To be executed after voter ratification

ASSET PURCHASE AGREEMENT

BY AND BETWEEN

SOUTHEAST ALASKA REGIONAL HEALTH CONSORTIUM

AND

THE CITY AND BOROUGH OF WRANGELL, ALASKA

_____, 2018

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ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (the "**Agreement**"), is made and entered into as of _____, 2018 (the "**Execution Date**"), by and between the City and Borough of Wrangell, Alaska, a home rule municipality organized under the laws of the State of Alaska ("**Seller**"), and the SouthEast Alaska Regional Health Consortium, a nonprofit corporation organized under the laws of the State of Alaska, and a tribal organization comprised of federally-recognized Alaska Native tribes ("**Buyer**"). Seller and Buyer are individually referred to herein as a "**Party**" and collectively as the "**Parties**."

RECITALS

A. Seller owns and operates the Wrangell Medical Center, located at 310 Bennett Street, Wrangell, Alaska 99929 (the "**Hospital**").

B. The Hospital is licensed to provide a full range of healthcare services as an acute care hospital, including inpatient and outpatient services, emergency care services, rehabilitation services, specialty clinic services, diagnostic imaging services, and nursing home services (the provision of all such services is referred to herein as the "**Business**").

C. Buyer acts for and on behalf of its constituent tribal governments to carry out its core mission of providing federal healthcare services to tribal member beneficiaries. With a board of directors comprised of representatives from each of its constituent tribal governments, Buyer further acts as a tribal consortium under the authority of the Indian Self-Determination and Education Assistance Act ("**ISDEAA**") and its self-governance compact and annual funding agreements. Buyer is entering into this Agreement to further its federal healthcare mission.

D. Seller desires to convey to Buyer and Buyer desires to receive title to certain assets owned and used by Seller in the Business, as more fully set forth herein.

E. Seller desires to convey to Buyer and Buyer desires to receive title to the Wood Campus Real Property (New Hospital Site), as more fully set forth herein.

F. Buyer intends to operate the Hospital in its current location while Buyer constructs a new hospital building on the Wood Campus Real Property (New Hospital Site) where the Buyer will ultimately operate the Business following the completion of such construction.

G. The Parties desire to enter into this Agreement for the purpose of setting forth their mutual rights and obligations with respect to the foregoing.

H. Capitalized terms used but not otherwise defined herein shall have the respective meanings contained in Exhibit A hereto.

NOW, THEREFORE, for and in consideration of the premises and the agreements, covenants, representations, and warranties hereinafter set forth, and other good and valuable consideration, the adequacy of which is acknowledged, the Parties agree as follows:

ARTICLE 1

PURCHASE AND SALE

1.1 Sale of Assets. Subject to the terms and conditions of this Agreement, Seller shall sell, transfer, convey, assign, and deliver to Buyer, and Buyer shall acquire from Seller, free and clear of any and all Encumbrances (other than Permitted Encumbrances, in the case of the Acquired Assets other than the Wood Campus Real Property (New Hospital Site), and Permitted Exceptions, in the case of the Wood Campus Real Property (New Hospital Site)) by appropriate instruments of conveyance reasonably satisfactory to Buyer, the assets, rights, titles, and interests of every kind or nature, whether real, personal or mixed, tangible or intangible, owned, leased, licensed or otherwise held or used by Seller exclusively in the Business (other than the Excluded Assets), and the Wood Campus Real Property (New Hospital Site) (collectively, the "**Acquired Assets**"), including the following items:

(a) All tangible personal property, including all equipment, furniture, fixtures, machinery, vehicles, office furnishings, instruments, leasehold improvements, spare parts, including any of the foregoing that are or may become fixtures, and, to the extent assignable or transferable, all rights in all warranties of any manufacturer or vendor with respect thereto, that is held or used by Seller exclusively in the Business (collectively, the "**Personal Property**"), including the Personal Property described on Schedule 1.1(a);

(b) All leases to which Seller is a party (whether as lessor, lessee, sublessor or sublessee) and all leasehold interests or other contractual rights relating to the Personal Property that are held by Seller exclusively for use in the Business (the "**Personal Property Leases**"), including the Personal Property Leases described on Schedule 1.1(b);

(c) All real property leases to which Seller is a party (whether as lessor, lessee, sublessor or sublessee), and all leasehold interests or other contractual rights, interests, easements, and appurtenances, including all rights in and to any security deposits delivered in connection therewith, that are held by Seller exclusively for use in the Business (the "**Real Property Leases**"), including the Real Property Leases described on Schedule 1.1(c);

(d) Good and marketable title in fee simple absolute to the Wood Campus Real Property (New Hospital Site) described on Schedule 1.1(d) (subject to Section 6.18(c)), and, to the extent permitted by applicable Law, any rights of Seller against third parties under any deeds or other instruments related to the Wood Campus Real Property (New Hospital Site), together with improvements, appurtenances, covenants, easements, and servitudes situated thereon, forming a part thereof or in any manner belonging to or pertaining to such interests of Seller, if any (collectively, the "**Wood Campus Real Property (New Hospital Site**");

(e) Subject to Section 6.2(b), all Contracts and contract rights of Seller relating to the Acquired Assets or the Business, including each Contract set forth on Schedule 1.1(e) (collectively, the "**Assumed Contracts**");

(f) To the extent transferable or assignable and subject to any applicable consent requirements, rights to all Licenses which are held or used by Seller and relate to the

Acquired Assets or the Business, including the Licenses described on Schedule 1.1(f), and all pending Licenses or License applications which relate to the Acquired Assets or the Business;

(g) All computer hardware, software, and data processing equipment held or used by Seller exclusively in the Business or the operation of the Acquired Assets which, in the case of software other than "shrink-wrapped" or "click-wrapped" software, is listed on Schedule 1.1(g), and, to the extent assignable or transferable, all rights in all warranties of any manufacturer or vendor with respect thereto;

(h) All inventories of usable goods and supplies held or used by Seller exclusively in the Business, including pharmaceuticals and medications, food, janitorial supplies, office supplies, forms, consumables, disposables, linens, and medical supplies, existing and wherever located (collectively, the "**Purchased Inventory**");

(i) The deposits, escrows, prepaid expenses or other advance payments, claims for refunds and rights to offset in respect thereof, of Seller relating to the Business which are assumable and usable by Buyer, as listed on Schedule 1.1(i) (collectively, the "**Prepaid Expenses**");

(j) To the extent transferable or assignable and subject to any applicable consent requirements, all documents, books, records, operating and policy manuals, and files owned by Seller, pertaining to or used in connection with the Business or the Acquired Assets, whether in hard copy or other form, including all patient records, medical records, medical staff records, clinical records, financial records, equipment records and medical and administrative libraries, employee-specific personnel files for the Transferred Employees, general staffing data and other operational records that do not contain personal information regarding any current or former employees of Seller who are not Transferred Employees, and purchase and vendor records, existing and wherever located (collectively, the "**Transferred Records**");

(k) All Intellectual Property held or used by Seller exclusively in the Business or the operation of the Acquired Assets, including the name "Wrangell Medical Center," any other names, logos, and symbols used by Seller in connection with the Business or the Acquired Assets, and the items set forth in Schedule 1.1(k); and all goodwill associated with the Business;

(l) All right, title, and interest in the domain names set forth on Schedule 1.1(l), and all telephone and facsimile numbers, e-mail accounts, websites, and social media accounts as currently used by Seller primarily in support of the Business;

(m) All provider numbers (including CCN and NPI numbers) related to any Government Reimbursement Program;

(n) Any insurance proceeds and insurance proceeds receivable (including applicable deductibles, co-payments or self-insured requirements) arising from the Acquired Assets; and

(o) All Claims of Seller (whether choate or inchoate, known or unknown, contingent or otherwise) against third parties relating to the Acquired Assets.

1.2 Excluded Assets. Notwithstanding anything to the contrary set forth herein, Seller is not transferring, conveying or assigning to Buyer, and Buyer is not acquiring from Seller, the following assets, which shall remain the property of Seller after the Closing (the "**Excluded Assets**"):

(a) All cash and cash equivalents (other than the Prepaid Expenses), including investments in marketable securities and certificates of deposit, and the accounts in which those assets are deposited;

(b) All Contracts and contract rights identified on Schedule 1.2(b) (collectively, the "**Excluded Contracts**");

(c) All Accounts Receivable;

(d) All Agency Settlements;

(e) All Employee Benefit Plans of any nature whatsoever applicable to Seller's employees;

(f) The corporate record books, minute books, corporate seals, and tax records of Seller;

(g) All personnel records and other books and records of any kind that Seller is required by applicable Law to retain in its own possession; provided, however, that copies of such books and records shall be provided to Buyer at the Closing, to the extent included among the Transferred Records, unless prohibited by applicable Law;

(h) All Claims of Seller (whether choate or inchoate, known or unknown, contingent or otherwise) against third parties relating to the Excluded Assets;

(i) All claims for refunds of Taxes, if any, and other governmental charges of whatever nature;

(j) All Real Property of Seller, other than the Wood Campus Real Property (New Hospital Site) and the Real Property Leases;

(k) The property and assets specifically described on Schedule 1.2(k);

(l) All rights of Seller under this Agreement or any agreement contemplated hereby; and

(m) All assets and rights of Seller unrelated to the Business.

1.3 Assumption of Liabilities. As of the Effective Time, Buyer shall assume and agree to pay, discharge, and perform according to their terms, the following Liabilities of Seller (collectively, the "**Assumed Liabilities**"):

(a) All Liabilities arising under any Assumed Contracts and the Real Property Leases from and after the Effective Time, to the extent such Liabilities relate solely to Buyer's use or ownership of the Assumed Contracts and the Real Property Leases and operation of the Business;

(b) All Liabilities arising under any Licenses from and after the Effective Time, to the extent such Liabilities relate solely to Buyer's use or ownership of the Acquired Assets and operation of the Business;

(c) Notwithstanding Section 1.4(e) and Section 1.4(f) to the contrary, Liabilities of Seller as of the Effective Time for accrued unused paid time off, whether for vacation, sick pay or otherwise, that are attributable to the Transferred Employees subject to a maximum of 80 hours for each Transferred Employee (collectively, the "**Accrued PTO**"); provided, that Seller shall remain responsible for any Liability arising under Law, policy or contract to pay (i) any Transferred Employee the value of any accrued unused paid time off such employee may have in excess of 80 hours as of the Effective Time (the "**Accrued PTO Cash-Out Amount**"), or (ii) any other employee of Seller for any accrued unused paid time off.

1.4 Excluded Liabilities. Except for the Assumed Liabilities, Buyer shall not assume or become liable for or obligated in any way with respect to, and Seller shall retain and remain solely liable for any obligation to pay, perform, and discharge, all Liabilities of Seller, regardless of when asserted (collectively, the "**Excluded Liabilities**"), including:

(a) Any Liabilities of Seller arising under (i) the Assumed Contracts (to the extent arising on or before the Effective Time) and (ii) the Excluded Contracts;

(b) Any Liabilities of Seller arising from or relating to the Real Property, other than the Wood Campus Real Property (New Hospital Site) and the Real Property Leases;

(c) Any Liabilities of Seller by reason of any failure to comply with the rules and regulations of any Government Reimbursement Program which is attributable to any period of time ending prior to the Effective Time;

(d) Any Liabilities of Seller arising out of or relating to any violation of applicable Law prior to the Effective Time;

(e) any Liabilities of Seller arising out of or relating to any Employee Benefit Plan of any nature whatsoever maintained or contributed to by Seller or its Affiliates for the benefit of its or their employees;

(f) any Liabilities of Seller for any present or former employees, retirees, independent contractors or consultants of Seller, including any Liabilities associated with any claims for wages, compensation or other benefits, bonuses, commissions, paid time off, workers' compensation, severance, retention, termination, damages, statutory penalties, attorneys' fees and costs, or any other payments, to the extent arising out of or relating to the employment, retention or termination of employment or services of such Persons (including any Liabilities associated with Seller's use, or provision of, contract labor) or any other facts, circumstances or conditions existing on or prior to the Effective Time;

(g) Liabilities for Taxes, including (1) any Taxes arising as a result of Seller's operation of the Business or ownership of the Acquired Assets and the Hospital prior to the Effective Time; (2) any Taxes that will arise as a result of the transfer and conveyance of the Acquired Assets pursuant to this Agreement; and (3) any deferred Taxes of any nature; further, it is acknowledged that Buyer shall have no obligation to pay any real and/or personal property Taxes on Eligible Property due as a result of the ownership or operation of the Acquired Assets following the Effective Time;

(h) Liabilities to Government Reimbursement Programs for overpayments and other financial obligations arising from adjustments or reductions in reimbursement attributable to events, transactions, circumstances or conditions occurring or existing prior to the Effective Time;

(i) Any accounts payable of the Business, whether or not reflected on Seller's books as of the Closing Date or arising thereafter from the operation of the Business prior to the Effective Time ("**Accounts Payable**");

(j) The Two-Hundred and Fifty Thousand Dollar ($250,000) outstanding obligation from the Line of Credit Agreement Between the City and Borough of Wrangell and the Wrangell Medical Center signed on October 25, 27, and 28, 2017;

(k) With respect to any retrospective settlement of any cost report for an amount less than such original cost report relating to a period ending prior to the Effective Time, all obligations of Seller now existing or which may hereafter exist with respect to any payment or reimbursement owed by Seller to any Government Reimbursement Program or other payor which is attributable to any period of time ending on or prior to the Effective Time;

(l) The aggregate Accrued PTO Cash-Out Amount;

(m) Seller's expenses relating to this Agreement; and

(n) All professional liability claims or other claims for acts or omissions of Seller.

1.5 Closing; Effective Time.

(a) Unless this Agreement shall have been terminated pursuant to Article 7, and subject to the satisfaction or, when permissible, waiver of the conditions set forth in Article 4 and Article 5, the closing of the transactions contemplated hereby (the "**Closing**") will take place by electronic exchange of Seller's Closing Documents and Buyer's Closing Documents on November 1, 2018, or on such other date or at such other time or place as Buyer and Seller may agree (the "**Closing Date**"). The Closing shall be effective as of 12:01 am Wrangell, Alaska time on the Closing Date (the "**Effective Time**").

(b) At the Closing, Seller shall deliver Seller's Closing Documents to Buyer.

(c) At the Closing, Buyer shall deliver Buyer's Closing Documents to Seller.

1.6 Consideration. Buyer's assumption of the Assumed Liabilities, and Buyer's covenants and agreements set forth herein and in Buyer's Closing Documents, shall constitute the consideration for the sale, transfer, conveyance, and assignment of the Acquired Assets to Buyer pursuant to and in accordance with this Agreement.

ARTICLE 2

REPRESENTATIONS AND WARRANTIES OF SELLER

As a material inducement to Buyer to enter into this Agreement and consummate the transactions contemplated hereby, Seller represents and warrants to Buyer that the statements contained in this Article 2 are correct and complete, except as may be set forth in the Schedules to this Agreement.

2.1 Organization; Power and Authority.

(a) Seller is a home rule municipality validly formed under the laws of the State of Alaska. Seller has the power and authority to own, lease, and operate and hold its properties and to carry on the Business as now conducted.

(b) Seller has full power and authority to execute, deliver, and perform its obligations and covenants contained in this Agreement and Seller's Closing Documents and to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and Seller's Closing Documents by Seller and the consummation of the transactions contemplated hereby and thereby have been duly authorized by all necessary action on the part of Seller. This Agreement constitutes the legal, valid, and binding obligation of Seller, enforceable in accordance with its terms, except to the extent limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally, usury laws or by general equitable principles. Each of Seller's Closing Documents, when duly executed and delivered by Seller and the other parties thereto, will constitute the legal, valid, and binding obligation of Seller enforceable in accordance with its respective terms, except to the extent limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally, usury laws or by general equitable principles.

2.2 No Breach. Neither the execution and delivery of this Agreement and Seller's Closing Documents by Seller nor Seller's consummation or performance of the transactions contemplated hereby or thereby:

(a) will, directly or indirectly (with or without notice, lapse of time or both), conflict with or result in any violation of or constitute a breach or default under any term of (i) the Borough Charter, (ii) any Contract, License or other instrument to which Seller is a party, or by which Seller is bound or to which the Business or any of the Acquired Assets is subject, (iii) any Order which Seller, the Business or any of the Acquired Assets is bound or subject or (iv) applicable Law;

(b) will result in the creation of any Encumbrance upon the Business or any Acquired Asset; and

(c) except as set forth in Schedule 2.2(c), requires any notice to or any permit, authorization, consent or approval of any Governmental Authority or of any other Person, except as may be required to develop and construct the New Hospital and operate the Business at the New Hospital.

2.3 Assets.

(a) Except as set forth in Schedules 1.1(b) and 1.1(c), Seller is the sole and exclusive legal and equitable owner of all right, title and interest in, has good and marketable title in fee simple absolute to, and is in possession of, all Acquired Assets. No Affiliate of Seller or any other Person has any direct or indirect ownership, leasehold or other interest in the Acquired Assets. As of the Closing Date, all of the Acquired Assets will be free and clear of any Encumbrances, except for Permitted Encumbrances, in the case of the Acquired Assets other than the Wood Campus Real Property (New Hospital Site), and Permitted Exceptions, in the case of the Wood Campus Real Property (New Hospital Site).

(b) The Personal Property is delivered on an "as is, where is" basis. Except as set forth on Schedule 2.3(b), all tangible Acquired Assets are located at the Hospital.

2.4 Inventory. To Seller's Knowledge, the items included in the Purchased Inventory (i) are of a quality and quantity useable or saleable in the Ordinary Course of Business and are of a quantity sufficient to enable Buyer and its Affiliates to carry on the Business as currently conducted, (ii) are not in excess of reasonable quantities for anticipated sale or use in the Ordinary Course of Business and carried at amounts which reflect valuations pursuant to Seller's normal inventory valuation policy and in accordance with GAAP, and (iii) do not include any obsolete or defective materials or any inventory items which should be written off or written down for which there is not an adequate reserve calculated in accordance with GAAP.

2.5 No Outstanding Rights. Except with respect to the rights and interests under the Real Property Leases, to the Knowledge of Seller, there are no outstanding rights (including any right of first refusal), interests, options or Contracts giving any Person any current or future right to require Seller or, from and after the Effective Time, Buyer, to sell or transfer to such Person or to any third party any interest in any of the Acquired Assets.

2.6 Personal Property Leases.

(a) Schedule 1.1(b) sets forth an accurate and complete list of all Personal Property Leases. Seller does not have any Liability with respect to any of the Personal Property Leases except as expressly set forth therein.

(b) Schedule 2.6(b) is an accurate and complete list of all equipment leased or subleased by Seller or any of its Affiliates that are held or used by Seller in the Business (the listed equipment being collectively called the "**Leased Equipment**"), including identification of the lease or sublease affecting such Leased Equipment or any interest therein to which Seller or any of its Affiliates now are a party or by which any of such Person's interests in the Leased Equipment is or will be bound. Neither Seller nor any of its Affiliates have entered into a Contract and made a commitment to lease equipment other than as disclosed in Schedule 2.6(b). Seller and/or its Affiliates are in possession of the Leased Equipment and have exclusive use of

the Leased Equipment. Except as set forth on Schedule 2.6(b), none of the Leased Equipment is subject to any licenses, use restrictions, exceptions, reservations, limitations or other impediments which adversely affect the value to the Business of the leasehold interest therein or which interfere with or impair the present and continued use thereof in the Ordinary Course of Business.

2.7 Real Property.

(a) Schedule 1.1(c) sets forth an accurate and complete list of all Real Property Leases, including identification of the lease or sublease to which Seller or any of its Affiliates is a party or by which any of such Person's interests in the Hospital, the Business or the Wood Campus Real Property (New Hospital Site) is bound affecting such real estate or any interest therein, excluding the Hospital Lease. Except as described on Schedule 1.1(c), neither Seller nor any of its Affiliates leases any real property used in conjunction with the Business. Seller has made available to Buyer accurate, correct, and complete copies of all Real Property Leases and all amendments thereto. Neither Seller nor any of its Affiliates have (i) any material Liability with respect to any Real Property Leases except as expressly set forth therein, or (ii) received any notice from any other party to any Real Property Leases of any uncured defaults. Seller and/or each Affiliate is in possession of the real property subject to the Real Property Leases ("**Leased Real Property**").

(b) Schedule 1.1(d) sets forth an accurate and complete list of each parcel currently constituting the Wood Campus Real Property (New Hospital Site), and, with respect to each such parcel, includes its street address, if any. Except for Permitted Exceptions, there are no Contracts relating to or affecting the Wood Campus Real Property (New Hospital Site) that would affect or restrict rights to ownership or use or any interest therein or would adversely impact the development, construction or operation of the New Hospital. Seller is the sole and exclusive legal and equitable owner of all right, title, and interest in and has good and marketable title in fee simple absolute to and is in possession of the Wood Campus Real Property (New Hospital Site), including the improvements, if any, situated thereon and appurtenances thereto, in each case as of the Effective Time, free and clear of all Encumbrances other than Permitted Exceptions.

(c) Neither the whole nor any portion of the Hospital or the Wood Campus Real Property (New Hospital Site) (collectively, "**Real Property**") has been condemned, requisitioned or otherwise taken by any public authority, no notice of any such condemnation, requisition or taking has been given or received by Seller, and no such condemnation, requisition or taking of the Real Property has been threatened in writing.

(d) Except as set forth in Schedule 2.7(d), within the prior year Seller has not given or received from any other Governmental Authority any written notice that the Real Property (other than the Leased Real Property) is not in compliance with all applicable Laws, and Seller has not given or received from any other Governmental Authority any written notice that the buildings, structures, other improvements and fixtures on such Real Property, to the extent that any exist, and the operations of the Business conducted at the Hospital, do not conform to all applicable Laws. To Seller's Knowledge, Seller has all easements and rights reasonably necessary or appropriate to conduct the Business.

(e) None of the utility providers serving the Hospital have threatened Seller in writing with any reduction in service.

(f) Seller does not pay Taxes on the Real Property.

(g) Except for Permitted Exceptions and as set forth in Schedule 2.7(g), the Wood Campus Real Property (New Hospital Site) is vacant, free and clear of all tenancies and right of occupancy, and is not improved with any structures.

2.8 Condition of Hospital. Schedule 2.8 contains a list of reports and notices regarding the condition of the physical plant of the Hospital, true and correct copies of which have been delivered or made available to Buyer. Beyond the information contained in Schedule 2.8, Seller makes no representations or warranties regarding the condition of the physical plant of the Hospital.

2.9 Government Reimbursement Participation; Health Care Law Compliance.

(a) Seller is eligible to receive payment without restriction under Title XVIII of the Social Security Act ("**Medicare**") and is a "**provider**" (as such term is defined in Medicare), with valid and current provider agreements with one or more provider numbers with Government Reimbursement Programs through fiscal intermediaries. To Seller's Knowledge, Seller is in compliance with the conditions of participation for the Government Reimbursement Programs in all material respects. Except as described on Schedule 2.9(a), to Seller's Knowledge, there are no pending or threatened Proceedings or investigations under the Government Reimbursement Programs involving Seller. The cost reports of Seller, as applicable, for the Government Reimbursement Programs referred to above, and for payment and reimbursement of any other cost report settlements, required to be filed with respect to any period ending on or prior to the Effective Time, have been or will be properly and timely filed and are or will be complete and, to Seller's Knowledge, correct in all material respects. To Seller's Knowledge, the cost reports required to be filed by Seller do not claim, and Seller has not received any payment or reimbursement in excess of, the amount provided by law or any applicable agreement, except where excess reimbursement was noted on the cost report. Except as described on Schedule 2.9(a), there are no claims, actions or appeals pending before any commission, board or agency, including any fiscal intermediary or carrier, Governmental Authority or the Administrator of the Centers for Medicare and Medicaid Services, with respect to any Government Reimbursement Program cost reports or claims filed on behalf of Seller referred to above or any disallowances by any commission, board or agency in connection with any such cost reports.

(b) To Seller's Knowledge, neither Seller, nor any partner, member, director, officer or employee of Seller, nor any agent acting on behalf of or for the benefit of any of the foregoing, has directly or indirectly in connection with the business and operations of the Hospital or the Acquired Assets in violation of any applicable Laws: (i) offered or paid any remuneration, in cash or in kind, to, or made any financial arrangements with, any past, present or potential customers, past or present suppliers, patients, medical staff members, contractors or third party payors of Seller; (ii) given or agreed to give, or is aware that there has been made or that there is any agreement to make, any gift or gratuitous payment of any kind, nature or

description (whether in money, property or services) to any customer or potential customer, supplier or potential supplier, contractor, third party payor or any other Person; (iii) made or agreed to make, or is aware that there has been made or that there is any agreement to make, any contribution, payment or gift of funds or property to, or for the private use of, any governmental official, employee or agent where either the contribution, payment or gift or the purpose of such contribution, payment or gift is or was illegal under applicable Laws; (iv) established or maintained any unrecorded fund or asset for any purpose or made any misleading, false or artificial entries on any of its books or records for any reason; or (v) made, or agreed to make, or is aware that there has been made or that there is any agreement to make, any payment to any Person with the intention or understanding that any part of such payment would be used for any purpose other than that described on the documents supporting such payment.

(c) To Seller's Knowledge, neither Seller nor any partner, member, director, officer or employee of Seller is a party to any Contract (including any joint venture or consulting agreement) related to Seller, its Business or the Acquired Assets with any physician, health care facility, hospital, nursing facility, home health agency or other Person who is in a position to make or influence referrals to or otherwise generate business for Seller with respect to the Hospital or the Purchased Assets, to provide services, lease space, lease equipment or engage in any other venture or activity, to the extent that any of the foregoing is prohibited by applicable Laws.

(d) Except as set forth in Schedule 2.9(d), within the prior year the Hospital has met the survey requirements for participation in the Medicare program.

(e) To Seller's Knowledge, Seller is in compliance with the Medicare Fraud and Abuse Amendments of 1977, as amended by the Medicare Patient and Program Protection Act of 1987, federal prohibitions on physician "**self-referrals**" (as such term is defined in the "**Stark Law**"), the Health Insurance Portability and Accountability Act of 1996, the civil monetary penalties law, 42 U.S.C. § 1320a-7a(b), Federal False Claims Act, 42 U.S.C. §§ 3729 – 3733, and Orders.

2.10 No Violation of Law; Licenses.

(a) Except as set forth in Schedule 2.10(a), Seller (i) is not in material violation of any applicable Laws and (ii) has not received any current written notice of any alleged violation or non-compliance with any applicable Laws, in each case with respect to the ownership and operation of the Hospital, the Acquired Assets, and the Business.

(b) Set forth on Schedule 2.10(b) is a true and complete description of all Licenses currently issued or granted by a Governmental Authority and owned or held by or issued to Seller in connection with the Acquired Assets and the Business.

(c) The Hospital is in compliance in all material respects with all Licenses listed in Schedule 2.10(b). There is not now pending nor, to the Knowledge of Seller, threatened in writing any action by or before any Governmental Authority to revoke, cancel, rescind, modify or refuse to renew any of the Licenses, and all of the Licenses are and shall be in good standing now and as of the Closing.

2.11 Legal Proceedings. There are no Proceedings instituted or pending or, to Seller's Knowledge, threatened against Seller that challenge, or may have the effect of preventing, delaying, making illegal or otherwise interfering with, the transactions contemplated hereby, and there are no Orders outstanding or threatened against Seller that challenge, or that may have the effect of preventing, delaying, making illegal or otherwise interfering with, the transactions contemplated hereby. Except as described on Schedule 2.17(b), Seller is not a party to any Proceedings relating to the Business, and Seller and the Acquired Assets are not subject to any Orders. Seller has not received notice of any pending Proceeding by or before any Governmental Authority concerning the Business or to which the Acquired Assets are subject, and, to Seller's Knowledge, there is no basis for any such action. There is no Proceeding that is currently being threatened in writing against Seller or against any employee of the Business in relation to or otherwise involving the Business or the Acquired Assets.

2.12 Material Contracts. Schedule 2.12 lists all Material Contracts. Except as described on Schedule 2.12, each Material Contract (a) has been entered into by Seller in the Ordinary Course of Business and (b) is in full force and effect, and has not been amended or modified except as described on Schedule 2.12. Seller is not currently in breach or default in any material respect, nor has Seller received any written notice that it is in breach or default, with respect to any Material Contract, and to Seller's Knowledge, no other party to any Material Contract is currently in breach or default in any material respect or has any defense, counterclaim or offset right. Seller has not assigned or encumbered any Material Contract in any manner.

2.13 Insurance. Schedule 2.13 sets forth a true and complete list of all insurance policies or self-insurance funds maintained by Seller covering the ownership and operation of the Business and the Acquired Assets, indicating the types of insurance, policy numbers, terms, identity of insurers and amounts and coverages (including applicable deductibles). All of such policies are now and will be until the Closing in full force and effect on an occurrence or claims made basis with no premium arrearages. Such policies of insurance shall not be assigned to Buyer as part of the Acquired Assets and Buyer acknowledges that all of the coverages listed on Schedule 2.13 with respect to the Acquired Assets will cease with respect to events occurring after the Effective Time.

2.14 Environmental Matters. To Seller's Knowledge, and solely with respect to the Wood Campus Real Property (New Hospital Site), Seller is in compliance with all terms and conditions of all Licenses, and is in compliance in all material respects with all other applicable Laws relating to the emission, discharge, release or threatened release of any Hazardous Materials into air, surface water, groundwater or lands ("**Environmental Requirements**"). To Seller's Knowledge, no discharge or release of any Hazardous Material caused by Seller has occurred on the Wood Campus Real Property (New Hospital Site) which violates Environmental Requirements.

2.15 Absence of Certain Changes or Events. Since April 15, 2018, Seller has conducted the Business only in the Ordinary Course of Business and, without limitation, has not taken the following actions with respect to the Business outside of the Ordinary Course of Business:

(a) created or suffered to exist any Encumbrances with respect to any of the Acquired Assets, except for Permitted Encumbrances (or Permitted Exceptions in the case of the Wood Campus Real Property (New Hospital Site));

(b) sold, leased to others, licensed to others, disposed of or otherwise transferred any of the material assets or properties of the Business, except for (i) use or sale of inventory in the Ordinary Course of Business, (ii) sales of old or obsolete equipment that has been replaced with equipment that is functionally equivalent, and (iii) sales of other obsolete equipment;

(c) (i) increased the rate or terms of compensation (including termination and severance pay), commission, bonus or other direct or indirect remuneration (or the rate thereof) payable or to become payable to any of Seller's employees, officers, directors or persons otherwise serving in such capacities, other than regularly scheduled increases in base salary in the Ordinary Course of Business in all material respects; or (ii) except to the extent required under applicable Law, adopted, amended or terminated any Employee Benefit Plan, or entered into any employment, consulting, severance or termination agreement;

(d) waived any rights relating to the Business or arising under or in connection with any of the Acquired Assets, individually or in the aggregate in excess of $50,000;

(e) Except as set forth in Schedule 2.15(e), acquired any assets or properties individually or in the aggregate in excess of $50,000, other than in the Ordinary Course of Business;

(f) entered into any merger, consolidation, recapitalization or other business combination or reorganization;

(g) Except as set forth in Schedule 2.15(g), made any loans, advances or capital contributions to or investments in any Person, other than loans and advances to employees in amounts that do not individually exceed $10,000 or in the aggregate exceed $25,000;

(h) induced any employee receiving annual compensation in excess of $30,000, to leave his or her employment, or acted to otherwise adversely affect the relations with any such employee receiving annual compensation in excess of $30,000;

(i) delayed payment of payables, changed credit practices or done anything to materially and adversely affect the relationship of the Business with any patients or suppliers that is material to the Business;

(j) failed to replenish inventories and supplies in the Ordinary Course of Business, or made any purchase commitment materially in excess of the usual requirements of the Business or at any price materially in excess of the then-current market price or upon terms and conditions more onerous than those usual and customary in the industry or made any material change in its selling, pricing, advertising or personnel practices inconsistent with its prior practice;

(k) Except as set forth in Schedule 2.15(k), made any change in its general pricing practices or policies or any change in its credit or allowance practices or policies other than in the Ordinary Course of Business;

(l) received written notice from any supplier representing during the last fiscal year purchases of $50,000 or more that such supplier has ceased, may cease or will cease to do business with it;

(m) Except as set forth in Schedule 2.15(m), entered into any transaction, agreement, contract or understanding with any Person (other than Buyer) affecting the Business or altered the terms of any transaction, agreement, contract or understanding with any Person (other than Buyer) affecting the Business which involves expenditure in excess of $50,000;

(n) Except as disclosed in the schedules related to Section 2.15, entered into any material transaction resulting in a Liability or expenditure in excess of $50,000, other than in the Ordinary Course of Business;

(o) entered into any material amendment, modification, termination (partial or complete) or granted any material waiver under or given any material consent with respect to any Contract that is required to be disclosed in the Schedules to this Agreement;

(p) made any change in any method of accounting or accounting practice of the Business;

(q) Except as disclosed in the schedules related to Section 2.15, made or deferred any capital expenditure in each case in excess of $50,000 individually and $100,000 in the aggregate; and

(r) except for this Agreement, entered into any oral or written agreement, contract, commitment, arrangement or understanding with respect to any of the matters described in this Section 2.15.

2.16 Employee Benefits Plans. All Employee Benefit Plans maintained by Seller or to which Seller is obligated to contribute or otherwise has an obligation, all of which relate to the Business, are listed on Schedule 2.16 hereto. True and complete copies of all documents relating to such Employee Benefit Plans have been made available to Buyer or, if no Employee Benefit Plan document exists, a description of all material terms of such Employee Benefit Plan is set forth on Schedule 2.16. With respect to the Employee Benefit Plans:

(a) a copy of each such Employee Benefit Plans has been made available to Buyer and/or its agents;

(b) to the Seller's Knowledge, all such Employee Benefit Plans have been maintained, funded and administered in compliance in all material respects with all applicable Laws;

(c) no Employee Benefit Plan is or has within the last three years been subject to the minimum funding requirements of Section 412 or 430 of the Code;

(d) Seller does not have any obligation to contribute, has not partially or completely withdrawn from, and does not have any Liability with respect to any "**multiemployer plan**" within the meaning of Sections 3(37) or 4001(a)(3) of ERISA;

(e) each Employee Benefit Plan intended to qualify under Section 401(a) of the Code is a "**governmental plan**" under Section 414(d) of the Code that is tax-qualified under Section 401(a) of the Code, the related trust is exempt from tax under Section 501(a) of the Code, and to Seller's Knowledge, no facts or circumstances exist that would be reasonably likely to jeopardize the qualification of such Employee Benefit Plan;

(f) with respect to the Employee Benefit Plans, all required contributions have been made or properly accrued on Seller's financial statements; and

(g) Except with respect to accrued but unused vacation and paid time off as set forth in Section 1.3(c) and Section 6.4, the transactions contemplated by this Agreement shall not result in Buyer having any liability with respect to any Employee Benefit Plan.

2.17 Employees.

(a) Schedule 2.17(a) lists the employees of Seller who provide services in connection with the Business, and sets forth for each such individual the following: (i) name; (ii) title or position (including whether full or part time); (iii) current rate of compensation; (iv) any commission, bonus or other incentive-based compensation; (v) date of hire; (vi) status (i.e., exempt or non-exempt from state and federal minimum wage and overtime pay requirements); (vii) a statement of the amount and type(s) of accrued unused paid time off available; (viii) eligibility for, and participation in, Employee Benefit Plans; and (ix) for each Employee on leave of absence, the date upon which leave commenced, and, if known, anticipated return to work date.

(b) Except as described on Schedule 2.17(b), (i) there are no (and for the last three years have been no) collective agreements or bargaining relationships or other contracts or understandings with any labor organization with respect to Seller's employees, (ii) Seller has no Knowledge of any organizational effort presently being made or threatened by or on behalf of any labor union with respect to employees of Seller, and to Seller's Knowledge no such efforts have occurred within the past three years, (iii) there is no worker's compensation liability, experience or matter outside the Ordinary Course of Business, (iv) there are no strikes, slowdowns, work stoppages, material grievances, material unfair labor practices claims or other material employee or labor disputes currently pending or threatened against or involving Seller and none has occurred within the last three years, (v) to Seller's Knowledge, Seller has not engaged in any unfair labor practices within the meaning of the National Labor Relations Act at any time in the last three years, (vi) during the three year period preceding the Closing Date, Seller has not implemented any layoffs of employees that resulted in 25 or more employees being laid off within any 90-day period, (vii) there are (and for the last three years have been) no pending or threatened in writing complaints or charges before any Governmental Authority regarding employment discrimination, safety or other employment-related charges or complaints, wage and hour claims, unemployment compensation claims, worker's compensation claims or the like involving any current or former employee of Seller, (viii) Seller is, and for the last three

years has been, in material compliance with all applicable Laws and Contracts respecting employment and employment practices, labor relations, terms and conditions of employment and wages and hours with respect to Seller's operation of the Business, and (ix) to Seller's Knowledge, Buyer and Seller will not be subject to any claim or liability for severance pay as a result of the consummation of the transactions contemplated by this Agreement.

2.18 Financial Information.

(a) Schedule 2.18 hereto contains the following financial statements and financial information (collectively, the "**Financial Statements**"): (i) audited statements of net position, revenues, expenses, and changes in net position, and cash flows of Seller relating to the Business as of and for the twelve-month periods ended June 30, 2017, and June 30, 2016; (ii) the unaudited statements of net position, revenues, expenses, and changes in net position, and cash flows of Seller relating to the Business as of and for the twelve-month period ended June 30, 2018; and (iii) the unaudited statements of net position, revenues, expenses, and changes in net position, and cash flows of Seller relating to the Business as of and for the two months ended August 31, 2018 (the "**Interim Financial Statements**").

(b) The Financial Statements are correct and complete in all material respects, have been prepared in accordance with GAAP, applied on a consistent basis throughout the periods indicated (provided that the Interim Financial Statements lack footnotes) and fairly present the financial condition and results of operations and cash flows of Seller relating to the Business as of the respective dates thereof and for the periods referred to therein, all in accordance with GAAP.

(c) The books and records of Seller relating to the Business are and have been prepared and maintained in form and substance in accordance with GAAP, applied consistently with the principles, practices, methodologies and policies used in the preparation of the Financial Statements, to fairly and accurately reflect in all material respects all of the assets and Liabilities of Seller relating to the Business and all Contracts and transactions to which Seller is or was a party (with respect to the Business) or by which Seller or the Business are or were affected.

(d) Except for (i) Liabilities that are disclosed in this Agreement, (ii) Liabilities set forth on the Financial Statements, (iii) Liabilities arising from this Agreement and Seller's Closing Documents, (iv) Liabilities which do not meet the applicable thresholds set forth in Section 2.15 for certain changes or events since April 15, 2018, and (v) Liabilities that have arisen since the date of the Interim Finance Statements in the Ordinary Course of Business (none of which relates to a breach of Contract, breach of warranty, tort, or violation of Law), to Seller's Knowledge there are no Liabilities of any nature of Seller relating to the Business or the Acquired Assets.

2.19 Intellectual Property.

(a) To Seller's Knowledge, there is no unauthorized use, disclosure, infringement or misappropriation of any intellectual property rights of Seller, any trade secret of Seller, or any intellectual property right of any third party to the extent licensed by or through Seller, including any employee or former employee of Seller, relating in any way to any of the

Acquired Assets. To Seller's Knowledge, there are no royalties, fees or other payments payable by Seller to any Person by reason of the ownership, use, sale or disposition of intellectual property related to any of the Acquired Assets except as set forth in the Contracts.

(b) Seller has no patents, registered trademarks, registered service marks or registered copyrights related to any of the Acquired Assets, and to Seller's Knowledge, Seller is not infringing upon any patents, trademarks, service marks, copyrights or in violation of any trade secret or other proprietary right of any third party related to any of the Acquired Assets. Seller has not brought any Proceeding against any third party for infringement of intellectual property or breach of any license or Contract involving intellectual property related to any of the Acquired Assets.

2.20 Fees and Commissions. Seller has no Liability to pay any fees or commissions to any broker, finder, or agent with respect to the transactions contemplated by this Agreement.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller that the statements contained in this Article 3 are correct and complete:

3.1 Organization, Corporate Power and Authority.

(a) Buyer is a nonprofit corporation organized under the laws of the State of Alaska, and a tribal organization comprised of federally-recognized Alaska Native tribes, duly organized, validly existing, and in good standing under the laws of the State of Alaska.

(b) (i) Buyer has full power and authority to execute, deliver, and perform the obligations and covenants contained in this Agreement and Buyer's Closing Documents and to carry out the transactions contemplated hereby and thereby.

(ii) The execution and delivery of this Agreement and Buyer's Closing Documents by Buyer and the consummation of the transactions contemplated hereby and thereby, including the limited waiver of sovereign immunity, have been duly authorized by all necessary action on the part of Buyer. No other action by Buyer or any other Person is required for the limited waiver of sovereign immunity to be effective and enforceable.

(iii) This Agreement constitutes the legal, valid, and binding obligation of Buyer, enforceable in accordance with its terms, except to the extent limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally, usury laws or by general equitable principles. Each of Buyer's Closing Documents, when duly executed and delivered by Buyer and the other parties thereto, will constitute the legal, valid and binding obligation of Buyer enforceable in accordance with its respective terms, except to the extent limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally, usury laws or by general equitable principles.

3.2 No Breach. Neither the execution and delivery of this Agreement or Buyer's Closing Documents by Buyer nor the consummation or performance of the transactions contemplated hereby or thereby will, directly or indirectly (with or without notice, lapse of time, or both), conflict with or result in any violation of or constitute a breach or default under any term of (i) the governance documents of Buyer, (ii) any Order to which Buyer is subject or (iii) applicable Law; and, except as may be required to develop and construct the New Hospital and operate the Business at the New Hospital, do not require any notice to or any permit, authorization, consent or approval of any Governmental Authority or of any other Person.

3.3 Legal Proceedings. There are no Proceedings instituted, pending or threatened against Buyer that challenge, or may have the effect of preventing, delaying, making illegal or otherwise interfering with, the transactions contemplated hereby, and there are no Orders outstanding or threatened against Buyer that challenge, or that may have the effect of preventing, delaying, making illegal or otherwise interfering with, the transactions contemplated hereby.

ARTICLE 4

CONDITIONS TO THE OBLIGATIONS OF BUYER

The obligations of Buyer to consummate the purchase of the Acquired Assets and the other transactions contemplated by this Agreement are subject to the satisfaction, or Buyer's waiver, on or before the Closing Date, of the following conditions:

4.1 Representations and Warranties. The representations and warranties set forth in Article 2 that are not qualified by materiality shall be true and correct in all material respects at and as of the Closing Date, and the representations and warranties set forth in Article 2 that are qualified by materiality shall be true and correct in all respects at and as of the Closing Date.

4.2 Covenants. Seller shall have performed and complied with all of its covenants (other than those to be performed or complied with after the Closing) in all material respects hereunder through the Closing Date.

4.3 No Action or Proceeding. No Order restraining, enjoining or otherwise preventing or delaying the consummation of the transactions contemplated by this Agreement shall be outstanding, and no Proceedings by or before, or otherwise involving, any Governmental Authority shall be threatened or pending against Seller or Buyer which seek to enjoin or prevent the consummation of, or which seek damages in connection with, the transactions contemplated under this Agreement.

4.4 Licenses. Buyer shall have been issue or received approval or assurance of approval of the transfer of, the Licenses necessary to enable Buyer to own, occupy and lease (as applicable) the Acquired Assets and operate the Business set forth on Schedule 4.4.

4.5 Third Party Consents. All consents to assignment required to transfer, convey, and assign the Acquired Assets listed on Schedule 4.5 have been obtained, and the Parties agree to work cooperatively to obtain any additional consents to assignment for other Acquired Assets that are not listed on Schedule 4.5.

4.6 **Title Policy**. The Title Company is unconditionally prepared to issue an owner's extended coverage title insurance policy in the amount designated by Buyer, with such endorsements as Buyer reasonably requests, with respect to the Wood Campus Real Property (New Hospital Site) containing no exceptions other than the Permitted Exceptions.

4.7 **Seller's Closing Deliverables**. Buyer shall have received executed copies of the following documents (the "**Seller's Closing Documents**"):

(a) Bill of Sale and Assignment – Personal Property and Intangible Assets. A bill of sale and assignment, substantially in the form attached hereto as Exhibit B, executed by Seller conveying to Buyer good and marketable title to the Personal Property which is part of the Acquired Assets and good and marketable title to all intangible assets which are a part of the Acquired Assets, free and clear of all Encumbrances (other than Permitted Encumbrances).

(b) Bill of Sale – Real Property. A bill of sale and assignment, substantially in the form attached hereto as Exhibit C, executed by Seller conveying to Buyer good and marketable title to all personal property owned by Seller and used in connection with the Real Property Leases, free and clear of all Encumbrances (other than Permitted Encumbrances).

(c) Assignment and Assumption Agreements. An Assignment and assumption agreement, substantially in the form attached hereto as Exhibit D executed and acknowledged by Seller: (i) conveying to Buyer all of Seller's right, title, and interest in, to and under the Assumed Contracts and, by one or more separate instruments, the Real Property Leases and Licenses, and (ii) pursuant to which Buyer shall assume the future payment and performance of the Assumed Liabilities.

(d) Certificates. A certificate executed by Seller and dated as of the Closing Date and reasonably satisfactory in form and substance to Buyer certifying as to the satisfaction of the conditions set forth in Sections 4.1 – 4.3 and Section 4.5.

(e) Seller's Certificate. A certificate of the Seller dated as of the Closing Date and certifying: (i) that attached thereto is a true and complete copy of all ordinances and/or resolutions adopted by Seller authorizing the execution, delivery, and performance of this Agreement and all transactions contemplated by this Agreement and that all such ordinances and/or resolutions are in full force and effect and are all the ordinances and/or resolutions adopted in connection with the transactions contemplated by this Agreement; (ii) to the adoption by Seller of a limited waiver of discretionary immunity as set forth in AS 09.65.070(d)(2) relating to the enforcement of this Agreement and the Hospital Lease by Buyer and the Buyer Indemnified Parties against Seller; and (iii) to the incumbency and specimen signature of the Mayor executing this Agreement or the other documents to be delivered by Seller pursuant to this Agreement, and a certification by Seller as to the incumbency and signature of the Mayor signing the certificate referred to in this Section 4.7(e).

(f) Deeds. (i) Subject only to the Permitted Exceptions, limited warranty deeds, duly executed and acknowledged by Seller in recordable form, conveying to Buyer good and marketable fee simple title to the Wood Campus Real Property (New Hospital Site); and (ii) an instrument in the form attached hereto as Exhibit E terminating the reversionary interest set

forth in that certain deed which transferred title to the AICS Property from Seller to Buyer and imposing a restrictive covenant in lieu thereof, duly executed and acknowledged by Seller in recordable form (the "**Deed Amendment**").

(g) Real Property Transfers. Such documents as the Title Company reasonably and customarily requires in connection with the issuance of an extended title insurance policy, including Seller's authority documents, a standard title insurance agreement or affidavit necessary to cause the Title Company to delete all standard printed title exceptions from the Title Policy certifying, among other things, as to the absence of and providing for indemnity by Seller from mechanic's and materialmen's liens, tenants and parties in possession.

(h) Lease. A lease agreement, substantially in the form attached hereto as Exhibit F, executed by Seller, relating to the Hospital (the "**Hospital Lease**"), together with the license referenced in Section 1.3 of the Hospital Lease, to the extent applicable.

(i) Accrued PTO for Transferred Employees. A schedule listing the number of hours of Accrued PTO and the PTO Accrual Rates for each Transferred Employee as of the Closing Date.

(j) Other Documents. Such other instruments and documents as Buyer reasonably deems necessary to effect the transactions contemplated hereby.

4.8 No Waiver. Notwithstanding anything to the contrary set forth herein, if any of the conditions set forth in Article 4 have not been satisfied, Buyer shall have the right to proceed with the transactions contemplated hereby without waiving any of its rights hereunder.

ARTICLE 5

CONDITIONS TO THE OBLIGATIONS OF SELLER

The obligations of Seller to consummate the sale of the Acquired Assets and the other transactions contemplated by this Agreement are subject to the satisfaction, or Seller's waiver, on or before the Closing Date, of the following conditions:

5.1 Representations and Warranties. The representations and warranties set forth in Article 3 that are not qualified by materiality shall be true and correct in all material respects at and as of the Closing Date, and the representations and warranties set forth in Article 3 that are qualified by materiality shall be true and correct in all respects at and as of the Closing Date.

5.2 Covenants. Buyer shall have performed and complied with all of its covenants (other than those to be performed or complied with after the Closing) in all material respects hereunder through the Closing Date.

5.3 No Action or Proceeding. No Order restraining, enjoining or otherwise preventing or delaying the consummation of the transactions contemplated by this Agreement shall be outstanding, and no Proceeding by or before, or otherwise involving, any Governmental Authority shall be threatened or pending against Seller or Buyer which seek to enjoin or prevent

the consummation of the transactions contemplated under, or which seek material damages in connection with, the transactions contemplated under this Agreement.

5.4 Voter Approval. The ordinance regarding the transactions provided for in this Agreement that shall have been presented to the voters at the October 2, 2018 regular election in accordance with Section 5-14 of the Borough Charter and shall have been ratified by an affirmative vote of the majority of qualified voters who vote on the question.

5.5 Buyer's Closing Deliverables. Seller shall have received executed copies of the following documents (the "**Buyer's Closing Documents**"):

(a) Assignment and Assumption Agreement. The Assignment and Assumption Agreement executed by Buyer, pursuant to which Buyer shall assume the future payment and performance of the Assumed Liabilities.

(b) Certificates. A certificate executed by Buyer, dated as of the Closing Date and reasonably satisfactory in form and substance to Seller certifying as to the satisfaction of the conditions set forth in Sections 5.1 – 5.3.

(c) Board Resolution. A resolution from Buyer's Board of Directors authorizing the execution, delivery, and performance of this Agreement and all transactions contemplated by this Agreement, including a statement that the Board has considered and approves the waiver of sovereign immunity set forth in the Agreement, in the Hospital Lease, the Returned Asset Deed, and in the Deed Amendment, on the terms set forth in the Agreement, in the Hospital Lease, the Returned Asset Deed, and in the Deed Amendment, and that no other approvals are necessary except as may be required in the future relating to the development, construction, and operation of the New Hospital, and that all such resolutions are in full force and effect and are all the resolutions adopted in connection with the transactions contemplated by this Agreement.

(d) Secretary's Certificate. A certificate of the Secretary of Buyer dated as of the Closing Date and certifying: (i) that attached thereto is a true and complete copy of all resolutions referenced in Section 5.5(c); and (ii) to the incumbency and specimen signature of each officer of Buyer executing this Agreement or the other documents to be delivered by Buyer pursuant to this Agreement, and a certification by another officer of Buyer as to the incumbency and signature of the officer signing the certificate referred to in this Section 5.5(d).

(e) Lease. The Hospital Lease, duly executed by Buyer.

(f) AICS Charter. The AICS charter amended in the manner described in Section 6.17 of this Agreement.

(g) Deed Amendment. The Deed Amendment, duly executed and acknowledged by Buyer.

5.6 Waiver. Notwithstanding anything to the contrary set forth herein, if any of the conditions set forth in Article 5 have not been satisfied, Seller shall have the right to proceed with the transactions contemplated hereby without waiving any of its rights hereunder.

ARTICLE 6

COVENANTS AND AGREEMENTS

6.1 Conduct of the Seller. Between the Execution Date and the Closing Date, Seller agrees that, except as expressly contemplated by this Agreement, as required by any applicable Laws or to the extent that Buyer shall otherwise consent in writing, which consent shall not be unreasonably withheld, conditioned or delayed:

(a) Seller shall carry on the Business in the Ordinary Course of Business in all material respects, in substantially the same manner as heretofore conducted;

(b) other than as may be required by or in conformance with applicable Laws in order to permit or facilitate the consummation of the transactions contemplated hereby, Seller shall not sell, encumber or otherwise dispose of, or agree to sell, encumber or otherwise dispose of, any of its material assets other than in the Ordinary Course of Business;

(c) other than as required by an existing Contract as in effect on the date hereof and other than in the Ordinary Course of Business, Seller shall not (i) increase the amount of cash compensation or severance pay of any officer, (ii) make any material increase in, or commitment to increase materially, any employee benefits, or (iii) adopt or make any commitment to adopt any material new Employee Benefit Plan or make any material contribution, other than regularly scheduled contributions, to any Employee Benefit Plan;

(d) Seller shall continue in full force and effect the existing insurance policies and coverage related to the Acquired Assets and the Hospital.

6.2 Access to Acquired Assets; Contracts.

(a) Between the Execution Date and the Closing Date, Seller shall afford to the authorized representatives and agents of Buyer reasonable access to and the right to inspect the plants, properties, books, and records of Seller relating to the Business and the Acquired Assets, and will furnish Buyer with such additional financial and operating data and other information as to the Business and the Acquired Assets as Buyer may from time to time reasonably request. Buyer's right of access and inspection shall be made in such a manner as not to interfere unreasonably with the operation of the Business or Seller's use of the Acquired Assets. Buyer may not conduct any borings, drilling or other non-destructive testing without first requesting and obtaining Seller's prior written consent, which shall not be unreasonably withheld. Buyer will defend, indemnify and hold Seller harmless from any and all Liability for property damage and/or personal injuries arising out of or related in any way to the activities of Buyer or its representatives and agents in their conduct of any such inspections and tests. Notwithstanding the foregoing, neither Buyer nor any of Buyer's agents or representatives shall contact or otherwise communicate with any employees, vendors or suppliers of Seller in connection with or regarding the transactions contemplated hereby, except to the extent approved in writing by Seller.

(b) This Agreement shall not constitute an agreement to assign any Acquired Asset or assume any Assumed Liability if the attempted assignment or assumption thereof,

without consent of a third party thereto, would constitute a breach or default under any Contract, lease or commitment or would in any way adversely affect the rights, or increase the obligations, of Buyer or Seller with respect thereto. Except as otherwise agreed to by the Parties, Buyer and Seller shall cooperate in good faith (but without the requirement of any payment of money by Seller or Buyer) to obtain any consent of a third party necessary for the assignment of any Acquired Asset to Buyer or the assumption by Buyer of any Assumed Liability. With respect to any Acquired Asset, if Seller fails to obtain the consent necessary for the assignment of such Acquired Asset prior to Closing, then Seller and Buyer will cooperate in an arrangement, at no cost to Seller, under which Buyer would obtain the benefits and assume the obligations thereunder in accordance with this Agreement, (including sublease, agency, pass through, indemnity or payment arrangement) as reasonably necessary to provide Buyer with the benefits of such Acquired Asset. With respect to any Assumed Liability for which consent to assignment is not obtained, Buyer agrees to cooperate with Seller to the extent reasonably necessary to relieve Seller from the obligations of such Assumed Liability.

6.3 No Shop. Except for the sale of inventory and other assets in the Ordinary Course of Business or as required by applicable Law, from the date hereof through the date of consummation or earlier termination of this Agreement, Seller shall not, and shall not permit any Affiliate, employee, agent or representative of Seller to, directly or indirectly, (i) offer for sale or solicit offers to buy the Business or any part of the Acquired Assets, (ii) hold discussions or negotiate with, or provide information to, any Person (other than Buyer) with a view towards such an offer or solicitation or with a view towards a sale of any interest in or a merger or consolidation of any entity owning the Acquired Assets, or (iii) enter into any Contract with any such Person relating to the sale or other disposition of the Business or any part of the Acquired Assets.

6.4 Employees.

(a) Except in the event of a Catastrophic Material Casualty or Material Condemnation that materially affects the operation of the Hospital before the Closing Date, Buyer shall offer employment (conditioned upon and effective as of the Closing Date) to all employees of Seller listed on Schedule 6.4(a) who are employed in good standing by Seller as of the Effective Time, including any such employees who are on leave as of the Effective Time, provided that the approximate leave end-date is known and does not extend more than 12 weeks beyond the Closing Date except as otherwise required by Law. The employment offered to any such employee will be contingent upon verification of the employee's eligibility to work in the United States and the employee's satisfaction of Buyer's pre-employment drug testing, abuse screening required by the Indian Health Service, and any other reasonable requirements and criteria for the employment position offered to the employee consistent with Buyer's standard hiring practices. The employment offered will also be contingent upon the employee's consent to the transfer of the employee's personnel records from Seller to Buyer and to the transfer of up to 80 hours of the employee's Accrued PTO from Seller to Buyer, with the Accrued PTO Cash-Out Amount paid to each such Transferred Employee entitled thereto by or on behalf of Seller on the Closing Date, and the employee's waiver of any claim to notice, or severance pay or benefits, from Seller (or Buyer) in connection with the termination of employee's employment with Seller and acceptance of employment with Buyer. The base compensation offered to any such employee will be at least as favorable as the base compensation provided to the employee by

Seller immediately preceding the Effective Time, and such base compensation rates (for those who accept employment) will not be reduced for at least twelve months following the Closing Date. The only employees of Seller who are on leave as of the Execution Date are identified on Schedule 2.17(a). For purposes of this Agreement, employees who are offered, accept, satisfy Buyer's requirements for, and commence, employment with Buyer shall be referred to herein as the "**Transferred Employees.**" Buyer will continue to employ each Transferred Employee (who does not resign from employment with Buyer) for at least one year following the Closing Date, provided that: (a) Buyer may terminate any such employee's employment at any time for any reason related to the employee's performance, conduct or qualifications, consistent with applicable Law; and (b) Buyer is not compelled to engage in a general layoff of Transferred Employees due to a Catastrophic Material Casualty or a Force Majeure event that materially affects the operation of the Hospital. Notwithstanding any other provision of this Agreement, if Buyer exercises its discretion under this subsection to not hire a current employee of Seller or to terminate the employment of any Transferred Employee, Buyer will not seek indemnification from Seller for any liability Buyer incurs as a result of Buyer's decision not to hire, or to terminate, the employment of such employee.

(b) From and after the Effective Time, Buyer shall provide (or cause to be provided) all Transferred Employees with employee benefits and employee benefit plans and programs substantially comparable to the benefits and employee benefit plans and programs provided to similarly situated employees of Buyer. For purposes of eligibility to participate in and vesting of benefits under all such Employee Benefit Plans and programs (and for purposes of the rate of accrual of paid time off (the "**PTO Accrual Rate**"), pursuant to the applicable policies of Buyer), each Transferred Employee shall be credited with all of his or her service with Seller. Buyer agrees that if the PTO Accrual Rate for any Transferred Employee is, as of the Closing Date, (i) greater under Seller's paid time off policy than under Buyer's paid time off policy, the higher PTO Accrual Rate will apply to the Transferred Employee until the Transferred Employee's PTO Accrual Rate under Buyer's paid time off policy (with credit for years of service with Seller prior to the Closing Date) exceeds the PTO Accrual Rate under the Seller's policy as of the Closing Date; and (ii) less under Seller's paid time off policy than under Buyer's paid time off policy, the higher PTO Accrual Rate will apply to the Transferred Employee and, during the twelve months after the Closing, shall not be reduced for any such Transferred Employee who continues to be employed by Buyer; provided, that if Buyer reduces the PTO Accrual Rate for all similarly situated employees of Buyer to a rate that is less than the PTO Accrual Rate for such Transferred Employees, then the Transferred Employees shall become subject to that modified PTO Accrual Rate. Notwithstanding the foregoing provisions addressing PTO Accrual Rates, nothing in this Section 6.4(b) or elsewhere in this Agreement requires Buyer to adopt any other aspects of Seller's paid time off policies (including any requirement to carry-over or cash out any unused accrued paid time off from year-to-year or upon termination of employment) or otherwise limits Buyer in the adoption or modification of its paid time off policies as applied to the Transferred Employees. Notwithstanding any other provision of this Agreement, Buyer will not seek indemnification from Seller for any claim by any Transferred Employee that the PTO benefits provided under this subsection are in any way insufficient, provided that the claim is not attributable in whole or in part to Seller's failure to provide accurate and complete information to Buyer with regard to any Transferred Employee's PTO Accrual Rate or Accrued PTO balance of the Closing Date.

(c) Except for annual scheduled merit or bonus increases for those management employees identified on Schedule 6.4(c), Seller shall not increase the compensation or benefits of any management employees listed on Schedule 6.4(c) from the Execution Date through the Effective Time.

(d) Effective as of Closing Date, Buyer shall (i) credit each Transferred Employee with his or her Accrued PTO up to the 80-hour maximum, (ii) make such Accrued PTO available for use as of the Effective Time by the Transferred Employees in accordance with Buyer's applicable policies (i.e., Buyer will honor the amount of Accrued PTO applicable to each employee individually (up to an 80-hour maximum), but will determine in its sole discretion the allocation of such time as vacation, sick pay, or universal paid time off) and (iii) provide such Accrued PTO in addition to, and not in lieu of, any paid time off accrued for service from and after the Closing under Buyer's paid leave policies. On the Closing Date, Seller will pay or cause to be paid to each Transferred Employee his or her Accrued PTO Cash-Out Amount.

(e) Notwithstanding any other provision of this Agreement to the contrary, (i) Seller or a Seller Affiliate shall retain sponsorship of each Employee Benefit Plan, program, or arrangement sponsored by Seller or any Seller Affiliate, (ii) Buyer shall not be entitled to any asset of (or associated with), or assume or be liable for any obligation of, any Employee Benefit Plan (or associated contract) or other such Employee Benefit Plan, program, or arrangement sponsored by Seller or any Seller Affiliate, and (iii) no Employee Benefit Plan (or associated contract) or other such Employee Benefit Plan, program, or arrangement, nor any Social Security Act Section 218 Agreement, sponsored by Seller or any Seller Affiliate shall be considered to be an "Acquired Asset," an "Assumed Contract" or an "Assumed Liability" for purposes of this Agreement.

(f) Seller or a Seller Affiliate shall provide continuation coverage, to the extent it is required to do so under COBRA, (i) to all former employees of Seller (and its Affiliates) who incur COBRA "**qualifying events**" (as such term is defined in COBRA) prior to the Effective Time (and their covered dependents) and (ii) to all employees who do not become Transferred Employees (and their covered dependents). Buyer shall be responsible and liable for (and Seller shall not be so responsible or liable for) providing COBRA continuation coverage to all Transferred Employees and their dependents who experience a qualifying event with respect to their coverage under a health plan sponsored by Buyer after the Effective Time.

(g) Buyer shall employ and retain for such period of time following the Closing Date such number of Transferred Employees as shall be necessary to avoid any potential liability by Seller for a violation of the Workers Adjustment and Retraining Notification Act, 29 U.S. Stat. § 2101 et seq. (the "**WARN Act**"), attendant to Seller's (or Seller Affiliate's) failure to notify such Transferred Employees of a "**mass layoff**" or "**plant closing**" (as such terms are defined in the WARN Act). Buyer shall be liable and responsible for any notification required under the WARN Act (or under any similar state or local Laws) and Buyer shall defend, indemnify and hold Seller and its Affiliates harmless from and against any liability asserted against Seller or any Seller affiliate under the WARN Act as a result of Buyer's failure to comply with the provisions of the WARN Act as of or after the Closing Date or Buyer's failure to comply with the provisions of this Section 6.4(g).

(h) At the Closing, Seller shall deliver to Buyer copies of all personnel records of the Transferred Employees. Seller shall coordinate with Buyer promptly after the Execution Date to provide Buyer reasonable access to employees of Seller and its Affiliates and shall provide to Buyer employee data and information in each case to complete the documentation necessary to enroll Transferred Employees in the employee benefit plans to be provided to Transferred Employees by Buyer and its Affiliates from and after the Effective Time and to determine and generate the employment offers contemplated by Section 6.4(a).

(i) Buyer acknowledges that in order for Seller to complete cost reports and financial audits and wind up the activities of Seller's operation of the Business for pre-Closing time periods (the "**Wind Up Activities**"), the services of certain Transferred Employees will be required. Accordingly, Buyer agrees to allow certain Transferred Employees who are identified by Seller, with the consent of Buyer (not to be unreasonably withheld), to provide such Wind Up Activities on behalf of Seller up to an aggregate of one hundred and fifty (150) hours for a period of nine (9) months following the Effective Time, and beyond nine (9) months following the Effective Time, the Parties will work together on a mutually agreeable solution to address remaining Wind Up Activities such as audits and other matters that may arise related to Seller's operation of the Business prior to Closing.

6.5 Disclosure; Cooperation.

(a) At any time from the date of this Agreement to the Closing Date, each Party shall give prompt Notice to the other of (i) the occurrence, or failure to occur, of any event that has caused any representation or warranty of such Party contained in this Agreement to be untrue in any material respect and (ii) any failure of such Party to comply with or satisfy, in any material respect, any covenant, condition or agreement to be complied with or satisfied by it under this Agreement. Such Notice shall provide a reasonably detailed description of the relevant circumstances.

(b) The Parties shall reasonably cooperate with each other and with their respective representatives in connection with any steps required to be taken as part of their respective obligations under this Agreement, and shall (i) furnish upon written request to each other such further information, (ii) execute and deliver to each other such other documents, (iii) take all reasonable steps to assist Buyer to obtain, as promptly as practicable, all Licenses of any Governmental Authorities required to consummate the transactions contemplated by this Agreement, (iv) cooperate and provide reasonable assistance during any payroll transition, and (iv) do such other acts and things, all as the other Party may reasonably request, for the purpose of carrying out the intent of this Agreement and the contemplated transactions.

(c) Buyer, upon reasonable Notice from Seller, during normal business hours, will cooperate with Seller in regard to the preparation, filing, handling, and appeals of all cost reports relating to the Business for relevant periods or required as a result of the transactions described herein, including those relating to the Medicare and Medicaid programs. Each Party will, upon reasonable Notice to the other, during normal business hours, and subject to applicable Laws regarding privilege or confidentiality of patient records, provide reasonable access to the other Party to all records of the Business and will allow the other Party to copy any documents reasonably relating to the cost reports and appeals thereof. Each Party agrees to

forward to the other copies of all correspondence relating to the cost reports received from Government Reimbursement Programs or any other third party payor within ten Business Days of receipt. Each Party also agrees to inform the other of all audits or other proceedings with respect to the cost reports within ten Business Days of notification. Additionally, each Party agrees to use its reasonable best efforts to ensure the other's right of access for at least three years from the Closing Date in the event of any subsequent sale of the Business.

6.6 Cooperation on Tax Matters. Following the Closing, the Parties shall reasonably cooperate with each other and shall make available to the other, as reasonably requested and at the expense of the requesting Party (but including only out-of-pocket expenses to third parties, photocopying and delivery costs and not the costs incurred by any Party for the wages or other benefits paid to its officers, directors or employees), to any Tax authority, all information, records or documents relating to Tax liabilities or potential Tax liabilities, if any, of Seller for all periods on or prior to the Closing and any information which is relevant to determining the amount payable under this Agreement, and shall preserve all such information, records and documents (to the extent a part of the Acquired Assets delivered to Buyer at Closing) until the expiration of any applicable statute of limitations or extensions thereof. Seller shall make available to Buyer the records of individual wages of all employees, as well as copies of state unemployment Tax Returns, to the extent reasonably necessary for Buyer to verify future unemployment Tax rates and to calculate the correct taxable payroll for the remainder of the calendar year in which the transaction occurs. Seller shall file terminating Forms W-2 and Forms 1099 with respect to all periods ending prior to the Closing Date, as appropriate.

6.7 Third Party Litigation Cooperation. Seller, on the one hand, and Buyer, on the other hand, shall cooperate with the other, at the requesting Party's expense (but including only direct out-of-pocket expenses to third parties, photocopying and delivery costs, and not the indirect costs incurred by any Party, such as the wages or other benefits paid to its officers, directors or employees), in furnishing reasonably available information, testimony and other assistance in connection with any Tax or cost report audits, Proceedings, arrangements or disputes involving any of the Parties hereto (other than in connection with disputes between the Parties hereto) and relating to the Acquired Assets, Excluded Assets, Excluded Liabilities or Assumed Liabilities or the transactions contemplated hereby, including arranging discussions with, and the calling as witnesses of, officers, directors, employees, agents and representatives of any Party.

6.8 Confidentiality.

(a) Subject to Section 6.8(b), Seller shall, and shall cause its Affiliates to, and shall use its reasonable efforts to cause its and their respective agents and representatives to, treat and hold as confidential all of the Confidential Information, and refrain from disclosing any of the Confidential Information, except to its duly authorized officials, employees, representatives, and agents.

(b) Notwithstanding Section 6.8(a), Seller may disclose Confidential Information (i) as required by the Alaska Public Records Act, AS 40.25.100 - 40.25.295 or any other applicable Law (hereafter "**Public Records Disclosure Laws**"); (ii) to Governmental Authorities to the extent reasonably necessary to obtain the Licenses or any other Governmental

Authority approvals as may be required to consummate the transactions contemplated hereby; (iii) in connection with a Proceeding as described in Section 9.11 or Section 9.12 brought by a Party to enforce its rights or exercise its remedies hereunder; or (iv) as otherwise required by Law or an Order.

(c) If Seller is requested to disclose any Confidential Information other than as required by Public Records Disclosure Laws, in connection with a Proceeding as described in Section 9.11 or Section 9.12, or as otherwise required by Law or an Order, Seller will notify Buyer promptly of the request so that Buyer may seek an appropriate protective order or waive compliance with the provisions of Section 6.8(a). Not later than ten calendar days after receiving the request, Buyer shall notify Seller in writing whether Buyer objects to release of the Confidential Information, setting out the facts and legal authority supporting nondisclosure. If Seller thereafter determines that nondisclosure is warranted and so informs the Person making the request, Seller will notify Buyer if judicial relief is sought regarding Seller's determination not to release the information. In the absence of a protective order or waiver as provided for in the first sentence of this subsection, Seller, on the advice of counsel, may disclose Confidential Information without liability to Buyer under this Agreement or otherwise, and Buyer agrees not to seek any remedy, damages, injunctive or other relief against Seller.

(d) At the request and option of Buyer, and except to the extent prohibited by the Public Disclosure Laws, Laws, or an Order, all Confidential Information in Seller's or its Affiliates' possession shall be returned to Buyer or destroyed, and none of such information shall be used by Seller or its Affiliates, or its or their employees, agents or representatives, for any purpose; provided, however, that Seller, its Affiliates and their representatives will be entitled to retain, and shall not be obligated to destroy, any legal, financial, or other analyses and similar work product even if based upon Confidential Information, which retained analyses and work product shall be subject to the confidentiality and non-disclosure provisions of this Section 6.8.

(e) The Parties' obligations under this Section 6.8 shall survive for two (2) years after the earlier of the termination of this Agreement or the Closing, and shall be subject to all applicable Laws.

6.9 Costs and Charges.

(a) Transfer and Other Taxes. Seller shall be responsible for the cost of any and all state, borough, local, and municipal transfer and/or excise stamps or Taxes, if any, however denominated, required to be paid as a result of the transfer of the Wood Campus Real Property (New Hospital Site) and other Acquired Assets hereunder to Buyer. Buyer shall be responsible for the cost of placing a mortgage or deed of trust, if any, on the Wood Campus Real Property (New Hospital Site), including any and all state, borough, and municipal mortgage Taxes, if any.

(b) Title and Recording Charges. Buyer shall be responsible for the cost of: (i) recording fees for the Deeds; (ii) the cost of any title search and title insurance commitment fees; (iii) the cost of owner's Title Policy; and (iv) the cost of recording fees for any Buyer financing documents.

6.10 Medicare and Medicaid Cost Reports. Seller shall timely file all Medicare and Medicaid cost reports for all cost reporting periods prior to the Effective Time for which the deadline for filing will arise after the Closing Date in accordance with all applicable Laws. Seller shall be liable for any Medicare or Medicaid overpayments or any other financial obligations arising from any adjustments or reductions in Medicare or Medicaid reimbursement for the period of time prior to the Effective Time or for any other obligations imposed by either the Medicare or Medicaid program for the period of time prior to the Effective Time.

6.11 Billing for Transition Patients. To assist in determining the payments to Buyer and Seller from payors for services provided to patients admitted to the Hospital prior to the Effective Time and discharged after the Effective Time ("**Transition Patients**"), the Parties shall take the following actions:

(a) If the Hospital is reimbursed on an interim basis under the Medicare program on a periodic interim payment ("**PIP**") basis and if Buyer receives any PIP payments from the Medicare program or other payor associated with the operations of the Hospital relating solely to periods prior to the Effective Time, Buyer shall be entitled to retain such PIP Payments, subject to Section 6.24(b). If Buyer or Seller receives any PIP payments from the Medicare program or other payor associated with the operations of the Hospital relating to periods prior to the Effective Time, or where cut-off billings cannot be done as of the Effective Time, the Parties agree to value such amounts applicable to the period prior to the Effective Time on the one hand, and value such amounts applicable to the period after the Effective Time on the other hand, based on the actual date services, procedures, supplies, and devices were rendered to the Transition Patient as determined by a review of patient records. The amount of PIP payments valued and owed to Buyer as described in the prior sentence shall promptly be paid to Buyer by Seller if Seller receives the PIP payment from the payor, and the amount valued and owed to Seller as described in the prior sentence ("**Seller PIP Payments**") shall be retained by Buyer if Buyer receives the PIP payment, subject to Section 6.24(b).

(b) With respect to Medicare, Medicaid, TRICARE and other patients admitted to the Hospital prior to the Effective Time and discharged after the Effective Time who are enrolled in health insurance programs that reimburse for services and items on a cost- or case-based methodology (e.g., daily rate payments or payments based on ICD Codes) ("**Straddle Patients**"), Seller shall work with Buyer to determine the amount that should be credited to Seller for the services of the Hospital prior to and after the Effective Time, pro-rated to the date of admission of each Straddle Patient. ("**Seller Straddle Patient Payments**"). Buyer shall be entitled to retain such payments, subject to Section 6.24(b).

6.12 Retention and Access to Records. After the Closing Date, Buyer shall retain the Transferred Records for a period consistent with Buyer's record retention policies and practices, but in any event for at least the minimum period for which such Transferred Records are required to be retained under applicable Laws. Buyer also shall provide Seller and its representatives reasonable access thereto, during normal business hours and on reasonable prior Notice, to enable them to prepare financial statements, Tax Returns, respond to tax audits or any other reasonable business purpose. Seller shall retain copies of all records that may pertain to any Excluded Liabilities or Excluded Assets. After the Closing Date, Seller shall provide Buyer and its representatives reasonable access to records related to Excluded Assets and Excluded

Liabilities during normal business hours and on reasonable prior Notice, for any reasonable business purpose.

6.13 Misdirected Payments. Seller shall promptly remit to Buyer any monies received by Seller after Closing constituting or in respect of the Acquired Assets or Assumed Liabilities or Buyer's operation of the Business on or following the Effective Time. Buyer shall promptly remit to Seller any monies received by Buyer after Closing constituting or in respect of the Excluded Assets or Excluded Liabilities.

6.14 Tax Exemption. From and after the Closing Date, the Hospital, the real property thereunder, the Wood Campus Real Property (New Hospital Site), the Eligible Property, the New Hospital, and the Business shall be exempt from property and sales taxes of the City and Borough of Wrangell, unless otherwise provided by Law.

6.15 Buyer's Service and Capital Commitment; Buyer's Post-Closing Operation of the Business.

(a) Buyer acknowledges that the services of the Hospital are vital to the health and wellbeing of the patients who live in the Hospital's service area, and that the loss of a hospital would be devastating to the residents and the economy of the City and Borough of Wrangell and the surrounding communities. As such, Buyer covenants that after the Effective Time, it will commence the processes necessary to promptly construct the New Hospital in Wrangell, Alaska, and provide the health care services that are consistent with the conceptual site and building design and budget structure described on pages 47-64 of the May 29, 2018 Wrangell Medical Center Feasibility Study attached hereto as Exhibit G, as may be modified to meet the progression of current best practices associated with service delivery. Buyer covenants that it will develop, build, and operate the New Hospital on the Wood Campus Real Property (New Hospital Site) in accordance with all Laws, within four (4) years after the Closing Date, and will transfer the Business to the Wood Campus Real Property (New Hospital Site) in a manner that is consistent with Exhibit G, as may be modified to meet the progression of current best practices associated with service delivery. The foregoing deadline for developing, building, and operating the New Hospital shall be tolled (i) to the extent that Seller or any other Governmental Authority unreasonably delays or denies any Licenses necessary to enable Buyer to perform, or imposes any conditions or otherwise acts or fails to act in a manner that unreasonably hinders Buyer from performing, its obligations under this Section 6.15; or (ii) upon the occurrence of a Force Majeure event; in either situation, the Parties agree to establish a new reasonable timeframe for Buyer's transfer of the Business to the Wood Campus Real Property (New Hospital Site). The covenants set forth in this Section 6.15(a) shall terminate 30 days following the date on which Buyer delivers Notice to Seller that Buyer has met the covenants provided for in Section 6.15(a) at the Wood Campus Real Property (New Hospital Site).

(b) Except as provided in this Section 6.15(b), during the Interim Operating Period, Buyer will operate the Business in its current location, in accordance with all Laws, by continuing to provide healthcare services as a critical access hospital, including inpatient and outpatient services, emergency care services, rehabilitation services, specialty clinic services, diagnostic imaging services, and long term care services of the type provided at the Hospital prior to the Closing Date; provided, that the foregoing obligation to operate the Business shall

terminate if, during the Interim Operating Period, a Force Majeure, Catastrophic Material Casualty, or Material Condemnation event (in which the condemning authority is not the Seller) occurs that renders continued use and occupancy of the Hospital impossible, unsafe, or unlawful, in which event, Buyer shall take reasonable steps to assure that during such period of limited service, every patient or resident who experiences an injury or illness but is unable to obtain immediate transport to another hospital (either an acute care or critical access hospital) or long term care facility shall be offered available basic acute care and emergency or observation services at either AICS or another facility in the City and Borough of Wrangell, until the patient can be transferred to another hospital or facility, or is no longer in need of transport. In the event of a Material Condemnation (in which the condemning authority is the Seller) occurs that renders continued use and occupancy of the Hospital impossible, unsafe, or unlawful, Buyer, at Seller's cost (subject to appropriation), shall take reasonable steps to assure that during such period of limited service, every patient or resident who experiences an injury or illness but is unable to obtain immediate transport to another hospital (either an acute care or critical access hospital) or long term care facility shall be offered available basic acute care and emergency or observation services at either AICS or another facility in the City and Borough of Wrangell, until the patient can be transferred to another hospital or facility, or is no longer in need of transport. During the Interim Operating Period, Buyer shall continue to provide long term care services and the services necessary to operate a critical access hospital, but may add or improve upon services and, except with respect to long term care services and the services necessary to operate a critical access hospital (which services may not be terminated), Buyer may terminate the provision of other healthcare services at the Hospital only upon Buyer's prior consultation with the Assembly of the City and Borough of Wrangell.

6.16 Seller Reacquisition. In the event that Buyer (a) intends to close the Hospital during the Interim Operating Period or ceases operating the Business at the Hospital which provides the services described in Section 6.15(b) during the Interim Operating Period (except for temporary interruptions permitted under the Hospital Lease or due to Force Majeure, Catastrophic Material Casualty or a Material Condemnation event that renders continued use and occupancy of the Hospital impossible, unsafe, or unlawful) and the Parties are not able to agree to a new reasonable timeframe for transfer of the Business to the New Hospital; (b) provides Notice that it does not intend to build the New Hospital and the Parties are not able to agree to a new reasonable timeframe for transfer of the Business to the New Hospital; or (c) following the exhaustion of the dispute resolution procedures set forth in Section 9.12, is found to have breached its covenants in Section 6.15, then Buyer shall, as soon as reasonably practicable, offer to Seller or its assignee (the "Reacquisition Offer") the Acquired Assets in existence at such time and in their then-existing condition, plus an amount of working capital (including adequate inventory and supplies) determined by Buyer and Seller or its assignee to be reasonably necessary for the operation of the Business as then conducted for a period of three (3) months (the "Returned Assets"). In such event, Buyer shall assign, and the Seller, or its assignee, shall assume, at the Seller or its assignee's option, the Returned Assets, the Liabilities that arise out of, or relate to, the Returned Assets from and after the date that such Returned Assets are returned to Seller, and any operational and other Liabilities identified at such time by Buyer and Seller or its assignee; and without limiting the generality of the foregoing, upon Seller's acceptance of the Reacquisition Offer, Buyer will convey Wood Campus Real Property (New Hospital Site) to Seller by limited warranty deed ("Returned Asset Deed") in the same form as provided by Seller to Buyer, subject only to Seller Permitted Exceptions and with no additional encumbrances

beyond the encumbrances present at the time that Seller conveyed Wood Campus Real Property (New Hospital Site) to Buyer, excluding non-monetary encumbrances incurred by Buyer in the ordinary course of development and construction of the New Hospital and not inconsistent with the construction, development and operation of a hospital on the Wood Campus Real Property (New Hospital Site). The transaction assigning the Returned Assets to Seller or its assignee and the assumption of the Liabilities arising out of or relating to the Returned Assets shall be on such other terms and conditions as agreed upon by Buyer and Seller or its assignee; provided, however, that such transaction shall be consummated within one hundred eighty (180) days of the date of the Reacquisition Offer unless otherwise extended in writing by Buyer and Seller or its assignee. Notwithstanding any provision of this Agreement to the contrary, Seller or its assignee shall be entitled to seek equitable relief to enforce the provisions of this Section 6.16. The covenants set forth in this Section 6.16 shall terminate 30 days following the date on which Buyer delivers Notice to Seller that Buyer has met the covenants provided for in Section 6.15(a) at the Wood Campus Real Property (New Hospital Site).

6.17 Advisory Board. Following the Closing Date, the individuals set forth on Schedule 6.17 will serve on the advisory board of AICS (the "Advisory Board"), which shall amend its charter as may be necessary to (i) change the name of the Advisory Board to "Wrangell Healthcare Advisory Council" or some other name mutually agreeable to Buyer and Seller, (ii) provide for appointment of one member of the Assembly of the City and Borough of Wrangell, the administrator of the Hospital (and, after operations at the New Hospital commence, of the New Hospital), and other current members of the board of the Hospital to the Advisory Board, and (iii) include as one of the Advisory Board's purposes the function of providing advice to Buyer with respect to the operation of the Hospital during the Interim Operating Period and, after operations at the New Hospital commence, at the New Hospital, including as to capital expenditures and proposed changes to the scope and level of services and programs offered by the Hospital and the New Hospital, as applicable.

6.18 Real Estate Covenants and Conditions.

(a) Survey. Between the Execution Date and the Closing Date, Buyer will obtain a current survey of the Wood Campus Real Property (New Hospital Site) (the "**Survey**"). The Survey shall meet the requirements of an ALTA/NSPS Land Title Survey and otherwise be in form and detail reasonably satisfactory to Buyer. The Survey shall be certified to Buyer, Seller, and the Title Company. The Survey shall be issued jointly to Buyer and Seller and each of Buyer and Seller shall have equal rights thereto. The cost of the Survey shall be equally borne by Buyer and Seller.

(b) Title Policy.

(i) If not previously delivered, Seller shall cooperate with Buyer to cause the Title Company to issue and deliver to Buyer, within ten (10) days following the Execution Date, a commitment from the Title Company (the "**Title Commitment**") to issue an ALTA extended form owner's policy of title insurance (a "**Title Policy**") for the Wood Campus Real Property (New Hospital Site), in amounts equal to the value assigned to the Wood Campus Real Property (New Hospital Site) by Buyer; and Seller shall cause the Title Company to concurrently deliver to Buyer copies of all title exception documents described in the Title Commitment.

(ii) On or before thirty (30) days after the later of the Execution Date or Buyer's receipt of the Title Commitment, Buyer may give Seller Notice ("**Buyer's Title Notice**") of Buyer's objection to certain exceptions in the Title Commitment or matters identified in the Survey. Buyer's Title Notice may also include questions or requests for information about one or more exceptions as disclosed in the Title Commitment. Within five (5) Business Days after receipt of Buyer's Title Notice, Seller will respond in writing to Buyer and indicate whether it agrees to undertake to have any exceptions disapproved by Buyer deleted from the Title Commitment or remedied so as to allow an update of the Survey (or both, as the case may be). If Seller does not so agree within the five (5) Business Day period, Buyer will have the right to terminate this Agreement before Closing by Notice to Seller. If Buyer does not exercise the right to terminate this Agreement, it will be deemed to have accepted the subject disapproved exception as a Permitted Exception at Closing. Notwithstanding the foregoing, Seller will cause the removal of all Mandatory Removal Exceptions at or before Closing, and Mandatory Removal Exceptions may not become Permitted Exceptions unless expressly accepted in writing by Buyer.

(iii) The Title Commitment will provide for the issuance of a Title Policy to Buyer, effective as of Closing, insuring good and indefeasible fee simple title to the Wood Campus Real Property (New Hospital Site) subject only to Permitted Exceptions. Seller agrees to deliver any information as may be reasonably required by the Title Company under the requirements section of the Title Commitment or otherwise in connection with the issuance of a title insurance policy to Buyer at Closing.

(c) Subdivision. Buyer and Seller have determined that a portion of the Wood Campus Real Property (New Hospital Site), including most of Lot B-1 and a portion of Lot B-2 thereof, is not necessary for the construction and operation of the New Hospital. Therefore, Buyer and Seller desire to subdivide the Wood Campus Real Property (New Hospital Site) to exclude such portion of the Wood Campus Real Property (New Hospital Site) (the "**Excluded Parcel**"), with the intention that it be retained by Seller. The approximate location of the proposed property line is as shown on Exhibit H attached hereto. Promptly following the Execution Date, Seller shall prepare or cause to be prepared a subdivision plat consistent with Exhibit H, containing sufficient detail and otherwise complying with all applicable requirements for the acceptance by the appropriate office (the "**Subdivision Plat**"). Upon completion, Seller shall submit the Subdivision Plat to Buyer for approval as to the exact location of the property line and any other matters disclosed or set forth therein, which approval shall not be unreasonably withheld, conditioned or delayed. Upon approval by Buyer, the Subdivision Plat shall be submitted for approval and recording by the appropriate office. Seller shall make good faith efforts to obtain the approval and recording of the Subdivision Plat prior to Closing. If the Subdivision Plat is approved and recorded prior to Closing, then the "Wood Campus Real Property (New Hospital Site)" shall thereafter mean and refer to the real property described in Schedule 1.1(d) less and excluding the Excluded Parcel for all purposes, and the Title Commitment and Survey shall be updated to exclude the Excluded Parcel. For the avoidance of doubt, the approval and recording of the Subdivision Plat is not a condition to Closing, and if not completed prior to Closing, the entirety of the Wood Campus Real Property (New Hospital Site) as described on Schedule 1.1(d) shall be conveyed to Buyer at Closing. Thereafter, Buyer and Seller shall continue in good faith to pursue the approval and recording of the Subdivision Plat. Upon approval and recording of the Subdivision Plat, Buyer shall promptly re-convey the

Excluded Parcel to Seller without consideration, by limited warranty deed, subject only to Permitted Exceptions, but otherwise without representation, warranty or recourse. Notwithstanding anything to the contrary herein, Buyer and Seller agree that if the approval of the Subdivision Plat is conditioned upon the grant or reservation of any new easements, rights-of-way or other restrictions upon the remainder of the Wood Campus Real Property (New Hospital Site), and if, in the sole but reasonable discretion of Buyer, such easements, rights-of-way or other restrictions would materially impair the development, construction or operation of the New Hospital, Buyer shall propose a new subdivision plat that will not materially impair the development, construction or operation of the New Hospital (which proposal may, without limitation, involve relocating the proposed boundary between the parcels in a manner that reduces the size of the parcel to be returned to Seller, if such relocation is reasonably necessary to avoid material impairment to the development, construction or operation of the New Hospital).

6.19 Local Hire. Buyer shall use its best efforts to ensure that its contractors hire residents of the City and Borough of Wrangell for construction of the New Hospital, provided that such residents are qualified to perform the requirements of any such construction jobs and that the hiring of such residents will not delay construction of the New Hospital, in each case as determined in the sole discretion of the applicable contractor.

6.20 Catastrophic Material Casualty. The covenants set forth in this Section 6.20 apply only prior to and on the Closing Date. In the event of a Catastrophic Material Casualty prior to the Effective Time, Seller shall within fifteen (15) Business Days after such Catastrophic Material Casualty provide Notice thereof to Buyer. Such Notice shall include copies of all insurance policies then in force covering the Acquired Assets or the Hospital, as the case may be, affected by such Catastrophic Material Casualty and Seller's initial good faith estimate of the cost to repair such damage or destruction. If any part of the Acquired Assets or the Hospital is damaged or destroyed prior to the Closing Date, this Agreement shall not be affected and the Parties shall not be excused from performance hereunder; provided, that as of the Effective Time, at Buyer's request, Seller shall assign to Buyer all of its right, title, and interest in and to the proceeds of insurance insuring against the Loss and Seller's interest in sums payable thereunder; and provided, further, that Buyer's obligation to operate the Business as contemplated in Section 6.15(b) shall terminate if the Catastrophic Material Casualty occurs that renders continued use and occupancy thereof impossible, unsafe or unlawful, and in which event, Buyer shall take reasonable steps to assure that during such period of limited service, every patient or resident who experiences an injury or illness but is unable to obtain immediate transport to another hospital (either an acute care or critical access hospital) or long term care facility shall be offered available basic acute care and emergency or observation services at either AICS or another facility in the City and Borough of Wrangell, until the patient can be transferred to another hospital or facility, or is no longer in need of transport.

6.21 Material Condemnation. The covenants set forth in the second and third sentences of Section 6.21 apply only prior to and on the Closing Date. In the event of a Material Condemnation involving the Hospital (including the real property on which it is located) prior to the Effective Time, Seller shall within fifteen (15) Business Days after such Material Condemnation provide Notice thereof to Buyer. Such Notice shall include copies of all material correspondence related to the condemnation. If, notwithstanding such Material Condemnation,

the Closing occurs, then Buyer's obligation to operate the Business as contemplated in Section 6.15(b) shall terminate if the Material Condemnation renders use and occupancy of the Hospital impossible, unsafe or unlawful, in which event Buyer shall take reasonable steps (at Seller's cost, if Seller is the condemning authority and subject to appropriation) to assure that every patient or resident who experiences an injury or illness but is unable to obtain immediate transport to another hospital (either an acute care or critical access hospital) or long term care facility shall be offered available basic acute care and emergency or observation services at either AICS or another facility in the City and Borough of Wrangell, until the patient can be transferred to another hospital or facility, or is no longer in need of transport.

6.22 Current Hospital Building; Right of First Offer. Following the termination of the Lease and the transfer of the Business to the New Hospital, Seller intends to demolish the Hospital, subject to the availability of funding. For a period of five (5) years following the Closing Date, in the event Seller determines an additional health care service would benefit the community (including services such as, but not limited to, acute care hospital services, critical access hospital services, surgical care services, emergency care services, rehabilitation services, specialty clinic services, diagnostic imaging services, assisted living or nursing home services), Seller will discuss the need with Buyer, and provide Buyer with ninety (90) days in which to determine whether Buyer desires to provide the service, and if Buyer declines to offer such service, Seller shall be permitted to offer such service or solicit another party to provide such service. If within such ninety (90) day period Buyer agrees to provide the additional health care service, then Buyer shall have five (5) years in which to commence providing such services at the New Hospital, at AICS, or at another facility in the City and Borough of Wrangell. If Buyer fails to commence providing such services before the expiration of the five (5) year period, then Seller may offer such service or engage another party to provide such service.

6.23 Certificate of Need. In the event that Buyer receives notice from the State of Alaska ("**State**") that Buyer must apply for a Certificate of Need ("**CON**") to develop, construct, and operate the New Hospital, Buyer shall submit CON application(s) to the State and diligently pursue approval of the application(s) by the State. To the extent that the CON application and approval process requires, the deadline for developing, building, and operating the New Hospital set forth in Section 6.15(a) shall be adjusted accordingly, but in the event the application and approval process requires more than six (6) months, Section 6.15(a)(i) shall apply.

6.24 Collection Agent Matters.

(a) As of and from the Effective Time, Buyer shall serve as Seller's agent for purposes of collecting Accounts Receivable and Agency Settlements owed to Seller, and paying Accounts Payable, Agency Settlements and the Accrued PTO Cash-Out Amounts owed by Seller. Buyer shall use commercially reasonable efforts consistent with its ordinary course collections practices to collect the Accounts Receivable and Agency Settlements when due and to timely pay the Agency Settlements and Accounts Payable owed by Seller, which payments shall be paid from collections of Accounts Receivable and Agency Settlements; provided that Buyer may but is not obligated to advance funds to pay any Accounts Payable or Agency Settlements, in which case Buyer shall be entitled to reimburse itself from collections of Accounts Receivable and Agency Settlements. By agreeing to act as Seller's agent for the limited purposes set forth in this Section 6.24, Buyer does not guarantee, and Seller

acknowledges that Buyer is not guaranteeing, that Buyer will collect all Accounts Receivable and Agency Settlements owed to Seller as of the Closing Date, and Buyer will have no liability to Seller for Buyer's inability to collect all such Accounts Receivable and Agency Settlements. Buyer may engage a third party collection agency or consultant with Medicare cost report expertise to facilitate collection of Accounts Receivable and Agency Receivables, respectively, or otherwise assign its obligations under this Section 6.24(a) to a third party. Buyer shall maintain accurate and complete records of its collection and payment activities under this Section 6.24(a).

(b) If the sum of (i) cash received by Buyer upon collection of Accounts Receivable and Agency Settlements plus Seller PIP Payments plus Seller Straddle Patient Payments, without duplication, exceeds the sum of (ii) cash paid by Buyer to satisfy Accounts Payable and Agency Settlements, plus the aggregate Accrued PTO Cash-Out Amount paid by Buyer on behalf of Seller, plus the Collection Service Fee, then Buyer shall deliver such excess amount to Seller, by wire transfer of immediately available funds, within five (5) days after the second anniversary of the Closing Date.

ARTICLE 7

TERMINATION

7.1 Termination. This Agreement may be terminated at any time prior to the Closing:

(a) by the mutual written consent of Buyer and Seller;

(b) by Seller, if there has been a material breach by Buyer of any covenant, representation or other agreement or term contained herein which has prevented the satisfaction of any condition to the obligations of Seller at the Closing and such breach has not been waived by Seller or cured by Buyer within ten (10) Business Days after Buyer's receipt of Notice thereof from Seller;

(c) by Buyer, if there has been a material breach by Seller of any covenant, representation or other agreement or term contained herein which has prevented the satisfaction of any condition to the obligations of Buyer at the Closing and such breach has not been waived by Buyer or cured by Seller within ten (10) Business Days after the receipt of Notice thereof from Buyer;

(d) by Seller, if the transactions contemplated hereby have not been consummated on or before the Termination Date; provided that Seller shall not be entitled to terminate this Agreement pursuant to this Section 7.1(d) if Seller's willful breach of this Agreement has prevented the consummation of the transactions contemplated hereby;

(e) By either Party, if the ordinance presented to the voters at the October 2, 2018 regular election regarding the transactions provided for in this Agreement is not ratified by an affirmative vote of the majority of qualified voters who vote on the question in accordance with Section 5-14 of the Borough Charter.

(f) by Buyer, if the transactions contemplated hereby have not been consummated on or before the Termination Date; provided that Buyer shall not be entitled to terminate this Agreement pursuant to this Section 7.1(f) if Buyer's willful breach of this Agreement has prevented the consummation of the transactions contemplated hereby.

7.2 Effect of Termination. In the event of any valid termination of this Agreement pursuant to Section 7.1, all rights and obligations of the Parties hereunder shall terminate without any Liability on the part of any Party or its Affiliates in respect thereof, except that (a) the obligations of the Parties under Section 6.8 (Confidentiality), this Article 7, and Article 9 shall remain in full force and effect, (b) such termination shall not relieve a Party of any Liability for its fraud or breach of any material covenant contained in this Agreement prior to such termination.

ARTICLE 8

INDEMNIFICATION

8.1 Survival.

(a) The representations and warranties of the parties contained in this Agreement, any Seller Closing Document, and any Purchaser Closing Document shall survive the Closing and will expire on the twelve (12) month anniversary of the Closing Date; provided, that (i) the Fundamental Representations shall survive the Closing until twenty-four (24) months from the Closing Date, (ii) the representations and warranties set forth in Section 3.1(b)(ii) shall survive the Closing for the period during which the Surviving Covenants survive (in each case, the "**Survival Period**"), and (iii) any claim with respect to fraud shall survive the Closing indefinitely; provided further, that to the extent any claims for indemnification under Section 8.2(a)(i) or Section 8.2(b)(i) is made in accordance with Section 8.3 on or before the date on which the applicable Survival Period expires, then such representation or warranty shall survive until the resolution of such claim or claims.

(b) The covenants and agreements of Seller and Buyer made in or pursuant to this Agreement which by their terms are to be performed by either Party at or following the Closing (the "**Surviving Covenants**") shall survive the Closing until fully performed or observed in accordance with their respective terms.

(c) It is the express intent of the Parties that, (i) if an applicable Survival Period as contemplated by this Section 8.1 is shorter than the statute of limitations that would otherwise have been applicable, then, by contract, the applicable statute of limitations shall be reduced to the shortened Survival Period contemplated hereby, and (ii) if an applicable Survival Period as contemplated by this Section 8.1 is longer than the statute of limitations that would otherwise have been applicable, then, by contract, the applicable statute of limitations shall be increased to the longer Survival Period contemplated hereby. The parties further acknowledge that the time periods set forth in this Section 8.1 for the assertion of claims under this Agreement are the result of arms'-length negotiation between the Parties and that they intend for the time periods to be enforced as agreed by the Parties. The obligations of Seller to indemnify and defend the Buyer Indemnified Parties, and of Buyer to indemnify and defend the Seller Indemnified Parties,

pursuant to this Article 8 shall terminate upon the expiration of the applicable Survival Periods set forth in this Section 8.1; *provided*, that any obligations under Section 8.2(a) or Section 8.2(b) shall not terminate with respect to any Losses as to which the Person to be indemnified has provided Notice (stating in reasonable detail the basis of the claim for indemnification) to the Indemnifying Party in accordance with Section 8.3 before the termination of the applicable Survival Period or, if applicable, the Survival Period contemplated by Section 8.1(b).

8.2 Indemnification - General.

(a) Subject to duly enacted appropriations in accordance with Sections 5-4 and Section 5-11 of the Borough Charter, and the other provisions of this Article 8, Seller shall defend, indemnify, and hold harmless Buyer and its directors, officers, employees (but solely to the extent acting within the scope of their employment by Buyer in connection with the negotiation of this Agreement and the consummation of the transactions contemplated hereunder), and Affiliates (the "**Buyer Indemnified Parties**") from and against any and all Losses suffered or incurred by them after the date hereof as a result of or arising out of:

(i) any breach or inaccuracy of any representation or warranty of Seller contained in Article 2 or in any of Seller's Closing Documents;

(ii) any breach or non-performance by Seller of any covenant of Seller;

(iii) any Liability or Claim relating to the (x) Excluded Liabilities or (y) the ownership or operation of the Business or the Acquired Assets prior to the Effective Time, except to the extent specifically constituting Assumed Liabilities;

(iv) any Liability or Claim as a result of or arising out of Seller's failure to provide accurate and complete information to Buyer with regard to any Transferred Employee's PTO Accrual Rate or Accrued PTO balance of the Closing Date;

(v) the matter disclosed on Schedule 2.7(g).

(b) Subject to the other provisions of this Article 8, Buyer shall defend, indemnify and hold harmless Seller and its officers, elected and unelected officials, employees (but, with respect to any Transferred Employee, solely to the extent that the Transferred Employee acted within the scope of his or her employment by Seller in connection with the negotiation of this Agreement and the consummation of the transactions contemplated hereunder), and Affiliates (the "**Seller Indemnified Parties**") from and against any and all Losses suffered or incurred by them after the date hereof as a result of or arising out of:

(i) any breach or inaccuracy of any representation or warranty of Buyer contained in Article 3 or in any of Buyer's Closing Documents;

(ii) any breach or non-performance by Buyer of any covenant of Buyer (other than the covenants set forth in Section 6.15); and

(iii) any Liability or Claim relating to (x) the Assumed Liabilities or (y) the ownership or operation of the Business or the Acquired Assets from and after the Effective Time.

(c) All Losses for which the Buyer Indemnified Parties are entitled to seek indemnification under this Agreement are referred to herein as "**Buyer Indemnifiable Losses**." All Losses for which the Seller Indemnified Parties are entitled to seek indemnification under this Agreement are referred to herein as "**Seller Indemnifiable Losses**."

8.3 Method of Asserting Claims. All claims for indemnification by any Indemnified Party under this Article 8 shall be asserted and resolved as follows:

(a) Direct Claims.

(i) Within a reasonable period of time, but in no event greater than thirty (30) days, after the incurrence of any Loss by any Person entitled to indemnification pursuant to Section 8.2 (an "**Indemnified Party**"), including, any Claim by a third party described in Section 8.3(b), which could be reasonably expected to give rise to indemnification hereunder, the Indemnified Party shall deliver to the party from which indemnification is sought (the "**Indemnifying Party**") a certificate (the "**Indemnification Certificate**"), which Indemnification Certificate shall (i) state that the Indemnified Party has paid or properly accrued a Loss or reasonably anticipates that it will incur a Loss for which such Indemnified Party is entitled to indemnification pursuant to this Agreement; (ii) specify in reasonable detail each individual item of the Loss, the amount to which the Indemnified Party alleges it is entitled, or the fact that the Indemnified Party is not yet able to quantify the amount to which it is allegedly entitled, the date such item was paid or properly accrued, the basis for any anticipated liability and the nature of the misrepresentation, breach of warranty, breach of covenant or claim to which each such item is related; and (iii) be delivered to the Indemnifying Party.

(ii) In the event that the Indemnifying Party objects to the indemnification of an Indemnified Party in respect of any claim or claims specified in any Indemnification Certificate, the Indemnifying Party shall, within twenty (20) days after receipt by the Indemnifying Party of such Indemnification Certificate, deliver to the Indemnified Party Notice to such effect and the Indemnifying Party and the Indemnified Party shall, within the 30 day period beginning on the date of receipt by the Indemnified Party of such objection, attempt in good faith to agree upon the rights of the respective parties with respect to each of such claims to which the Indemnifying Party shall have so objected. If the Indemnified Party and the Indemnifying Party shall succeed in reaching agreement on their respective rights with respect to any of such claims, the Indemnified Party and the Indemnifying Party shall promptly prepare and sign a memorandum setting forth such agreement (a "**Memorandum of Agreement**"). If the Indemnified Party and the Indemnifying Party are unable to agree as to any particular item or items or amount or amounts, then the items and amount of indemnification to which an Indemnified Party may be entitled under this Article 8 shall be determined by the dispute resolution procedures provided for in Section 9.12.

(iii) Claims for Losses specified in any Indemnification Certificate to which an Indemnifying Party shall not object in writing within twenty (20) days of receipt of such Indemnification Certificate, claims for Losses covered by a Memorandum of Agreement, claims for Losses the validity and amount of which have been otherwise determined as described in Section 8.3(a)(ii), and claims for Losses the validity and amount of which shall have been settled with the consent of the Indemnifying Party, as described in Section 8.3(b), are hereinafter

referred to collectively, as "**Agreed Claims**." Within ten (10) days of the determination of the amount of any Agreed Claims, the Indemnifying Party shall pay to the Indemnified Party an amount equal to the Agreed Claim by wire transfer in immediately available funds to the bank account or accounts designated by the Indemnified Party in a Notice to the Indemnifying Party delivered not less than two (2) days prior to such payment.

(b) Third Party Claims.

(i) If any Person who is not a Party (or an Affiliate thereof) notifies any Indemnified Party with respect to any matter (a "**Third Party Claim**") which could be reasonably expected to give rise to a claim by such Indemnified Party for indemnification against any Indemnifying Party under this Agreement, then the Indemnified Party shall promptly notify the Indemnifying Party by delivering an Indemnification Certificate thereto; provided, however, that the failure to so notify the Indemnifying Party shall not relieve the Indemnifying Party of its obligations hereunder except to the extent such failure shall have materially prejudiced the Indemnifying Party (except that the Indemnifying Party will not be liable for any expenses incurred by the Indemnified Party during the period in which the Indemnified Party failed to give such Notice); it being understood and agreed that the failure of the Indemnified Party to so notify the Indemnifying Party prior to settling a Third Party Claim (whether by paying a claim or executing a binding settlement agreement with respect thereto) or the entry of a judgment or issuance of an award with respect to a Third Party Claim shall constitute actual prejudice to the Indemnifying Party's ability to defend against such Third Party Claim. Thereafter, the Indemnified Party will deliver to the Indemnifying Party, promptly after the Indemnified Party's receipt thereof, copies of all notices and documents (including court papers) received or transmitted by the Indemnified Party relating to the Third Party Claim.

(ii) The Indemnifying Party will have the right to participate in or assume the defense of any Third Party Claim with counsel of the Indemnifying Party's choice, reasonably satisfactory to the Indemnified Party, so long as (A) the Indemnifying Party notifies the Indemnified Party, within ten (10) days after the Indemnified Party has given Notice of the Third Party Claim to the Indemnifying Party (or by such earlier date as may be necessary under applicable procedural rules in order to file a timely appearance and response) that the Indemnifying Party is assuming the defense of such Third Party Claim and will indemnify the Indemnified Party against such Third Party Claim in accordance with this Article 8, (B) the Indemnifying Party provides the Indemnified Party with evidence reasonably acceptable to the Indemnified Party that the Indemnifying Party has and will at all times continue to have the financial resources to defend the Third Party Claim (including any increased losses caused by such defense) and fulfill its indemnification obligations hereunder with respect thereto, (C) the Indemnifying Party conducts the defense of the Third Party Claim actively and diligently and at its own costs and expense, and (D) the Third Party Claim does not involve injunctive relief, specific performance or other similar equitable relief, any Claim in respect of Taxes, any Governmental Authority or any potential damage to the goodwill or reputation of Buyer, the goodwill or reputation of Seller, or the Business.

(iii) So long as the conditions set forth in Section 8.3(b)(ii) are and remain satisfied, then (A) the Indemnifying Party may conduct the defense of the Third Party Claim in accordance with Section 8.3(b)(ii), (B) the Indemnified Party may retain separate co-counsel at

its sole cost and expense to participate in the defense of the Third Party Claim to the extent the Indemnifying Party and the Indemnified Party reasonably agree that a conflict of interest exists in respect of such claim), it being understood that the Indemnifying Party will control such defense subject to the limitations set out in this Section 8.3(b), (C) the Indemnified Party will not consent to the entry of any judgment or enter into any settlement with respect to the Third Party Claim without the prior written consent of the Indemnifying Party (not to be unreasonably withheld, conditioned or delayed), (D) the Indemnifying Party will not consent to the entry of any judgment with respect to the Third Party Claim, or enter into any settlement, which either imposes an injunction or other equitable relief upon the Indemnified Party or does not include a provision whereby the plaintiff or claimant in the matter releases the Indemnified Party from all Liability with respect thereto, and (E) the Indemnified Party shall, at the Indemnifying Party's request and at the Indemnifying Party's expense, cooperate in the defense of the matter.

8.4 Limitations on and Expiration of Indemnification. Notwithstanding anything to the contrary contained in this Agreement, except with respect to Seller, the requirement of duly enacted appropriations in accordance with Section 5-4 and Section 5-11 of the Borough Charter, the Indemnified Party's rights to indemnification against the Indemnifying Party shall be limited as follows:

(a) Seller shall not be obligated to indemnify the Buyer Indemnified Parties pursuant to Section 8.2(a)(i) unless and until the aggregate of all such Losses under Section 8.2(a)(i) is greater than or equal to Fifty Thousand Dollars ($50,000) (the "**Deductible**"), whereupon, subject to the other limitations of this Article 8, Seller shall indemnify, defend and hold harmless such Indemnified Party for all Losses sustained or incurred thereby under Section 8.2(a)(i) from the first dollar; provided, however, that the Deductible shall not apply to any Buyer Indemnifiable Losses for breach or inaccuracy of any Fundamental Representation or to any Seller Indemnifiable Losses for breach or inaccuracy of Section 3.1(b)(ii).

(b) The aggregate liability of Seller to indemnify the Buyer Indemnified Parties from and against any Buyer Indemnifiable Losses arising under Section 8.2(a)(i) shall not, in any event, exceed Two Hundred Thousand Dollars ($200,000) (the "**Cap**"); provided, that the Cap shall not apply to any Buyer Indemnifiable Losses for any breach or inaccuracy of Seller's Fundamental Representations or any breach by Seller of Section 8.2(a)(ii) – (v), which shall be limited to an aggregate amount equal to Five Hundred Thousand Dollars ($500,000).

(c) Buyer shall not be obligated to indemnify the Seller Indemnified Parties pursuant to Section 8.2(b)(i) unless and until the aggregate of all such Losses under Section 8.2(b)(i) is greater than the Deductible, whereupon, subject to the other limitations of this Article 8, Buyer shall indemnify, defend and hold harmless such Indemnified Party for all Losses sustained or incurred thereby under Section 8.2(b)(i) from the first dollar. The aggregate liability of Buyer to indemnify the Seller Indemnified Parties from and against any Seller Indemnifiable Losses arising under Section 8.2(b)(i) shall not, in any event, exceed an amount equal to the Cap; and the aggregate liability of Buyer to indemnify the Seller Indemnified Parties from and against any Seller Indemnifiable Losses arising under Section 8.2(b)(ii) and Section 8.2(b)(iii) shall not, in any event, exceed Five Hundred Thousand Dollars ($500,000). Notwithstanding the foregoing, Buyer's liability for breach of its covenant in Section 6.24(b) to pay any excess

collections to Seller shall not be subject to the Five Hundred Thousand Dollars ($500,000) limitation of liability.

(d) The limitations set forth in this Section 8.4 shall not apply to Buyer Indemnifiable Losses or Seller Indemnifiable Losses that are caused by, result from, relate to, arise out of or are in the nature of claims by any Party based on fraud or willful misconduct.

(e) In no event shall an Indemnifying Party be liable to an Indemnified Party for any special or punitive damages, except with respect to any special or punitive damages arising from a Third Party Claim that such Indemnified Party is required to pay to any Person who is not a Party (or an Affiliate thereof).

(f) For purposes of determining the amount of any Losses that are the subject matter of a Claim for indemnification hereunder, each representation, warranty, and covenant in this Agreement and the Closing Documents, and each certificate or document delivered pursuant hereto, shall be read without regard and without giving effect to the term(s) "material" or "Material Adverse Change" or similar qualifiers as if such words and surrounding related words (e.g. "reasonably be expected to," "could have" and similar restrictions and qualifiers) were deleted from such representation, warranty or covenant; *provided*, however, that the foregoing clause shall not apply to the Fundamental Representations or the term "Material Contracts."

(g) Following the Closing, the sole and exclusive remedy for any and all Claims arising under, out of, or related to this Agreement, or the sale and purchase of the Acquired Assets and the assumption of the Assumed Liabilities, shall be the rights of indemnification set forth in this Article 8 only, and no Person will have any other entitlement, remedy or recourse, whether in contract, tort or otherwise, it being agreed that all of such other remedies, entitlements and recourse are expressly waived and released by the Parties hereto to the fullest extent permitted by law; provided, that nothing in this Section 8.4(g) shall limit a Party's right to seek and obtain any specific performance or equitable relief for breach of any covenant set forth in this Agreement or a Party's rights in the case of fraud or willful misconduct; provided, further, that Seller's sole and exclusive remedies for Buyer's breach of Section 6.15 shall be the exercise of Seller's rights under Section 6.16 and the right to obtain equitable relief in accordance with Section 9.11.

ARTICLE 9

MISCELLANEOUS

9.1 Amendments. This Agreement may not be amended, modified or supplemented without the written consent of the Parties hereto.

9.2 Waiver. No waiver by any Party of such Party's rights, powers or privileges hereunder, will be binding against any other Party. No such waiver by a Party will be enforceable against such Party unless such waiver was given in a written instrument signed by such Party. The waiver by any Party of any of such Party's rights, powers or privileges hereunder arising because of any breach, default or misrepresentation under or with respect to a

provision hereof, whether intentional or not, will not thereby extend (and will not be deemed to thereby extend) to any prior or subsequent breach, default or misrepresentation, respectively, by such Party or by another Party and will not affect in any way any rights, powers or privileges arising by virtue of any such prior or subsequent occurrence. No failure or delay by any Party in exercising any of such Party's rights, powers or privileges hereunder will operate as a waiver thereof, nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder or otherwise.

9.3 Notice. Any notice, request, demand, waiver, consent, approval or other communication (any of the foregoing, a "**Notice**") that must or may be given pursuant hereto must be in writing and will be deemed given only as follows: (1) on the date established by the sender as having been delivered personally; (2) on the date delivered by a commercial overnight courier as established by the sender by evidence obtained from the courier; (3) if sent by email, then upon confirmation of transmission thereof; or (4) on the third (3rd) Business Day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid; and be addressed (depending upon the method of Notice) as follows:

If to Seller:

City and Borough of Wrangell
Attn: Borough Manager and Borough Clerk
PO Box 531
Wrangell, Alaska 99929
Clerk@wrangell.com
lvonbargen@wrangell.com

With a copy to:

Alissa Smith, Esq.
Dorsey & Whitney LLP
801 Grand Ave., Ste. 4100
Des Moines, IA 50309
smith.alissa@dorsey.com

If to Buyer:

SouthEast Alaska Regional Health Consortium
3100 Channel Drive
Suite 300
Juneau, Alaska 99801-7837
Attention: Dan Neumeister
Email: dann@searhc.org

With a copy to:

K&L Gates LLP
925 Fourth Avenue, Suite 2900
Seattle, WA 98101
Attention: Carla Dewberry
Email: carla.dewberry@klgates.com

Notwithstanding the foregoing contact information set forth in this Section 9.3, a Party is permitted to validly deliver a Notice pursuant hereto to such other address or to the attention of such Person or Persons as the recipient Party has specified by prior Notice (in accordance with this Section 9.3) to the sending Party (or, in the case of counsel, to such other readily, ascertainable business address as such counsel might hereafter maintain). If more than one method for sending Notice as set forth above is used, then the earliest Notice date established as set forth in this Section 9.3 will control for purposes of determining when such Notice is deemed to have been given.

9.4 Counterparts. This Agreement may be executed in any number of counterparts (including by means of signature pages sent electronically by facsimile or in a .pdf format), each

of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

9.5 Severability. In the event any provision of this Agreement or portion thereof is found to be wholly or partially invalid, illegal or unenforceable in any Proceeding, such provision shall be deemed to be modified or restricted to the extent and in the manner necessary to render the same valid and enforceable, or shall be deemed severed from this Agreement, as the case may require, and the balance of this Agreement shall be construed and enforced to the maximum extent permitted by law, as if such provision had been originally incorporated herein as so modified or restricted or as if such provision had not been originally contained herein, as the case may be.

9.6 Governing Law. This Agreement shall be construed in accordance with the laws of the State of Alaska, without regard to conflicts of laws principles.

9.7 Assignment. This Agreement shall be binding upon, and shall inure to the benefit of, the Parties named herein and their respective successors and permitted assigns. Each Party shall not, and shall not purport, to assign any of such Party's rights hereunder or to delegate any of such Party's obligations hereunder without the prior written consent of Buyer, in the case of an attempted assignment or delegation by Seller, or the Assembly of the City and Borough of Wrangell, in the case of an attempted assignment or delegation by Buyer, and any such purported assignment or delegation without obtaining such written consent will be void *ab initio*; provided, that Seller may, without obtaining Buyer's written consent, assign its rights to an assignee in accordance with the provisions of Section 6.16; and provided, further, that Buyer may, without obtaining Seller's written consent: (a) assign any of its rights hereunder to one or more of its Affiliates that has agreed to be bound by the terms hereof and that has, if applicable, validly and irrevocably waived its sovereign immunity under applicable law on substantially the same terms, and subject to substantially the same limitations, as Buyer; (b) designate one or more of its Affiliates to perform its obligations hereunder, provided that such delegation shall not relieve Buyer of any of its Liabilities hereunder; or (c) upon the delivery of Notice to Seller, assign any of its rights hereunder to any Person solely in order to secure financing for the transactions contemplated in this Agreement in order to provide security for Buyer's financing obligations related to the transactions contemplated in this Agreement.

9.8 Expenses. Except as otherwise expressly provided herein, each Party shall bear such Party's costs and expenses and the costs and expenses of such Party's Affiliates in connection with the negotiation, preparation, execution, and delivery of this Agreement and of the Party's Closing Documents, including all legal, accounting, financial advisory, consulting, and all other fees and expenses of third parties, whether or not the transactions contemplated by this Agreement and the Closing Documents are consummated.

9.9 Third Parties. Except as expressly provided in Section 8.2(a) and Section 8.2(b), this Agreement shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns. Without limiting the generality of the foregoing, no Transferred Employee shall be deemed a third party beneficiary of this Agreement.

9.10 Entire Agreement. This Agreement, Seller's Closing Documents, and the Buyer's Closing Documents, including their respective schedules, exhibits, appendices, annexes, indices, and other attachments, if any, (a) are a final, complete, and exclusive statement of the agreement and understanding of the Parties with respect of the subject matter hereof and thereof and the transactions contemplated hereby and thereby, (b) collectively constitute the entire agreement of the Parties with respect to the subject matter hereof and thereof and the transactions contemplated hereby and thereby, and (c) supersede and merge herein and therein any prior or contemporaneous negotiations, discussions, representations, understandings, and agreements between or among any of the Parties, whether oral or written, with respect to the subject matter hereof and thereof and the transactions contemplated hereby and thereby.

9.11 Specific Performance; Injunctive Relief. The Parties agree that irreparable damage would occur in the event any of the provisions of this Agreement, the Deed Amendment, the Returned Asset Deed, and the Hospital Lease were not performed in accordance with their specific terms or were otherwise breached or threatened to be breached and that an award of money damages would be inadequate in such event. Accordingly, it is acknowledged that the Parties, without proof of actual damages, may obtain relief, including an injunction or injunctions or Orders for specific performance to prevent breaches of the provisions of this Agreement, the Deed Amendment, the Returned Asset Deed, and the Hospital Lease, and to enforce specifically the terms and provisions of this Agreement, the Deed Amendment, the Returned Asset Deed, and the Hospital Lease, in addition to any other remedy to which they are entitled at law or in equity as a remedy for any such breach or threatened breach. Each Party further agrees that neither Party nor any other Person shall be required to obtain, furnish or post any bond or similar instrument in connection with or as a condition to obtaining any remedy referred to in this Section 9.11, and each Party (a) irrevocably waives any right it may have to require the obtaining, furnishing or posting of any such bond or similar instrument and (b) agrees to cooperate fully in any attempt by the other Party in obtaining such equitable relief.

9.12 Dispute Resolution.

(a) In the event of any dispute or disagreement between the Parties following the Closing as to the interpretation of any provision of this Agreement, the Deed Amendment, the Returned Asset Deed, and the Hospital Lease or the performance of any obligations thereunder, the matter, upon the written request of any Party, shall be referred to representatives designated by each respective Party for resolution binding on the Parties. Such representatives shall promptly meet in a good faith effort to resolve the dispute. If the representatives do not agree upon a resolution within thirty (30) calendar days after reference of the matter to them, each Party shall be free to exercise the remedies available to it under Section 9.12(b).

(b) If any controversy, dispute or claim arising out or relating in any way to this Agreement, the Deed Amendment, the Returned Asset Deed, and the Hospital Lease or the transactions contemplated thereunder is not resolved by negotiation pursuant to Section 9.12(a), then either Party involved in such controversy, dispute or claim may demand that the controversy, dispute or claim be resolved by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association then in effect by three arbitrators selected in accordance with such rules unless the parties shall agree on a single arbitrator. Such arbitrator(s) shall have at least ten years of experience in the healthcare field.

The arbitration proceedings shall be held in Anchorage, Alaska, or another mutually acceptable neutral venue. Each Party shall bear all of its own expenses and the arbitrators' fees and expense shall be shared equally by the parties to the arbitration; provided, however, that at the conclusion of the arbitration, the arbitrator shall award costs and expenses (including the costs of the arbitration previously advanced and the fees and expenses of attorneys, accountants and other experts) to the prevailing Party or Parties. The decision of the arbitrators shall (i) be rendered in writing, and concurred in by a majority of the arbitrators, if more than one, and (ii) be final, binding and conclusive and entitled to be enforced to the fullest extent permitted by law and entered in any court of competent jurisdiction. To the extent practical, the decision of the arbitrators shall be rendered no more than 30 days following commencement of proceedings with respect thereto. The arbitrators shall have the power to grant equitable relief. The arbitrators shall cause their written decision to be delivered to the Parties. The Parties consent to the jurisdiction of the foregoing arbitrator or arbitrators and further consent to the jurisdiction of any state or federal court located in the State of Alaska for the purpose of enforcing the agreement to arbitrate set forth in this Section 9.12 and any decision or award of the arbitrators. The Parties agree that service of process may be made on any such Party by any means specified for Notice in Section 9.3. The submission to the jurisdiction of the courts referred to above for the purpose of enforcing the agreement to arbitrate set forth in this Section 9.12 and the decision or award of the arbitrators shall not (and shall not be construed so as to) limit the right of any Party to file or commence a proceeding against the other in any other court of competent jurisdiction for the purpose of enforcing the decision or award of the arbitrators if and to the extent permitted by applicable law. In the event any suit or other legal proceeding is brought for the enforcement of the agreement to arbitrate set forth in this Section 9.12 or any decision or award of the arbitrators, the Parties agree that the prevailing Party or Parties shall be entitled to recover from the other Party or Parties upon final judgment on the merits reasonable attorneys' fees, including attorneys' fees for any appeal and costs incurred in bringing such suit or proceeding. Notwithstanding anything to the contrary provided in this Section 9.12(b), and without prejudice to the above procedures, any Party may apply to any court of competent jurisdiction for temporary injunctive or other provisional judicial relief if such action is necessary to avoid irreparable damage or to preserve the status quo until such time as the arbitrator is selected and available to hear such Party's request for temporary relief.

(c) (i) Seller understands and agrees that Buyer possesses sovereign immunity from suit as a tribal consortium, recognized under the terms of the ISDEAA and acting on behalf of its constituent tribal governments. Buyer hereby provides an irrevocable limited waiver of its sovereign immunity (but not of the sovereign immunity of any of its tribal constituents) only to the limited extent necessary to (A) pursue arbitration as described in Section 9.12, (B) enforce the agreement to arbitrate set forth in Section 9.12, (C) enforce any binding decision or award issued in accordance with such arbitration, and (D) seek or pursue relief, including an injunction or injunctions or Orders for specific performance to prevent breaches of the provisions of this Agreement, the Deed Amendment, the Returned Asset Deed, and the Hospital Lease, and to enforce specifically the terms and provisions of this Agreement, the Deed Amendment, the Returned Asset Deed, and the Hospital Lease, in addition to any other remedy to which they are entitled at law or in equity as a remedy for any such breach or threatened breach, as contemplated in Section 9.11. Sovereign immunity is not waived as to any employee, board member, constituent tribe or agent of Buyer.

(ii) By this limited waiver of sovereign immunity, Buyer does hereby consent to jurisdiction only in the following fora: arbitration as described in Section 9.12 and any state or federal court located in the State of Alaska First Judicial District for the purposes described in this Section 9.12. Buyer agrees not to commence or initiate any action arising under this Agreement in any tribal court or forum and irrevocably waives, to the fullest extent permitted by law, any requirement for the exhaustion of remedies available in any tribal court or forum, if any.

(iii) Seller's agreement as set forth in the first sentence of Section 9.12(c)(i) and Buyer's limited waiver of sovereign immunity set forth in Section 9.12(c)(i) shall relate solely to the transactions contemplated in this Agreement. Buyer will not initiate a lawsuit or other action that challenges the validity of the limited waiver of sovereign immunity provided in Section 9.12(c)(i). Buyer will not raise Seller's acknowledgement of Buyer's sovereign immunity, and Seller will not raise Buyer's limited waiver of sovereign immunity, in Section 9.12(c)(i) in any future action or dispute between the Parties that is unrelated to this Agreement or the transactions contemplated herein. Buyer covenants that no future action by the Board of Directors that may be required to develop, construct, and operate the New Hospital will extinguish or change the limited waiver of sovereign immunity set forth in Section 9.12(c)(i).

9.13 Construction. The Parties have jointly participated in the negotiation and drafting of this Agreement. In the event of an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumptions or burdens of proof shall arise favoring any Party by virtue of the authorship of any of the provisions of this Agreement. As used in this Agreement, the word "including" means without limitation, the word "or" is not exclusive and the words "herein," "hereof," "hereby," "hereto" and "hereunder" refer to this Agreement as a whole. Each defined term used in this Agreement shall have a comparable meaning when used in its plural or singular form. Unless the context otherwise requires, references herein: (a) to Articles, Sections, Exhibits and Schedules mean the Articles and Sections of and the Exhibits and Schedules attached to this Agreement, (b) to an agreement, instrument or document means such agreement, instrument or document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof and not prohibited by this Agreement and (c) to a Law means such Law as amended from time to time and includes any successor legislation thereto. The headings and captions used in this Agreement, in any Schedule or Exhibit hereto, in the table of contents or in any index hereto are for convenience of reference only and do not constitute a part of this Agreement and shall not be deemed to limit, characterize or in any way affect any provision of this Agreement or any Schedule or Exhibit hereto, and all provisions of this Agreement and the Schedules and Exhibits hereto shall be enforced and construed as if no caption or heading had been used herein or therein. Any capitalized terms used in any Schedule or Exhibit attached hereto and not otherwise defined therein shall have the meanings set forth in this Agreement (or, in the absence of any ascribed meaning, the meaning customarily ascribed to any such term in the healthcare industry or in general commercial usage). All amounts payable hereunder and set forth in this Agreement are expressed in U.S. dollars, and all references to dollars (or the symbol "$") contained herein shall be deemed to refer to United States dollars.

9.14 Incorporation of Exhibits and Schedules. Notwithstanding any provision of this Agreement to the contrary, Buyer and Seller acknowledge and agree that, with respect to any exhibit and/or schedule referenced in this Agreement but not completed and attached hereto as of

the Execution Date, Buyer and Seller shall, subject to the terms of Section 6.2 hereof, in good faith negotiate the contents of such exhibit and/or schedule prior to the Closing Date. Subject to the foregoing, the exhibits, and schedules identified in this Agreement are incorporated herein by reference and made a part hereof. Any matter contained in any one section or schedule shall be deemed to be included in any other section or schedule to the extent it is reasonably apparent on its face that such information is relevant to another section or schedule.

[Signature page follows]

IN WITNESS WHEREOF, the Parties hereto have duly executed this Agreement effective as of the ____ day of _____.

SELLER

By: _____

Name: _____

Title: _____

BUYER

By: _____

Name: _____

Title: _____

Exhibit A

Defined Terms

For purposes of this Agreement, the following terms and variations thereof have the meanings specified or referred to in this Exhibit A:

"**Accounts Payable**" has the meaning set forth in Section 1.4(i).

"**Accounts Receivable**" means all accounts receivable of Seller, and all rights to payment, whether billed or unbilled, recorded or unrecorded, accrued and existing, whether or not written off, as of the Effective Time with respect to the Business, including rights to payment for all goods and services that Seller has provided at or through the Hospital to its patients prior to the Effective Time.

"**Accrued PTO**" has the meaning set forth in Section 1.3(c).

"**Accrued PTO Cash-Out Amount**" has the meaning set forth in Section 1.3(c).

"**Acquired Assets**" has the meaning set forth in Section 1.1.

"**Advisory Board**" has the meaning set forth in Section 6.17.

"**Affiliate**" means, with respect to any particular Person, any other Person controlling, controlled by or under common control with such Person. For purposes of this definition, the term "control" (including its correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise, and with respect to the City and/or Borough of Wrangell includes the power to form (or approve the formation of) any other Person.

"**Agency Settlements**" means, with respect to the Business, all rights to or liabilities for settlement and retroactive adjustments, if any, for open cost reporting periods ending on or prior to the Closing Date (whether open or closed) arising from or against any Government Reimbursement Program or other payor which is attributable to services provided during any period of time prior to the Effective Time.

"**Agreed Claims**" has the meaning set forth in Section 8.3(a)(iii).

"**Agreement**" has the meaning set forth in the introductory paragraph.

"**AICS Property**" means the property described in Exhibit E.

"**Assumed Contracts**" has the meaning set forth in Section 1.1(e).

"**Assumed Liabilities** " has the meaning set forth in Section 1.3.

"**Borough Charter**" means the Home Rule Charter of the City and Borough of Wrangell, Alaska.

"**Business** has the meaning set forth in Recital B.

"**Business Day**" means any day that is not a Saturday, a Sunday or other day on which government offices are required or authorized by Law to be closed in Wrangell, Alaska.

"**Buyer**" has the meaning set forth in the introductory paragraph.

"**Buyer Indemnified Parties**" has the meaning set forth in Section 8.2(a).

"**Buyer Indemnifiable Losses**" has the meaning set forth in Section 8.2(c).

"**Buyer's Closing Documents**" has the meaning set forth in Section 5.5.

"**Buyer's Title Notice**" has the meaning set forth in Section 6.18(b).

"**Cap**" has the meaning set forth in Section 8.4(b).

"**Catastrophic Material Casualty**" means damage or destruction to an essential or significant portion of the physical structure of the Hospital by fire or the elements or by any other catastrophic cause and (i) the cost to repair such damage is reasonably likely to exceed the proceeds of both Parties' insurance and sums payable thereunder for such damage or destruction by $500,000 or (ii) continued operation of the Hospital has become impossible, unsafe, or unlawful.

"Claims" means all charges, complaints, actions, suits, proceedings, hearings, investigations, claims, and demands.

"**Closing**" has the meaning set forth in Section 1.5(a).

"**Closing Date**" has the meaning set forth in Section 1.5(a).

"**COBRA**" means Section 4980B of the Code and Sections 601 through 608, inclusive, of ERISA.

"**Collection Service Fee**" means the amount equal to the product of (a) cash received by Buyer in collecting the Accounts Receivable and Agency Receivables and (b) 12%.

"**Code**" means the Internal Revenue Code of 1986.

"**CON**" has the meaning set forth in Section 6.23.

"**Confidential Information**" means any proprietary financial, economic, and business information relating to Buyer's practice, operations, policies, procedures, and methodologies.

"**Contract**" means any contract, agreement, license, sublicense, franchise, mortgage, purchase order, indenture, loan agreement or instrument which relates to the Business or any

binding commitment to enter into any of the foregoing (in each case, whether written or oral) to which Seller is a party or by which any of the assets used in the Business are bound, but excluding Licenses.

"**Deductible**" has the meaning set forth in Section 8.4(a).

"**Deed Amendment**" has the meaning set forth in Section 4.7(f).

"**Effective Time**" has the meaning set forth in Section 1.5(a).

"**Eligible Property**" means the Wood Campus Real Property (New Hospital Site) and improvements thereon, the on-site buildings, structures, fixed machinery and equipment, storage tanks, process units (including all integral components necessary or useful for operations), site improvements, and infrastructure and the permanent office space and related fixed improvements.

"**Employee Benefit Plan**" means, with respect to the employees of Seller who provide services in connection with the Business: (i) each "employee benefit plan," as such term is defined in Section 3(3) of ERISA, regardless of whether subject to the requirements of ERISA; and (ii) all other pension, retirement, profit sharing, welfare, wellness, disability, group insurance, retention, change-in-control, sale bonus, severance pay, deferred compensation, flexible benefit, excess or supplemental benefit, vacation, stock-related, stock option, phantom stock, fringe benefits and incentive plans, and all employment agreements, termination, severance or other Contracts, whether formal or informal, whether or not set forth in writing, whether covering one Person or more than one Person, and whether or not subject to any of the provisions of ERISA, which pertain to any employee, former employee, director, officer, shareholder of Seller, or Seller Affiliate and (a) to which Seller or any Seller Affiliate is or has been a party or by which any of them is or has been bound as of the date of this Agreement or (b) to which Seller or any Seller Affiliate may otherwise have any liability (including any such plan or arrangement formerly maintained by Seller or any such Seller Affiliate).

"**Encumbrance**" means any charge, claim, equitable interest, lien, encumbrance, option, pledge, security interest, mortgage, easement, license, encroachment, rights of way, obligation to offer or transfer, right of first refusal or first option on transfer, conditional sale or other title retention agreement, or restriction of any kind.

"**Environmental Laws**" means shall mean all federal, state, local and foreign statutes, regulations, and ordinances concerning public health and safety, worker health and safety, and pollution or protection of the environment, including without limitation all those relating to the presence, use, production, generation, handling, transportation, treatment, storage, disposal, distribution, labeling, testing, processing, discharge, release, threatened release, control, or cleanup of any Hazardous Materials, as such requirements are enacted and in effect on or prior to the Closing Date.

"**Environmental Requirements**" has the meaning set forth in Section 2.14.

"**ERISA**" means the Employee Retirement Income Security Act of 1974, and the regulations and rules issued pursuant thereto.

"**Excluded Assets**" has the meaning set forth in Section 1.2.

"**Excluded Contracts**" has the meaning set forth in Section 1.2(b).

"**Excluded Liabilities**" has the meaning set forth in Section 1.4.

"**Excluded Parcel**" has the meaning set forth in Section 6.18(c).

"**Execution Date**" has the meaning set forth in the introductory paragraph.

"**Financial Statements**" has the meaning set forth in Section 2.18(a).

"**Force Majeure**" means (a) acts of God; (b) a catastrophic natural disaster; (c) war, hostilities (whether war is declared or not), terrorist threats or acts, riot or other civil unrest; (d) national or regional emergency; or (e) other events beyond the reasonable control of Buyer.

"**Fundamental Representations**" means the representations and warranties set forth in Sections 2.1 (Organization; Power and Authority), 2.3(a) (Assets), and 2.14 (Environmental Matters).

"**GAAP**" means United States generally accepted accounting principles as in effect from time to time.

"**Government Reimbursement Programs**" means Medicare, Medicaid, the TRICARE program, and all other similar federal, state or local reimbursement or governmental programs for which the Business is eligible.

"**Governmental Authority**" means (i) the United States of America, (ii) the State of Alaska, (iii) the City and Borough of Wrangell, and (iv) any agency, authority or instrumentality of any of the foregoing, including any court or other tribunal.

"**Hazardous Materials**" means any substance by character or concentration defined in or regulated under any Environmental Law to be a pollutant, hazardous substance, radioactive substance, toxic substance, hazardous waste, medical waste, radioactive waste, special waste, petroleum or petroleum-derived substance or waste, asbestos, polychlorinated biphenyls, or any hazardous or toxic constituent thereof and includes, but is not limited to, any substance defined in or regulated under any Environmental Law.

"**Hospital**" has the meaning set forth in Recital A.

"**Hospital Lease**" has the meaning set forth in Section 4.7(h).

"**Indebtedness**" of any Person means, as of a particular time, without duplication, (i) all obligations of such Person for borrowed money or which have been incurred in connection with the acquisition of property or assets, (ii) obligations secured by any Encumbrance upon property or assets owned by such Person, even though such Person has not assumed or become liable for the payment of such obligations, (iii) obligations created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person, notwithstanding

the fact that the rights and remedies of Seller, lender or lessor under such agreement in the event of default are limited to repossession or sale of the property, (iv) capitalized lease obligations, (v) obligations with respect to interest rate or currency swaps, collars, caps and similar hedging obligations, (vi) all guaranties, surety or indemnity obligations by such Person and (vii) all obligations of such Person in regard to guaranties or sureties by others of such Person's obligations, regardless of whether by payment or performance, or whether such guaranties are in the form of letters of credit, deposits, bonds, insurance or other forms of security, indemnity, surety or guaranty.

"**Intellectual Property**" means any and all of the following (including all copies and embodiments thereof, in electronic, written or other media; all rights to seek and recover damages and/or settlements for any Claims whatsoever related thereto), and all improvements thereto) in the United States and outside of the United States: (i) all registered and unregistered trademarks, trade dress, industrial designs, service marks, logos, trade names, corporate names, social media designations, other indicia of source of origin, all applications to register the same, and all goodwill related thereto; (ii) all issued United States and foreign patents and pending patent applications, patent disclosures and improvements thereto, all renewals, extensions, divisions, continuations, continuations-in-part thereof, and all rights related thereto; (iii) all registered and unregistered copyrights and all applications to register the same, all copyrightable works, and all derivative works thereof; (iv) all computer software and databases (excluding software and databases that are licensed under standard, off-the-shelf, non-exclusive software licenses granted to end-user customers by third parties in the ordinary course of such third parties' business with annual fees or other payments of less than $5,000 per license); (v) all trade secrets, know-how, inventions (whether or not patentable and whether or not reduced to practice), recipes, formulas, product methods, processes, procedures, drawings, specifications, designs, plans, proposals, technical data, financial, marketing, and business data (including customer relationship management data), pricing and cost information, business and marketing plans, customer leads, customer and supplier lists and information and other confidential and proprietary information; and (vii) all Internet domain names, websites and website materials, and all registrations.

"**Indemnification Certificate**" has the meaning set forth in Section 8.3(a)(i).

"**Indemnified Party**" has the meaning set forth in Section 8.3(a)(i).

"**Indemnifying Party**" has the meaning set forth in Section 8.3(a)(i).

"**Interim Financial Statements**" has the meaning set forth in Section 2.18(a).

"**Interim Operating Period**" means the period from the Closing Date until operations at the New Hospital as a critical access hospital commence and the Business (in the manner conducted at such date) is transferred to the Wood Campus Real Property (New Hospital Site).

"**ISDEAA**" has the meaning set forth in Recital C.

"**Knowledge**" means that a particular fact or other matter will be imputed to Seller if the Chief Executive Officer of the Hospital, the Chief Financial Officer of the Hospital, the Risk Manager/Compliance Officer of the Hospital, and the Human Resources Coordinator of the

Hospital (a) is actually aware of the fact or matter or (b) a reasonably prudent individual could be expected to discover or otherwise become aware of notice of that fact or matter in the course of conducting his or her responsibilities in the conduct of his or her job duties for Seller or the Hospital, as applicable.

"**Law**" means any law, statute, the Wrangell Municipal Code or the Borough Charter, ordinance, regulation, rule, Order, stipulation, common law doctrine, rule of interpretation or other legal requirement of any Governmental Authority including but not limited to the Americans with Disabilities Act of 1990 (ADA), 42 U.S.C. 12101, et seq., the Civil Rights Act of 1964, 42 U.S.C. 2000d, et seq., the Fair Labor Standards Act, 29 U.S.C. 201, et seq., and all federal and state laws that apply to development, construction and operation of a hospital.

"**Leased Equipment**" has the meaning set forth in Section 2.6(b).

"**Leased Real Property**" has the meaning set forth in Section 2.7(a).

"**Liabilities**" mean any liability (whether known or unknown, fixed or contingent, liquidated or unliquidated, and due or to become due), obligation or Indebtedness, including any liability for Taxes.

"**Licenses**" means any license or permit required to be issued by any Governmental Authority, and any approval, authorization, consent, notice, qualification, registration, certificates of need, certificates of exemption, franchises, accreditations, and all applications therefor and waivers of any requirements pertaining thereto, or any extension, modification, amendment or waiver of any of the foregoing, of or from, or any notice, statement, filing or other communication to be filed with or delivered to, any Governmental Authority.

"**Losses**" mean any and all Liabilities, damages, fines, costs, fees, penalties, deficiencies, losses, amounts paid in settlement and expenses (including interest, court costs, reasonable fees of attorneys, accountants and other experts or other expenses of litigation or other proceedings) of a Party related to any Claim, default or assessment described in, arising under or otherwise relating to the Agreement or the transactions contemplated herein.

"**Mandatory Removal Exceptions**" means exceptions for any of the following: (i) real estate contracts, security deeds, mortgages, deeds of trust, and other instruments evidencing or securing loans or other Indebtedness; (ii) any real estate excise, sales, conveyance, transfer or stamp Taxes payable at Closing under applicable law; (iii) local improvement district and other similar assessments, and any delinquent real estate Taxes or owners association assessments; (iv) mechanics, materialmen, or construction liens, judgment liens, and lis pendens; (v) other monetary liens and monetary exceptions; (vi) any option or right to purchase all or any part of the Wood Campus Real Property (New Hospital Site), other than this Agreement; (vii) ad valorem tax covenant; or (viii) the authority, organization or legal standing of Seller or the authority of any Person signing for Seller.

"**Material Adverse Change**" means any event, change or occurrence that, individually or together with any one or more other events, changes or occurrences, would be reasonably likely to materially and adversely affect the Business, the assets or liabilities of Seller with respect to the Business, the results of operations or financial condition of the Hospital, or on the

ability of either Party to consummate the transactions contemplated hereby; provided, however, that none of the following, and no events, changes or occurrences, individually or in the aggregate, to the extent arising out of, resulting from or attributable to any of the following shall constitute or be taken into account in determining whether a Material Adverse Change has occurred or may, would or could occur:

(a) (1) changes generally affecting the economy, credit, capital or financial markets or political conditions in the United States, including changes in interest and exchange rates, (2) changes that are the result of acts of war (whether or not declared), armed hostilities, sabotage or terrorism, or any escalation or worsening of any such acts of war (whether or not declared), armed hostilities, sabotage or terrorism or (3) epidemics, pandemics, earthquakes, hurricanes, tornados or other natural disasters;

(b) changes that are the result of factors generally affecting the healthcare industry;

(c) changes or prospective changes in any Law or GAAP or interpretation or enforcement thereof after the date hereof;

*provide*d, further, however, that any event, change, or occurrence referred to in clause (a), (b) or (c) may constitute and shall be taken into account in determining whether or not a Material Adverse Change has occurred, or would be reasonably expected to occur, to the extent such event, change or occurrence has a materially disproportionate adverse impact on Seller as compared to other participants in the healthcare industry (in which case the incremental disproportionate impact or impacts shall be taken into account in determining whether or not a Material Adverse Change has occurred).

"**Material Condemnation**" means any taking of any portion of the Real Property or conveyance of any portion of the Real Property after receipt of written notice of an offer to purchase under a threat of condemnation (except Leased Real Property) by power of eminent domain, if the result of such taking or conveyance would render the remainder of the Real Property unsuitable for the operation of the Hospital or the construction, development and operation of the New Hospital, in the case of the Wood Campus Real Property (New Hospital Site).

"**Material Contract**" means each Contract to which Seller or any Affiliate of Seller is a party and which is material to the Business and the operation of the Hospital, including all provider network agreements, clinical affiliation agreements, medical director agreements, consulting agreements, management services agreements, professional services agreements, transfer agreements, recruitment agreements, employment agreements, real estate lease agreements, personal property lease agreements, supply agreements, software agreements, agreements with managed care, health maintenance, preferred provider, and other third party private payor organizations, and agreements with any Government Reimbursement Program.

"**Medicare**" has the meaning set forth in Section 2.9(a).

"**Memorandum of Agreement**" has the meaning set forth in Section 8.3(a)(ii).

"**New Hospital**" means the critical access hospital with long-term care beds to be developed, built, and operated by Buyer or its Affiliates and located on the Wood Campus Real Property (New Hospital Site).

"**Notice**" has the meaning set forth in Section 9.3.

"**Order**" means any order, injunction, judgment, determination, decree, award, ruling or assessment of any Governmental Authority, or of an arbitration panel provided for in Article 9 of this Agreement.

"**Ordinary Course of Business**" means with respect to any Person the ordinary and usual course of normal day-to-day operations of such Person consistent with past custom and practice in all material respects (including with respect to quantity and frequency) of such Person.

"**Party**" or "**Parties**" has the meaning set forth in the introductory paragraph.

"**Permitted Encumbrances**" means, with respect to the Acquired Assets other that the Wood Campus Real Property (New Hospital Site), any (a) Encumbrances in respect of property or assets imposed by Laws such as mechanic's, materialmen's, warehousemen's, landlord's, laborer's, workmen's, repairmen's, carrier's, supplier's and similar Encumbrances, including all statutory Encumbrances, arising or incurred in connection with capital expenditures or otherwise in the Ordinary Course of Business for amounts not yet due and payable, (b) Encumbrances for Taxes not yet due and payable or for Taxes being contested in good faith and by appropriate proceedings for which adequate reserves have been established, (c) purchase money Encumbrances (including interests of goods consigned to Seller) and Encumbrances securing rental payments under capital lease arrangements, (d) Encumbrances arising out of a conditional sale, title retention or similar arrangements for the sale of goods entered into in the Ordinary Course of Business, (e) Encumbrances arising from the filing of Uniform Commercial Code financing statements as a precautionary measure in connection with operating leases, (f) Encumbrances which constitute a setoff or banker's liens, whether arising by Law or contract, (g) Encumbrances on specific items of inventory or other goods (and the proceeds thereof) of any Person securing such Person's obligations in respect of bankers' acceptances issued or created in the Ordinary Course of Business for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods, (h) Encumbrances on insurance proceeds in favor of insurance companies granted solely as security for financed premiums, (i) pledges or deposits under workers' compensation legislation, unemployment insurance Laws or similar Laws, (j) zoning, building, and other land use Laws regulating the use or occupancy of real property or the activities conducted thereon which are imposed by any Governmental Authority having jurisdiction over such real property which are not violated in any material respect by the current use or occupancy of such real property, (k) in the case of Leased Real Property, easements, covenants, conditions and other restrictions or matters of record or disclosed by a survey affecting title to real property which do not materially impair the current use or occupancy of the property subject thereto, (l) any interest or title of a lessee or lessor pursuant to a lease of any portion of the Leased Real Property, (m) all matters, whether or not of record, that arise out of the actions of Buyer or its agents, representatives or contractors; (n)

exceptions in Ketchikan Title Agency, LLC, Title Insurance Commitment dated August 1, 2018, Report Only, File 32421; and (o) items listed in Schedule 1.3 of the Hospital Lease.

"**Permitted Exceptions**" means, with respect to the Wood Campus Real Property (New Hospital Site), (a) all matters, whether or not of record, that arise out of the actions of Buyer or its agents, representatives or contractors; (b) any installation, service, connection, usage or maintenance charge for sewer, water, electricity, telephone, cable or internet service, and any charges under any reciprocal easement agreement, declarations of covenants, conditions, restrictions, common area agreement, shared maintenance agreement, or similar agreements which burden or benefit the Wood Campus Real Property (New Hospital Site) to the extent not yet due and payable; (c) all matters that the Title Company is willing to insure over without additional premium or indemnity from Buyer, provided that, in the exercise of Buyer's reasonable business judgment, such matter will not have a material adverse effect on the ownership or operation of the Wood Campus Real Property (New Hospital Site) from and after the Closing; (d) standard pre-printed exceptions and provisions contained in title insurance policies, other than to the extent same can be removed by execution and delivery by Seller of a title affidavit; (e) zoning, building, and other land use Laws regulating the use or occupancy of real property or the activities conducted thereon which are imposed by any Governmental Authority having jurisdiction over such real property which are not violated in any material respect by the current use or occupancy of such real property; [(f) items 8 through 12 listed in Ketchikan Title Agency, LLC Title Insurance Commitment File 32378, commitment date of July 16, 2018,][1] and (g) all other matters shown on or referenced in the Title Commitment (other than Mandatory Removal Exceptions) or the Survey, and all other matters affecting title to the Wood Campus Real Property (New Hospital Site), except for those matters as to which: (i) Buyer makes a written objection to Seller; and (ii) Seller elects to use reasonable efforts to remove in accordance with Section 6.18(b). The term "Permitted Exceptions" shall also include any matters that become Permitted Exceptions in accordance with the provisions hereof. Permitted Exceptions shall not include any Mandatory Removal Exceptions.

"**Person**" means any individual, partnership, corporation, limited liability company, joint stock company, trust, unincorporated association, joint venture or other entity, or any Governmental Authority.

"**Personal Property**" has the meaning set forth in Section 1.1(a).

"**Personal Property Leases**" has the meaning set forth in Section 1.1(b).

"**Prepaid Expenses**" has the meaning set forth in Section 1.1(i).

"**Proceeding**" means any action, arbitration, audit, hearing, investigation, litigation or suit (whether civil, criminal, administrative, judicial or investigative, whether formal or informal, and whether public or private).

"**PTO Accrual Rate**" has the meaning set forth in Section 6.4(b).

[1] Seller's note: This language needs to remain bracketed until Seller gets the title report from Ketchikan Title.

"**Public Records Disclosure Laws**" has the meaning set forth in Section 6.8(b).

"**Purchased Inventory**" has the meaning set forth in Section 1.1(h).

"**Reacquisition Offer**" has the meaning set forth in Section 6.16.

"**Real Property**" has the meaning set forth in Section 2.7(c).

"**Real Property Leases**" has the meaning set forth in Section 1.1(c).

"**Returned Asset Deed**" has the meaning set forth in Section 6.16.

"**Returned Assets**" has the meaning set forth in Section 6.16.

"**Seller**" has the meaning set forth in the introductory paragraph.

"**Seller Indemnifiable Losses**" has the meaning set forth in Section 8.2(c).

"**Seller Indemnified Parties**" has the meaning set forth in Section 8.2(b).

"**Seller Permitted Exceptions**" means, with respect to the Wood Campus Real Property (New Hospital Site), (a) all Encumbrances upon the Wood Campus Real Property (New Hospital Site) that existed as of the Closing Date (including those that may have been insured over by the Title Company as contemplated in clause (c) of the definition of Permitted Exceptions), (b) all matters, whether or not of record, that arise out of the actions of Seller or its agents, representatives or contractors, (c) any installation, service, connection, usage or maintenance charge for sewer, water, electricity, telephone, cable or internet service, and any charges under any reciprocal easement agreement, declarations of covenants, conditions, restrictions, common area agreement, shared maintenance agreement, or similar agreements which burden or benefit the Wood Campus Real Property (New Hospital Site) to the extent not yet due and payable; (d) zoning, building, and other land use Laws regulating the use or occupancy of real property or the activities conducted thereon which are imposed by any Governmental Authority having jurisdiction over such real property which are not violated in any material respect by the current use or occupancy of such real property; (e) any Encumbrances granted in or in connection with the Subdivision Plat; and (f) any additional non-monetary Encumbrances granted by Buyer in connection with the anticipated construction, development and operation of the New Hospital, including, without limitation, utility and access easements, to the extent such Encumbrances are not inconsistent with the construction, development and operation of a hospital on the Wood Campus Real Property (New Hospital Site).

"**Seller PIP Payments**" has the meaning set forth in Section 6.11(a).

"**Seller Straddle Patient Payments**" has the meaning set forth in Section 6.11(b).

"**Stark Law**" means Section 1877 of the Social Security Act (42 U.S.C. 1395nn).

"**State**" has the meaning set forth in Section 6.23.

"**Straddle Patients**" has the meaning set forth in Section 6.11(b).

"**Subdivision Plat**" has the meaning set forth in Section 6.18(c).

"**Survey**" has the meaning set forth in Section 6.18(a).

"**Surviving Covenants**" has the meaning set forth in Section 8.1(b).

"**Survival Period**" has the meaning set forth in Section 8.1(a).

"**Taxes**" means all (i) taxes, charges, withholdings, fees, levies, imposts, duties and governmental fees or other like assessments or charges of any kind whatsoever in the nature of taxes imposed by any United States federal, state, local or foreign or other Taxing Authority (including those related to income, net income, gross income, receipts, capital, windfall profit, severance, property (real and personal), production, sales, goods and services, use, business and occupation, license, excise, registration, franchise, liquor, employment, payroll (including social security contributions), deductions at source, withholding, alternative or add-on minimum, intangibles, ad valorem, transfer, gains, stamp, customs, duties, estimated, transaction, title, capital, paid-up capital, profits, premium, value added, recording, inventory and merchandise, business privilege, federal highway use, commercial rent or environmental tax, and any liability under unclaimed property, escheat, or similar Laws), (ii) interest, penalties, fines, additions to tax or additional amounts imposed by any Taxing Authority in connection with (x) any item described in clause (i) or (y) the failure to comply with any requirement imposed with respect to any Tax Return, and (iii) liability in respect of any items described in clause (i) and/or (ii) payable by reason of contract (including any Tax Sharing Agreement), assumption, transferee, successor or similar liability (including bulk transfer, sales or similar law), operation of law (including pursuant to Treasury Regulations Section 1.1502-6 (or any predecessor or successor thereof or any analogous or similar state, local, or foreign Law)) or otherwise.

"**Tax Return**" means any return, declaration, form, report, claim informational return (including all Forms 1099) or statement required to be filed with any Governmental Authority with respect to Taxes, including any schedule or attachment thereto or amendment thereof.

"**Tax Sharing Agreement**" means any Tax indemnity agreement, Tax sharing agreement, Tax allocation agreement or similar contract or arrangement, whether written or unwritten (including any such agreement, contract or arrangement included in any purchase or sale agreement, merger agreement, joint venture agreement or other document) or any Contract relating or attributable to Taxes with any Taxing Authority.

"**Taxing Authority**" means, with respect to any Tax or Tax Return, the Governmental Authority that imposes such Tax or requires a person to file such Tax Return and the agency (if any) charged with the collection of such Tax or the administration of such Tax Return, in each case, for such Governmental Authority.

"**Termination Date**" means February 28, 2019.

"**Third Party Claim**" has the meaning set forth in Section 8.3(b)(i).

"**Title Commitment**" has the meaning set forth in Section 6.18(b)(i).

"**Title Company**" shall mean Ketchikan Title Agency, LLC, using First American Title as the underwriter.

"**Title Policy**" has the meaning set forth in Section 6.18(b)(i).

"**Transferred Employees**" has the meaning set forth in Section 6.4(a).

"**Transferred Records**" has the meaning set forth in Section 1.1(j).

"**Transition Patients**" has the meaning set forth in Section 6.11(a).

"**Treasury Regulations**" means the Treasury regulations promulgated under the Code, as such Treasury Regulations may be amended from time to time. Any reference herein to a particular provision of the Treasury Regulations means, where appropriate, the corresponding successor provision.

"**WARN Act**" has the meaning set forth in Section 6.4(g).

"**Wind Up Activities**" has the meaning set forth in Section 6.4(i).

"**Wood Campus Real Property (New Hospital Site)**" has the meaning set forth in Section 1.1(d).