letter (the “Loan Letter”) and Amended and Restated Acquisition Letter (the “Acquisition Letter”). Both the Loan Letter and Acquisition Letter were presented to the Board.

WHEREAS, during the process of deciding to convert to a for-profit entity and negotiate with potential acquirers, Evergreen retained the assistance of consultants, including an investment banker and consultants in the areas of valuation, community impact and antitrust law. A Valuation Summary, a Community Impact Analysis and an Antitrust Opinion were presented to the Board.

WHEREAS, the Board has considered all available information, including the Valuation Summary, Community Impact Analysis and Antitrust Opinion, and information presented by Evergreen’s management and consultants at the April 4, 2017 Board meeting and prior Board meetings and throughout the process of deciding to move forward with a conversion and acquisition and in negotiating the terms of the Acquisition.

WHEREAS, the Acquisition must be approved by the Commissioner pursuant to Title 6.5 of the State Government Article and Title 7 of the Insurance Article.

WHEREAS, the Commissioner may not approve the Acquisition under § 6.5-301(a) of the State Government Article unless the Commissioner finds the Acquisition is in the public interest.

WHEREAS, the Acquisition is not in the public interest under § 6.5-301(b) of the State Government Article unless appropriate steps have been taken to ensure that (i) the value of public or charitable assets is safeguarded; (ii) the value of public or charitable assets is spent in a manner that corresponds with the potential risk associated with the Acquisition; (iii) the fair value of the public or charitable assets will be distributed to the Maryland Health Care Trust; (iv) no part of the public or charitable assets of the Acquisition inure directly or indirectly to an officer or director of Evergreen; and (v) no officer or director of Evergreen receives any immediate or future remuneration as the result of the Acquisition except in the form of compensation paid for continued employment with Acquirers.

WHEREAS, in determining whether the Acquisition is in the public interest under § 6.5-301(e) of the State Government Article, the Commissioner must consider (i) whether Evergreen exercised due diligence in deciding to engage in the Acquisition, selecting the Acquirers and negotiating the terms and conditions of the Acquisition, and whether Evergreen considered the risks of the Acquisition, including whether the Acquisition would result in diseconomies of scale or would violate Federal or State antitrust laws; (ii) the procedures Evergreen used in making the decision, including whether appropriate expert assistance was used; (iii) whether any conflicts of interest were disclosed, including conflicts of interest of board members, executives and experts

retained by Evergreen, Acquirers or any other parties to the Acquisition; (iv) whether Evergreen will receive fair value for its public or charitable assets; (v) whether public or charitable assets are placed at unreasonable risk if the Acquisition is financed in part by Evergreen; (vi) whether the Acquisition has the likelihood of creating a significant adverse effect on the availability or accessibility of health care services in the affected community; (vii) whether the Acquisition includes sufficient safeguards to ensure that the affected community will have continued access to affordable health care; and (viii) whether any management contract under the Acquisition is for fair value.

WHEREAS, § 6.5-301(g) of the State Government Article requires the Commissioner to determine whether a payment by Evergreen, required under the Acquisition agreement if the agreement is broken by Evergreen, is in the public interest.

WHEREAS, in determining whether to approve the acquisition under § 6.5-303 of the State Government Article, the Maryland Insurance Administration shall consider whether the acquisition (i) is equitable to enrollees, insureds, shareholders, and certificate holders, if any, of the transferor; (ii) is in compliance with Title 2, Subtitle 6 of the Corporations and Associations Article; and (iii) ensures that the transferee will possess surplus in an amount sufficient to: 1. comply with the surplus required under law; and 2. provide for the security of the transferee's certificate holders and policyholders.

WHEREAS, Evergreen has taken steps to ensure the Acquisition satisfies the requirements of Title 6.5 of the State Government Article.

WHEREAS, the Acquisition will provide Evergreen the funds necessary to meet ongoing RBC and other solvency requirements, which will be in the best interest of the Maryland public by ensuring the survival of the Company (i) enabling it to continue to provide high quality, affordable health insurance coverage to Marylanders, (ii) providing more competition in the Maryland health insurance marketplace, (iii) providing employment opportunities to Maryland residents, and (iv) allowing Evergreen Health Care providers to continue to provide health care services thereby avoiding a potential reduction in Maryland providers. Evergreen does not have public or charitable assets to be spent or distributed to the Maryland Health Care Trust. The Company has a negative surplus and has been determined by the Commissioner to be in a financially hazardous condition. The funds received through the Acquisition must be retained by the Company to increase its surplus and raise its RBC to legal minimum requirements to avoid receivership. The Company has also obtained a valuation analysis from a valuation expert confirming the Company has a negative net asset value. (State Gov't Article, § 6.5-301(b)(1),(2) & (3)).

WHEREAS, the Acquisition structure does not provide for any part of the public or charitable assets of the Acquisition to inure directly or indirectly to an officer or director of Evergreen, or for any officer or director of Evergreen to receive any immediate or future remuneration as the result of the Acquisition except in the form of compensation paid for continued employment with Evergreen after the Acquisition. Although there are no public or charitable assets, the Acquisition includes no change in salary, no change-of-control or retention bonuses and no other bonuses or terms that could result in any part of the funds received from

the Acquisition inuring directly or indirectly to an officer or director of Evergreen. (State Gov't Article, § 6.5-301(b)(4) & (5))

WHEREAS, Evergreen exercised due diligence in deciding to enter into both the Loan Letter and the Acquisition Letter and to engage in the Acquisition, selecting the Acquirers and negotiating the terms and conditions of the Loan Letter, the Acquisition Letter and the Acquisition. Evergreen sought to engage in an Acquisition on terms that provide funding necessary for the Company to satisfy its RBC requirements and other capital needs. Evergreen retained an investment banker to assist in the process of determining viable acquirers for the Company. Evergreen pursued transactions with other interested acquirers prior to this Acquisition. Management has presented the Board with information demonstrating that management diligently pursued potential sources of funding and management recommends entering into the Acquisition because it will provide Evergreen the funding it requires. The terms of the Acquisition will require the Acquirers to invest funds necessary to provide Evergreen with sufficient liquidity to fund its ongoing RBC needs and other operational needs. Management has also presented the Board with information regarding the Acquirers and demonstrating that the Acquisition with the Acquirers is in the Company's best interests. (State Gov't Article, § 6.5-301(e)(1)(i))

WHEREAS, Evergreen has considered the risks of the Acquisition, including whether the Acquisition would result in diseconomies of scale or would violate federal or State antitrust laws, concluding that the Acquisition is necessary and the benefits far outweigh any risks. Evergreen does not anticipate the Acquisition resulting in diseconomies of scale as explained in the Community Impact Analysis and Evergreen engaged an antitrust expert to ensure that the Acquisition does not violate any federal or state antitrust laws as explained in the Antitrust Opinion. (State Gov't Article, § 6.5-301(e)(2))

WHEREAS, Evergreen engaged appropriate expert witnesses to assist in the Acquisition process, including an investment banker, a valuation expert, a financial and community impact expert, and an antitrust attorney, who produced reports that were presented to, and considered by, the Board. (State Gov't Article, § 6.5-301(e)(1)(ii))

WHEREAS, Evergreen took steps to ensure conflicts of interest were disclosed, including conflicts of interest of Board members, executives and experts retained by Evergreen, the Acquirers and all other parties to the Acquisition. Evergreen confirmed that each expert it retained had no conflict with the Board, Evergreen, Evergreen's executives or the Acquirers, and Evergreen's Board and executives confirmed that no conflicts of interest exist that impact the decision to enter into the Acquisition. (State Gov't Article, § 6.5-301(e)(1)(iii))

WHEREAS, Evergreen determined it will receive fair value for the Company by receipt of funds that will bring the Company's surplus to the level required by law and enable the Company to meet its ongoing RBC and other financial requirements. The funds Evergreen will receive through the Acquisition far exceed the fair value of its public or charitable assets as the Company has no public or charitable assets based on its negative surplus position and information received from its valuation expert. (State Gov't Article, § 6.5-301(e)(1)(iv))

WHEREAS, no public or charitable assets of Evergreen will be placed at unreasonable risk due to the Acquisition being financed in part by Evergreen because the Acquisition will not be financed in part by Evergreen. The Acquisition structure involves surplus notes issued by Evergreen, which may not be repaid without the Commissioner's approval, and upon Evergreen's conversion to a for-profit entity, the issued and outstanding surplus notes shall convert to or be exchanged for stock in the Company. (State Gov't Article, § 6.5-301(e)(1)(v))

WHEREAS, the Acquisition will not have the likelihood of creating a significant adverse effect on the availability or accessibility of health care services in the affected community. Without the Acquisition, Evergreen will cease to provide health insurance in Maryland, which could adversely affect the availability or accessibility of health care services in Maryland by eliminating an insurance carrier from the Maryland health insurance market, reducing available health care plans and potentially reducing the number of providers of health care services. The Community Impact Analysis addresses the potential negative impact on the availability or accessibility of health care services if the Acquisition does not take place. (State Gov't Article, § 6.5-301(e)(1)(vi))

WHEREAS, the Acquisition includes sufficient safeguards to ensure that the affected community will have continued access to affordable health care by funding Evergreen to necessary regulatory levels, and the Acquisition involves no plans to change the manner in which Evergreen operates. The Community Impact Analysis addresses the potential impact on the community. (State Gov't Article, § 6.5-301(e)(1)(vii))

WHEREAS, the Acquisition does not involve management contracts for less than fair value because the Acquisition does not involve any management contracts. (State Gov't Article, § 6.5-301(e)(1)(viii))

WHEREAS, the Acquisition agreement will not include any payment by Evergreen if the agreement is broken by Evergreen. (State Gov't Article, § 6.5-301(g))

WHEREAS, the Acquisition is equitable to Evergreen's enrollees, insureds, and certificate holders because it will allow the Company to continue to provide coverage it would not otherwise be able to provide if the Acquisition were not to take place. The Community Impact Analysis addresses the potential impact of the Acquisition on Evergreen's enrollees, insureds, and certificate holders. (State Gov't Article, § 6.5-303(2)(i))

WHEREAS, the final Acquisition agreement will include a form of Articles of Amendment and Restatement of the Company as a for-profit entity, which the Board will consider and approve in accordance with Title 2, Subtitle 6 of the Corporations and Associations Article. (State Gov't Article, § 6.5-303(2)(ii))

WHEREAS, the Acquisition ensures that the transferee will possess surplus in an amount sufficient to comply with the surplus required by Health-General Article, § 19-710(d) and provide for the security of Evergreen's certificate holders and policyholders. The primary purpose of the Acquisition is to obtain funding to ensure that Evergreen possesses surplus in an amount sufficient to comply with the surplus and RBC required by law and provide for the

security of the Evergreen's certificate holders and policyholders. Management has presented information that the Acquisition will provide the necessary level of funding. (State Gov't Article, § 6.5-303(2)(iii))

WHEREAS, on the basis of the information presented to the Board, the Board has concluded that the Acquisition is in the public interest under Title 6.5 of the State Government Article.

NOW, THEREFORE, BE IT RESOLVED that:

1. The Acquisition is in the best interest of Evergreen, its policyholders, and the public.
2. The Acquisition is necessary for Evergreen to meet its obligations to creditors, policyholders and other third parties, and to be able to continue to operate as a health maintenance organization in Maryland and provide health insurance coverage to Maryland residents.
3. The Acquisition is hereby approved and the appropriate officers and employees of Evergreen are hereby authorized, empowered, and directed to take steps to negotiate the final Acquisition agreement on terms consistent with this Resolution and on terms determined by management to be in the best interests of Evergreen to be presented to the Board for approval.
4. The Loan Letter and the Acquisition Letter the Board previously directed management to negotiate on Evergreen's behalf are hereby confirmed and approved.
5. The appropriate officers and employees of Evergreen are further hereby authorized to take all such other action as may be necessary or appropriate to effect the Acquisition, including, without limitation, negotiating the terms of the final agreement for the Acquisition, directing and assisting in the preparation and submission of an application to the Commissioner to approve the Acquisition under Title 6.5 of the State Government Article and a statement with the Commissioner required by Title 7 of the Insurance Article.


**CERTIFICATION AS TO MINUTES OF MEETING OF THE BOARD OF
DIRECTORS OF**

Evergreen Health, Inc.
(a Maryland non-stock corporation)

I, Mary T. Porter, the duly elected, qualified and acting Secretary of Evergreen Health, Inc. a Maryland non-stock corporation duly organized and existing under the laws of the State of Maryland (the "Corporation"), do hereby certify that attached hereto are the Minutes of the Meeting of the Board of Directors of April 25, 2017, and do hereby further certify that the Minutes were duly adopted by appropriate corporate action of the Board of Directors of the Corporation.

IN WITNESS WHEREOF, I have hereunto set my hand under seal as of this 1st day of May 2017.

(signature on original)



Mary T. Porter, Secretary
Evergreen Health, Inc.

Evergreen Health, Inc.
Board of Directors Meeting
April 25, 2017
10:00 A.M. – 12:00 P.M.

Board Attendees:

Ms. Fran Phillips (Chair) (via phone)
Mr. John Pearson (Vice-Chair) (via phone)
Ms. Carolyn Walker (via phone)

Staff Attendees:

Dr. Peter Beilenson (CEO, President)
Mr. Daniel Reagan Interim CFO, Treasurer)
Ms. Mary Porter (General Counsel, Secretary)
Mr. Elliott Hooper (Sr. Counsel)

Guests

Ren Tundermann, Esq.
Ms. Carol Coughlin
George Nemphos, Esq.
David Florin, Esq.

1. Welcome and Chairman's Remarks

- Ms. Phillips called the meeting to order at 10:07 A.M. and welcomed the directors.

2. Approve Minutes

- The minutes from the April 4, 2017 Board of Directors meeting were presented.
A motion to approve the April 4, 2017 minutes was made by Mr. Pearson, seconded by Ms. Walker and approved unanimously.

3. CEO Report and Financial Updates

REDACTED AS CONFIDENTIAL

4. Discussion of the Stock Purchase Agreement

- Ms. Tundermann summarized the terms and provisions contained in the draft Stock Purchase Agreement to be entered into by the three investors and the Company. Notes and cash will be converted into stock upon closing. 95% will be preferred stock. 5% common stock that goes to JARS in recognition of JARS' longevity and work on deal. The purchase price is



\$22MM. and the terms of the SPA are standard. The SPA has long reps and warranties for the Company and shorter reps and warranties for the buyers. Building out the disclosure schedules on the Company's reps and warranties has taken significant time. The SPA contains standard pre-closing covenants. The conditions to closing are standard as well, including officers' certificates and secretary's certificate. Ms. Tundermann advised that the investors have not yet provided the Company with the Exhibits to the SPA, many of which relate to governance matters among the investors. She suggested that counsel to the investors join the Board call for the purpose of summarizing the governance exhibits. While waiting for the investors' counsel to join the call, Ms. Porter reviewed the steps following signing of the SPA, including the public hearing on June 7. Ms. Phillips may appear to testify along with Dr. Beilenson and Mr. Pearson and Ms. Walker will try to attend.

- Mr. Nemphos, counsel for JARS, and Mr. Florin, counsel for Anne Arundel Health System, then joined the meeting via phone. They advised that the SPA tracked the terms contained in the original Term Sheet as executed. Counsel discussed in greater detail the proposed articles of amendment and restatement and the various governance agreements and answered questions from the directors. Mr. Nemphos and Mr. Florin then left the call.
- The Board then discussed the SPA and asked questions of management and counsel. The directors all agreed there was no need to move to an executive session.
Mr. Pearson moved for approval of the SPA, which was seconded by Ms. Walker and approved unanimously.

5. Next Meeting

- Ms. Porter advised that the minutes of this meeting would be prepared and provided to the Board for approval by Written Consent. She further advised the Board that they would be kept advised of developments and when a future Board meeting will be needed.

6. Adjourn

At 10:55 A.M. Mr. Pearson moved to adjourn the meeting, seconded by Ms. Walker and such was approved unanimously by the Board.

EVERGREEN HEALTH, INC.
RESOLUTION OF THE BOARD OF DIRECTORS
APRIL 25, 2017

WHEREAS, the Board of Directors of Evergreen Health, Inc. (“Evergreen” or “the Company”) met on April 4, 2017 to consider the proposed conversion and acquisition of the Company (“the Acquisition”) by JARS Health Investments, LLC (“JARS”), Anne Arundel Health System, Inc. (“AAHS”) and LifeBridge Investments, Inc.

WHEREAS, at the April 4, 2017 meeting, the Board determined that the Acquisition is in the best interest of Evergreen, its policyholders, and the public, and the Acquisition is necessary for Evergreen to meet its obligations to creditors, policyholders and other third parties, and to be able to continue to operate as a health maintenance organization in Maryland and provide health insurance coverage to Maryland residents.

WHEREAS, at the April 4, 2017 meeting, the Board approved the Acquisition and authorized, empowered, and directed the appropriate officers and employees of Evergreen to take steps to negotiate the final Acquisition agreement.

WHEREAS, as of the April 4, 2017 meeting, the terms of the Acquisition agreement were not sufficiently finalized for the Board to approve execution of the final Acquisition agreement.

WHEREAS, LifeBridge Health, Inc. formed a new entity in its holding company system – LBH Evergreen Holdings, LLC (“LBH”) - to acquire Evergreen.

WHEREAS, the Board has been presented with a proposed Stock Purchase Agreement for the Acquisition of Evergreen by JARS, AAHS and LBH (“the Acquirers”).

WHEREAS, the Stock Purchase Agreement includes the principal terms of the proposed Acquisition of Evergreen with sufficient definitiveness for the Board to approve management to negotiate and execute the final Stock Purchase Agreement.

WHEREAS, the Board continues to believe that the Acquisition is in the best interest of Evergreen, its policyholders, and the public, and is necessary for Evergreen to meet its obligations to creditors, policyholders and other third parties, and to be able to continue to operate as a health maintenance organization in Maryland and provide health insurance coverage to Maryland residents.

NOW, THEREFORE, BE IT RESOLVED that:

1. The Board approves execution of a Stock Purchase Agreement in substantially the form of the Stock Purchase Agreement presented to the Board.
2. The appropriate officers of the Company are authorized to negotiate the final Stock Purchase Agreement and execute the Stock Purchase Agreement on behalf of the Company.