

OPTION TO PURCHASE AGREEMENT
BY AND AMONG
HABERSHAM COUNTY HOSPITAL AUTHORITY,
HABERSHAM COUNTY, GEORGIA,
AND
THE HOSPITAL AUTHORITY OF
HALL COUNTY AND THE CITY OF GAINESVILLE

OPTION TO PURCHASE AGREEMENT

THIS OPTION TO PURCHASE AGREEMENT (the "**Agreement**") is entered into as of the 16th day of September, 2019 to be effective immediately following the public forum to be held on November 18, 2019 (the "**Effective Date**"), by and among HABERSHAM COUNTY HOSPITAL AUTHORITY ("**Seller**"), HABERSHAM COUNTY, GEORGIA ("**County**"), THE HOSPITAL AUTHORITY OF HALL COUNTY AND THE CITY OF GAINESVILLE ("**HAHC**") ("**Buyer**").

RECITALS:

A. Seller owns and operates Habersham Medical Center, an acute care hospital, located at 541 Historic Highway 441 North, Demorest, Georgia, 30535, together with its equipment, supplies, related healthcare providers, businesses, medical office buildings, and related assets, (collectively, and including without limitation, home health and nursing home operation, the "**Hospital**").

B. Buyer and its Related Entities own and operate healthcare facilities serving Northeast Georgia and desires to expand its resources to ensure access to healthcare services in Habersham County.

C. Subject to the terms and conditions of this Agreement, Seller desires to grant to Buyer and Buyer desires to purchase from Seller an option to acquire substantially all of the assets of Seller which are related to, or necessary for, or used in connection with the Hospital.

D. County approves and agrees to be bound by the terms of this Agreement.

AGREEMENT:

NOW, THEREFORE, for and in consideration of the premises and the mutual agreements, covenants, representations, and warranties hereinafter set forth and other good and valuable consideration, the receipt and adequacy of which are forever acknowledged and confessed, the parties hereto hereby agree as follows:

1. OPTION TO PURCHASE AND RELATED MATTERS.

1.1 **Grant of Rights.** Subject to the terms and conditions of this Agreement and in exchange for the Option Consideration described in Section 2, Seller and County hereby grant to Buyer an option ("**Acquisition Option**") to acquire the Purchased Assets at any time that one of the Triggering Events, as defined below in Section 4, occurs. In the event the Acquisition Option is exercised by Buyer, the Buyer and Seller hereby agree that the Asset Purchase Agreement, attached hereto as Exhibit "A" (hereafter the "**Asset Purchase Agreement**") is acceptable and the parties hereby agree to the terms and conditions of the Asset Purchase Agreement, including the Schedules and Exhibits thereto as updated as set forth therein, which shall be conditioned upon the Buyer exercising the Acquisition Option granted herein. All terms that are capitalized and defined in the Asset Purchase Agreement shall have the same meaning in this Agreement.

1.2 Schedules and Other Instruments. Each Schedule and Exhibit to this Agreement shall be considered a part hereof as if set forth herein in full. All Schedules, Exhibits (other than Exhibit "A"), or other instruments provided for herein and not delivered at the time of execution of this Agreement or which are incomplete at the time of execution of this Agreement shall be delivered or completed within sixty (60) days after the date hereof, unless otherwise specifically set forth herein. It shall be deemed a condition precedent to the obligations of the parties hereto that each of the Schedules, Exhibits and related documents shall meet with the reasonable approval of such parties. Each of the parties hereto shall have ten (10) business days following the date of receipt of each Schedule, Exhibit or related document within which to approve or disapprove such item. If within the ten (10) business day period either party gives written notice to the other of disapproval of any such item, the other party shall have five (5) business days within which to correct the item disapproved. If the party to whom notice of disapproval is delivered is either unwilling or unable to correct the disapproved item, then the disapproving party shall have five (5) business days within which to terminate this Agreement by giving written notice of such termination to the other party.

2. OPTION CONSIDERATION.

2.1 Option Consideration.

(a) In consideration of the Acquisition Option, Buyer shall pay to Seller within five (5) days of the execution hereof the sum of One Thousand Dollars (\$1,000.00) (the "**Option Consideration**").

(b) The Purchase Price for the Purchased Assets shall be Fifteen Million Dollars (\$15,000,000.00), which shall be paid in annual installments of Three Million Dollars (\$3,000,000.00) (the "**Payments**"), subject to the conditions described in Section 2.2 hereinbelow. If Seller and County have entered into an IGA in accordance with Section 5.3 hereinbelow and are otherwise in compliance with this Agreement, the first Payment shall be made within thirty (30) days of the Effective Date of this Agreement, but no later than November 25, 2019, subject to the conditions described in Section 2.2 hereinbelow (the date of such payment, the "**Initial Payment Date**"). Subsequent Payments shall be paid on the following four (4) anniversaries of the Initial Payment Date, provided that each of Seller and County have fully performed all of its obligations hereunder and under the IGA (defined in Section 5.3 hereinbelow) that are due to be performed on or prior to the applicable anniversary.

(c) At the Closing described in the Asset Purchase Agreement, the Payments made prior thereto shall be credited against the Purchase Price.

(d) In the event Buyer fails to exercise the Acquisition Option in accordance with the Triggering Events set forth in Section 4.1 hereinbelow, Buyer will forfeit the Option Consideration and the Payments previously made hereunder and hereby waives any claim for refund thereof.

2.2 Use of Funds Restriction. Payments shall be held and used by Seller for Capital Purposes only and for no other purpose. “**Capital Purposes**” shall mean expenditures for the infrastructure necessary to support, expand and enhance acute care services to the Habersham County community to include, but not be limited to, inpatient acute care capacity, and electronic medical information systems and similar items as set forth on Schedule 2.2 attached hereto. No Payment shall be made prior to the date on which (i) Buyer has received a letter from the office of the Attorney General of the State of Georgia that the Hospital Acquisition Act, O.C.G.A. § 31-7-400 through O.C.G.A. § 31-7-412, does not apply to the transactions described herein and in the Asset Purchase Agreement; (ii) Buyer has received an opinion of Seller’s bond counsel that (a) the Purchased Assets are not, and following the Closing, will not be subject to any encumbrance with respect to Seller’s Bonds and (b) neither the ISA nor any of Seller’s Bond documents will prevent Buyer from obtaining the Purchased Assets, assuming County’s release; (iii) Seller and Habersham Medical Center Foundation, Inc., have entered into an agreement to the effect that the assets of Habersham Medical Center Foundation, Inc., shall be distributed to The Medical Center Foundation, Inc. subject to reasonable restrictions placed thereon by donors and solely for the use of supporting healthcare services in Habersham County, if allowed by the governing documents of Habersham Medical Center Foundation, Inc., and mandatory dissolution of the Foundation following the Closing Date; (iv) the IGA described in Section 5.3 has been executed by the County and the Seller; and (v) the Schedules referenced herein and in the Asset Purchase Agreement have been completed or updated in accordance with Section 1.2 hereinabove.

2.3 Option Consideration Fund. Seller shall retain the Payments in a separate account and shall fully document the uses thereof. Seller shall provide to Buyer records sufficient for Buyer to determine whether the Payments have been used only for Capital Purposes quarterly, or more frequently upon Buyer’s written request.

2.4 Fair Market Value Consideration. The parties hereby represent and warrant that the Option Consideration was negotiated at arms-length and represents a value that is based upon the consideration negotiated between the parties to be consistent with the transfer of fair value for the Purchased Assets as of the Effective Date. The Option Consideration was negotiated without regard to the volume or value of business or referrals generated between the parties. The parties intend for the Option Consideration to provide fair consideration to the Seller and County for the Purchased Assets. The Parties also intend for the Option Consideration to be invested into the Seller’s facilities to maintain access to healthcare services in Habersham County and is not intended to transfer or refer patients or services to Buyer’s facilities.

3. RESERVED.

4. TRIGGERING EVENTS. The Acquisition Option Buyer’s option shall be exercised by Buyer as set forth in Sections 4(a) (b) and (c) below (each a “**Triggering Event**”). The terms “**Debt Service Fund**” and “**Debt Service Account**” as used in this Section 4 are defined in Section 5.1 hereinbelow.

(a) If the balance of the Debt Service Fund on the fifth (5th) anniversary of the Initial Payment Date (hereafter the “**Final Payment Date**”) equals or exceeds Eighteen Million Dollars (\$18,000,000.00), then subject to full satisfaction by the Seller and the County of all the requirements of this Agreement, Buyer shall be obligated to acquire the Purchased Assets

and the County shall release its rights to the Purchased Assets under the ISA and Seller shall be obligated to transfer the Purchased Assets to Buyer at the Closing, which shall take place no later than sixty (60) days following the fifth anniversary of the Effective Date and shall be conducted in accordance with the Asset Purchase Agreement.

(b) If the balance of the Debt Service Fund on the Final Payment Date does not equal or exceed Eighteen Million Dollars (\$18,000,000.00), Buyer shall have sixty (60) days following its receipt of Seller's fifth anniversary of the Effective Date to notify Seller, in writing, of its intent to acquire the Purchased Assets or to decline to acquire the Purchased Assets. If Buyer elects to acquire the Purchased Assets, Buyer's notice shall specify a date for the Closing, which shall be no later than forty-five (45) days following such notice. The Closing shall be subject to full satisfaction by the Seller and the County of all the requirements of this Agreement, and the County shall release its rights to the Purchased Assets under the ISA and Seller shall be obligated to transfer the Purchased Assets to Buyer at the Closing, which shall be conducted in accordance with the Asset Purchase Agreement.

(c) If, at any time prior to the Final Payment Date, the Debt Service Fund equals or exceeds Twenty-Four Million Dollars (\$24,000,000.00), then subject to full satisfaction by the Seller and the County of all the requirements of this Agreement, Buyer shall be obligated to acquire the Purchased Assets and the County shall release its rights to the Purchased Assets under the ISA, as defined hereinbelow, and Seller shall be obligated to transfer the Purchased Assets to Buyer at the Closing, which shall take place no later than sixty (60) days following Buyer's receipt of notice of the amount of the Debt Service Fund.

4.2 Early Purchase. At any time during the term hereof the parties may mutually agree to accelerate Buyer's purchase of the Purchased Assets ("**Early Purchase**"), in which case the portion of the Purchase Price not yet paid by Buyer as of the Closing Date shall be remitted by Buyer to Seller on the Closing Date.

5. SELLER OBLIGATIONS

5.1 Debt Service Fund. Within sixty (60) days following the completion of each fiscal year for the Seller through the Closing Date, Seller will deposit into the Debt Service Fund, as defined hereinbelow, all funds held by Seller for Seller's account in excess of twenty (20) Days Cash On Hand, as defined in the Installment Sale Agreement executed by and between the Seller and the County dated as of July 1, 2014 (the "**ISA**"). The "**Debt Service Fund**" shall consist of a separate bank account to be held at a bank to be identified at least thirty (30) days prior to the close of Seller's fiscal year (the "**DSF Account**"), under the following terms and conditions:

(a) Seller and County shall be joint authorized signatories on the DSF Account and Buyer shall have no withdrawal or other rights of control of the DSF Account;

(b) The bank that holds the DSF Account shall be instructed to send copies of all periodic statements and at least annually a statement reflecting the balance of the DSF Account, and all other notices regarding the DSF Account, to Buyer and the County; and

(c) No withdrawals shall be made from the DSF account by any party prior to the Closing Date. No withdrawals after the Closing Date shall alter or affect the respective rights or obligations of Buyer, Seller or County.

5.2 Seller Control of Operating Funds. Prior to the Closing Date:

(a) Seller shall retain all rights and interest in the Days Cash On Hand, as defined herein, and shall not be restricted in the use of such funds. Days Cash on Hand shall be defined as set forth in the ISA.

(b) Seller shall control all operating revenues up to the twenty (20) Days Cash On Hand without restriction and Seller shall control all rights and interest in the use of operating revenues, operating assets and all electronic fund transfers received for the delivery of services rendered by the Hospital; and

(c) Buyer shall have no rights, interest or ownership in the Seller's financial accounts.

5.3 Reports to County; IGA. Seller shall provide to County certain financial, operational and compliance reports, as required by an Intergovernmental Agreement which shall be executed by and between Seller and County within sixty (60) days following the execution of this Agreement (the "IGA").

6. COUNTY AND SELLER OBLIGATIONS

6.1 Release of DSF. Upon a Triggering Event where the Buyer remits the Payments in full and executes the Asset Purchase Agreement, on the Closing Date Seller shall release all funds in the DSF Account to the County for payment of the debt held by the County for the benefit of the Seller as described in the ISA, except those funds held in escrow in accordance with the Asset Purchase Agreement;

6.2 Satisfaction and Release of Liens on Purchased Assets. Upon receipt of the DSF Funds, County shall comply with and perform the following covenants:

(a) Cancellation and Release of the Seller from any and all obligations of the ISA and a documented and signed Release, Satisfaction and Cancellation Agreement by and between the Seller and the County;

(b) Documentation of the satisfaction and release of all liens held by the County of the Purchased Assets and Cancellation of the UCC filings held for the benefit of the County in the Purchased Assets;

(c) Assumption of any and all debts due and owing for the Seller's revenue anticipation certificates including without limitation Seller's Bonds, as defined in the Asset Purchase Agreement; and

(d) Other reasonable documentation requested by Seller to effectuate the Asset Purchase Agreement.

7. COVENANTS.

(a) Seller covenants and agrees that in consideration of the Option Consideration, during the Term of this Agreement, the Seller shall:

1. Continue operating in the ordinary course of business consistent with the ongoing operations of the Hospital;
2. Maintain the Real Property and Purchased Assets owned, operated or used by Seller for the operations of the Hospital, subject to reasonable wear and tear;
3. Operate the Hospital in material compliance with all applicable laws;
4. Not make any transfer, assignment or grant of any license or sublicense of any rights under or with respect to any proprietary rights of the Seller outside the ordinary course of business;
5. Not issue any additional revenue anticipation certificates without the prior written consent of the County;
6. Not amend or terminate any of its material contracts required to operate the Hospital other than in the ordinary course of business;
7. Not increase compensation payable or to become payable or otherwise enter into one or more bonus agreements with any employee at the Hospital that is triggered to be paid after the Closing Date, except for routine payments or increases in the ordinary course of business in accordance with past practices; provided, however, compensation changes, retention bonuses and consideration for Hospital Key Employees, shall be permitted for the purpose of maintaining operations of the Hospital; or
8. Not take any action outside the ordinary course of business of the Hospital, except as may be required in order to consummate the transaction,
9. Other than in the ordinary course of business and as otherwise provided in the Asset Purchase Agreement, shall not make and disposition of a Purchased Asset that would have a material adverse effect on the operation of the Hospital or the transactions contemplated hereby.

8. REPRESENTATIONS AND WARRANTIES OF SELLER AND COUNTY.

As of the Effective Date, Seller and County represent and warrant to Buyer the following:

8.1 Existence and Capability.

(a) County is a political subdivision of the State of Georgia. County has the requisite power and authority to enter into this Agreement, and to carry out and to perform

its obligations under the Acquisition Agreements and to conduct its business as now being conducted.

(b) Seller is a public body corporate and politic of the State of Georgia, duly created and validly existing pursuant to the Hospital Authorities Law (O.C.G.A. Section 31-7-70 et seq.) of the State of Georgia and a resolution of the Habersham County Board of Commissioners adopted on August 5, 1946. Seller has the requisite power and authority to enter into this Agreement, to perform its obligations hereunder and under the other Acquisition Agreements and to conduct its business as now being conducted.

8.2 Powers; Consents; Absence of Conflicts With Other Agreements, Etc. The execution, delivery, and performance of this Agreement by Seller and County, to which Seller or County is a party, and the consummation by Seller and County of the transactions contemplated by this Agreement and the documents described herein, as applicable:

- (a) are within each such party's respective constitutional or statutory powers, are not in contravention of law or of the terms of their respective organizational documents, as amended to date, and have been duly authorized and approved by all necessary laws or action, none of which actions have been modified or rescinded and all of which actions remain in full force and effect;
- (b) for the purposes of this Agreement, do not require any approval or consent required to be obtained by Seller or County of, or filing required to be made by Seller or County with, any governmental agency or authority bearing on the validity of this Agreement which is required by law or the regulations of any such agency or authority;
- (c) do not and will not violate or contravene any Law to which Seller or the County is subject; and
- (d) will not violate any judgment, decree, writ or injunction of any court or governmental authority to which Seller or County may be subject.

8.3 Binding Agreement. This Agreement and the other agreements to which Seller and County are a party and each of the other documents and instruments required thereby or delivered in connection therewith have been duly executed and delivered by Seller and County, and constitute the legal, valid and binding obligations of Seller and County, enforceable against them in accordance with their respective terms.

9. REPRESENTATIONS AND WARRANTIES OF BUYER. As of the Effective Date, Buyer represents and warrants to Seller and County the following:

- (a) **Existence and Capacity.** Buyer is a public body corporate and politic of the State of Georgia, duly created and validly existing pursuant to the Hospital Authorities Law (O.C.G.A. Section 31-7-70 et seq.) of the State of Georgia and a resolution of the Board of Commissioners of Hall County, Georgia and the City Commissioners of Gainesville, Georgia, by joint resolution adopted on October 8, 1945. Buyer has the requisite statutory

power and authority to enter into the Agreement to which it is a party, to perform its obligations hereunder, and to conduct its business as now being conducted.

9.1 Powers; Consents; Absence of Conflicts With Other Agreements, Etc.

The execution, delivery, and performance by Buyer of this Agreement to which Buyer is a party, and the consummation of the transactions contemplated herein by Buyer are within its statutory powers, are not in contravention of law or of the terms of its organizational documents, and have been duly authorized by all appropriate action of its governing body;

1. For the purposes of this Agreement, do not require any approval or consent required to be obtained by Buyer of, or filing required to be made by Buyer with, any governmental agency or authority bearing on the validity of this Agreement which is required by law or the regulations of any such agency or authority;

2. will neither conflict with, nor result in any breach or contravention of, or the creation of any encumbrance under, any indenture, agreement, lease, instrument or understanding to which it is a party or by which it is bound;

3. for the purposes of this Agreement will not violate any statute, law, rule, or regulation of any governmental authority to which it may be subject; and

4. will not violate any judgment, decree, writ, or injunction of any court or governmental authority to which it may be subject.

9.2 Binding Agreement. This Agreement and the other agreements to which Buyer is a party and each of the other documents and instruments required thereby or delivered in connection therewith have been duly executed and delivered by Buyer, and constitute legally binding obligations of Buyer, and are is and will be enforceable against Buyer in accordance with the respective terms hereof and thereof, except as limited by applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting the enforcement of creditor's rights generally from time to time in effect.

9.3 Proceedings. To the knowledge of Buyer, there are no claims, actions, proceedings or investigations of which Buyer has received written notice, pending or threatened, challenging the validity or propriety of the transactions contemplated by this Agreement.

9.4 Financial Ability. Buyer has the ability to obtain funds in cash in amounts equal to the Payments by means of credit facilities or otherwise and will at the Closing have immediately available funds which will be sufficient to enable Buyer to pay the balance of the Purchase Price, if any.

10. TERM AND TERMINATION

10.1 Term. This Agreement shall commence on the Effective Date and terminate on the earlier of (i) sixty-six (66) months following the Effective Date, unless the parties mutually agree to extend said term; (ii) when all transactions contemplated by this Agreement and the Asset Purchase Agreement have been consummated at the Closing; or (iii) Buyer has given to Seller its

notice (or Buyer's time to give such notice has expired) that it will not acquire the Purchased Assets in accordance with Section 4 hereof (the "Term").

10.2 Termination. Either Buyer or Seller may at its option at any time at or prior to the expiration of the Term, terminate this Agreement under any one of the following circumstances:

(a) If prior to the expiration of the Term or the exercise of the Acquisition Option, a bona fide action or proceeding shall be pending against any party wherein an unfavorable judgment, decree or order would prevent or make unlawful the carrying out of the transactions contemplated by this Agreement; or

(b) Any governmental agency (other than Buyer) shall have notified any party to this Agreement that the consummation of the transactions contemplated by this Agreement would constitute a violation of the laws of any jurisdiction and that it has commenced or intends to commence proceedings to restrain the consummation of the transactions contemplated hereunder, and such agency has not withdrawn such notice prior to such termination; provided, however, that, this Agreement shall be extended so long as either party hereto is diligently attempting to obtain the dismissal of such action or proceeding or cause such notice to be withdrawn; or

(c) If the conditions or obligations of this Agreement to be complied with or performed by the other party shall not have been complied with or performed on or before the date specified for in this Agreement, or such later date upon which the parties shall mutually agree, and such noncompliance or nonperformance shall not have been waived by the party giving notice of termination then the Agreement shall terminate thirty (30) days after receipt of notice of the breach of the obligations unless the breach is cured within such thirty (30) day Notice Period.

10.3 Remedy for Breach. The nonbreaching party reserves all rights in equity and at law to enforce the obligations of this Agreement and to recover damages for any breach of the obligations of this Agreement.

11. RIGHT OF FIRST REFUSAL

11.1 Clinical Services Right of First Refusal. In the event that Seller, during the Term of this Agreement, chooses to establish any new service line or to outsource or privatize any existing service line, Seller shall give Buyer the first option to staff and operate, directly or through subcontracts, such service line(s). Buyer shall have at least sixty (60) days to consider such option. If Buyer does not give Seller written notice that it elects to exercise such option during such sixty (60) day period, then and thereafter Seller shall be free to offer or to outsource such service line, as the case may be, to any other third party provider. For clarity, any such arrangement between Buyer and Seller would be subject to the requirement that the terms thereof would be compliant with all requirements of applicable law, including so-called fraud and abuse laws related to federal payors.

11.2 Ambulatory Right of First Refusal. In the event that Buyer, during the Term of this Agreement, chooses to establish any new ambulatory health care location or an ambulatory health service within Habersham County, Georgia, Buyer shall give Seller an option to participate in such strategy through partnership or other joint venture with Buyer. Seller shall have at least sixty (60) days to consider such option. If Seller does not give Buyer written notice that it elects to participate within such sixty (60) day period, then and thereafter Buyer shall be free to establish such location without Seller's participation. For clarity, any such arrangement between Buyer and Seller would be subject to the requirement that the terms thereof would be compliant with all requirements of applicable law, including antitrust laws and so-called fraud and abuse laws related to federal payors.

12. MISCELLANEOUS.

12.1 Additional Assurances. The provisions of this Agreement shall be self-operative and shall not require further agreement by the parties except as may be herein specifically provided to the contrary; provided, however, at the request of a party, the other party or parties shall execute such reasonably necessary additional instruments and take such reasonably necessary additional actions as are consistent with this Agreement with the requesting party bearing all reasonable costs and expenses related thereto.

12.2 Consents, Approvals and Discretion. Except as herein expressly provided to the contrary, whenever this Agreement requires any consent or approval to be given by a party, or whenever a party must or may exercise discretion, the parties agree that such consent or approval shall not be unreasonably withheld or delayed and such discretion shall be reasonably exercised.

12.3 Legal Fees and Costs. In the event a party elects to incur legal expenses to enforce or interpret any provision of this Agreement by judicial proceedings, the prevailing party will be entitled to recover such legal expenses, including, without limitation, reasonable attorneys' fees, costs, and necessary disbursements at all court levels, in addition to any other relief to which such party shall be entitled

12.4 Choice of Law. The parties agree that this Agreement shall be governed by and construed in accordance with the laws of the State of Georgia without regard to conflict of laws principles. The parties agree that venue shall lie in the courts of Habersham County, Georgia, as to actions brought by Buyer, Northeast Georgia Health System, Inc. ("NGHS"), or a Related Entity of either of them, and in the courts of Hall County, Georgia, as to actions brought by Seller, County, or a Related Entity of either of them.

12.5 Benefit/Assignment. Subject to provisions herein to the contrary, this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective legal representatives, successors, and assigns. No party may assign this Agreement without the prior written consent of the other parties, which consent shall not be unreasonably withheld. In the event Buyer or any of its Related Entities experience a "**Change of Control**" as defined herein, this Agreement shall be binding upon the successor organization and it shall be a condition of any Change of Control that the successor signs and executes the Option to Purchase Agreement and the Asset Purchase Agreement effective with the Change of Control effective date. Change of Control means any change where (i) the majority of the governing board for the Buyer or any

Related Entity is modified; (ii) transfer of the assets necessary to operate the Buyer or its Related Entities healthcare facilities to a third party; (iii) the sale of substantially all of the assets of the Buyer or any of its Related Entities; (iv) the merger or consolidation of the Buyer or any of its Related Entities into a third party; or (v) the management and operational control of Buyer or any of its Related Entities is leased or contracted to a third party.

12.6 No Brokerage. Buyer and Seller each represent and warrant to the other that it has not engaged a broker in connection with the transactions described herein. Each party agrees to be solely liable for and obligated to satisfy and discharge all loss, cost, damage, or expense arising out of claims for fees or commissions of brokers or other consultants employed or alleged to have been employed by such party.

12.7 Cost of Transaction. Whether or not the transactions contemplated hereby shall be consummated, the parties agree as follows: (i) Seller shall pay the fees, expenses, and disbursements of Seller and its agents, representatives, accountants, and legal counsel incurred in connection with the subject matter hereof and any amendments hereto; (ii) Buyer shall pay the fees, expenses, and disbursements of Buyer and its agents, representatives, accountants and legal counsel incurred in connection with the subject matter hereof and any amendments hereto.

12.8 Confidentiality. It is understood by the parties hereto that the information, documents, and instruments delivered to Buyer by Seller and its agents and the information, documents, and instruments delivered to Seller by Buyer and its agents are of a confidential and proprietary nature. Each of the parties hereto agrees that both prior and subsequent to the Closing Date, it will maintain the confidentiality of all such confidential information, documents, or instruments delivered to it by each of the other parties hereto or their agents in connection with the negotiation of this Agreement or in compliance with the terms, conditions, and covenants hereof and will only disclose such information, documents, and instruments to its duly authorized officers, members, directors, representatives, and agents (including consultants, attorneys, and accountants of each party) and applicable governmental authorities in connection with any required notification or application for approval or exemption therefrom. Each of the parties hereto further agrees that if the transactions contemplated hereby are not consummated, it will return all such documents and instruments and all copies thereof in its possession to the other parties to this Agreement. Each of the parties hereto recognizes that any breach of this Section 12.8 would result in irreparable harm to the other party to this Agreement and its Related Entities and that therefore either Seller or Buyer shall be entitled to an injunction to prohibit any such breach or anticipated breach, without the necessity of posting a bond, cash, or otherwise, in addition to all of its other legal and equitable remedies. Nothing in this Section 12.8, however, shall prohibit the use of such confidential information, documents, or information for such governmental filings as in the opinion of Seller's counsel or Buyer's counsel are required by law or governmental regulations or are otherwise required to be disclosed pursuant to applicable state law.

12.9 Public Announcements. Seller and Buyer mutually agree that no party hereto shall release, publish, or otherwise make available to the public or to the media or any representative of the media in any manner whatsoever any information or announcement regarding the transactions herein contemplated without the prior written consent of Seller and Buyer, except for information and filings reasonably necessary to be directed to governmental

agencies to fully and lawfully effect the transactions herein contemplated or required in connection with securities and other laws.

12.10 Waiver of Breach. The waiver by any party of a breach or violation of any provision of this Agreement shall not operate as, or be construed to constitute, a waiver of any subsequent breach of the same or any other provision hereof.

12.11 Notice.

1. Any notice, demand, or communication required, permitted, or desired to be given hereunder shall be deemed effectively given when personally delivered, when received by confirmed overnight delivery from a reputable carrier, when received by confirmed electronic transmission (including facsimile or electronic mail), or five (5) days after being deposited in the United States mail, with postage prepaid thereon, certified or registered mail, return receipt requested, addressed as follows:

Seller: Hospital Authority of Habersham County
541 Historic Hwy #441-N
Demorest, GA 30535
Attention: Chairman of the Board
c/o Chief Executive Officer

County: Habersham County, Georgia

Attention: _____

HACH: The Hospital Authority of Hall County and the City of Gainesville
743 Spring Street, N.E.
Gainesville, Georgia 30501
Attention: _____

With a copy to: Northeast Georgia Health System, Inc.
743 Spring Street, N.E.
Gainesville, Georgia 30501
Attention: CEO

or to such other address, and to the attention of such other person or officer as any party may designate, with copies thereof to the respective counsel thereof as notified by such party.

(b) A copy of any notice given to any party hereunder shall also be delivered to each other party in accordance with this Section 12.11.

12.12 Severability. In the event any provision of this Agreement is held to be invalid, illegal or unenforceable for any reason and in any respect, such invalidity, illegality, or unenforceability shall in no event affect, prejudice, or disturb the validity of the remainder of this Agreement, which shall remain in full force and effect, enforceable in accordance with its terms.

12.13 Divisions and Headings. The divisions of this Agreement into sections and subsections and the use of captions and headings in connection therewith are solely for convenience and shall have no legal effect in construing the provisions of this Agreement.

12.14 Survival. All of the representations, warranties, covenants, and agreements made by the parties in this Agreement or pursuant hereto in any certificate, instrument, or document shall survive the consummation of the transactions described herein. Notwithstanding anything in this Section 12.14 which may be to the contrary, the applicable statute of limitations shall be the survival period for any matter relating to (a) fraud or willful, intentional or reckless misrepresentation or willful omission of a material fact in connection with this Agreement or the Acquisition Agreements and the transactions contemplated hereby or thereby, or (b) any liability relating to personal injury. Notwithstanding anything in this Section 12.14 which may be to the contrary, any claim, demand, or cause of action with respect to a breach of any representation or warranty made in this Agreement, must be made or brought, if at all, within six (6) years after the Term.

12.15 Related Entity. As used in this Agreement, the term "**Related Entity**" or "**Related Entities**" means, as to the entity or entities in question, any person or entity that directly or indirectly controls, is controlled by or is under common control with, the entity in question and the term "control" means possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity whether through ownership of voting securities, by contract or otherwise. Northeast Georgia Health Systems and Northeast Georgia Medical Center are Related Entities of the Buyer.

12.16 No Inferences. Inasmuch as this Agreement is the result of negotiations between sophisticated parties of equal bargaining power represented by counsel, no inference in favor of, or against, either party shall be drawn from the fact that any portion of this Agreement has been drafted by or on behalf of such party.

12.17 No Third Party Beneficiaries. The terms and provisions of this Agreement are intended solely for the benefit of Buyer and Seller and their respective permitted successors or assigns, and it is not the intention of the parties to confer, and this Agreement shall not confer, third-party beneficiary rights upon any other person; except that, notwithstanding the foregoing, NGHS shall be deemed a third-party beneficiary hereunder and shall be entitled to rely upon and to enforce the provisions hereof.

12.18 Enforcement of Agreement. The parties hereto agree that irreparable damage would occur in the event that any of the provisions of this Agreement was not performed in accordance with its specific terms or was otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof in any court of competent jurisdiction, this being in addition to any other remedy to which they are entitled at law or in equity.

12.19 Entire Agreement/Amendment. This Agreement supersedes all previous contracts, and constitutes the entire agreement of whatsoever kind or nature existing between or among the parties respecting the within subject matter, and no party shall be entitled to benefits other than those specified herein, As between or among the parties, no oral statements or prior

written material not specifically incorporated herein shall be of any force and effect. The parties specifically acknowledge that in entering into and executing this Agreement, the parties rely solely upon the representations and agreements contained in this Agreement and no others. All prior representations or agreements, whether written or verbal, not expressly incorporated herein are superseded, and no changes in or additions to this Agreement shall be recognized unless and until made in writing and signed by all parties hereto. This Agreement may be executed in two or more counterparts, each and all of which shall be deemed an original and all of which together shall constitute but one and the same instrument.

12.20 Risk of Loss. The risk of loss or damage to any of the Purchased Assets and the Hospital shall remain with Seller until the Closing Date, and Seller will maintain its insurance policies covering the Purchased Assets and the Hospital through the Closing Date. If, prior to the Closing Date, all or any part of the Purchased Assets is destroyed or damaged by fire or the elements or by any other cause where such damage or destruction results in a valid insurance claim to be asserted by the Seller, the Buyer in its sole discretion may elect to (i) require the Seller to apply the insurance proceeds, to the extent available, to the repair or replacement of the Purchased Assets to preserve their original value; (ii) proceed with the Closing as scheduled (provided, however, at the Closing, Seller and its Affiliates shall assign, transfer and set over to the Buyer all of Seller's and its Affiliates' right, title and interest in and to any insurance proceeds on account of such damage or destruction loss plus the amount of any deductibles under such insurance policies); or (ii) terminate the Agreement.

[Signatures on following page]

IN WITNESS WHEREOF, the parties hereto have caused this Option to Purchase Agreement to be executed in multiple originals by their authorized officers, all as of the Effective Date set forth hereinabove.

"SELLER":

HABERSHAM COUNTY HOSPITAL
AUTHORITY

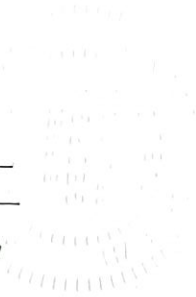
By: [Signature]
Title: CHAIRMAN

[SEAL]

Attest:

By: Phyllis J. Brooks
Title: Notary

Date: September 17, 2019



"HAHC"

THE HOSPITAL AUTHORITY OF HALL
COUNTY AND THE CITY OF
GAINESVILLE

By: _____
Title: _____

[SEAL]

Attest:

By: _____
Title: _____

Date: _____

"COUNTY":

HABERSHAM COUNTY, GEORGIA

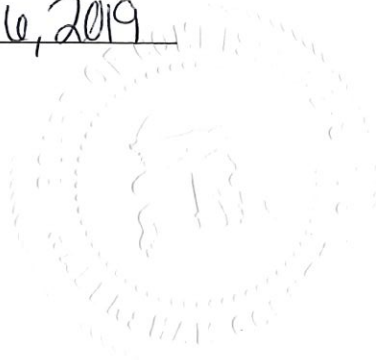
By: [Signature]
Title: CHAIR

[SEAL]

Attest:

By: Lindsay D. Underwood
Title: County Clerk

Date: September 16, 2019



IN WITNESS WHEREOF, the parties hereto have caused this Asset Purchase Agreement to be executed in multiple originals by their authorized officers, all as of the Effective Date set forth hereinabove.

"SELLER":

HABERSHAM COUNTY HOSPITAL
AUTHORITY

By: _____
Title: _____

[SEAL]

Attest:

By: _____
Title: _____

Date: _____

"HAHC"

THE HOSPITAL AUTHORITY OF HALL
COUNTY AND THE CITY OF
GAINESVILLE

By: Richard D. White
Title: Chair

[SEAL]

Attest:

By: A. Burrell
Title: Secretary

Date: 09/16/2019



"COUNTY":

HABERSHAM COUNTY, GEORGIA

By: _____
Title: _____

[SEAL]

Attest:

By: _____
Title: _____

Date: _____

EXHIBIT A

ASSET PURCHASE AGREEMENT

BY AND AMONG

HABERSHAM COUNTY HOSPITAL AUTHORITY,

HABERSHAM COUNTY, GEORGIA,

AND

THE HOSPITAL AUTHORITY OF

HALL COUNTY AND THE CITY OF GAINESVILLE

ASSET PURCHASE AGREEMENT
BY AND AMONG
HABERSHAM COUNTY HOSPITAL AUTHORITY,
HABERSHAM COUNTY, GEORGIA,
AND
THE HOSPITAL AUTHORITY OF
HALL COUNTY AND THE CITY OF GAINESVILLE

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (the "**Agreement**") is entered into as of the 16th day of September, 2019 to be effective immediately following the public forum to be held on November 18, 2019 (the "**Effective Date**"), by and among HABERSHAM COUNTY HOSPITAL AUTHORITY ("**Seller**"), HABERSHAM COUNTY, GEORGIA ("**County**"), and THE HOSPITAL AUTHORITY OF HALL COUNTY AND THE CITY OF GAINESVILLE ("**Buyer**").

RECITALS:

A. Seller owns and operates Habersham Medical Center located at 541 Historic Highway 441 North, Demorest, Georgia, 30535, together with its equipment, supplies, related healthcare providers, businesses, medical office buildings, and related assets, (collectively and including without limitation home health and nursing home operations, the "**Hospital**").

B. Seller desires to sell to Buyer and Buyer desires to purchase substantially all of the assets of Seller which are related to, necessary for, or used in connection with, the operation of the Hospital, on the terms and conditions set forth in this Agreement.

C. Buyer and its Related Entities own and operate healthcare facilities serving Northeast Georgia and desires to expand its resources to ensure access to healthcare services in Habersham County.

D. Buyer and its Related Entities desire to utilize the resources of Seller and Buyer's Related Entities to clinically integrate the services and resources in Habersham County, Georgia (specifically including Habersham Medical Center) with clinical resources and an integrated delivery system that provides quality healthcare services to Buyer's service area, including Habersham County, in Northeast Georgia.

E. Seller has executed and delivered to Buyer an Option to Purchase Agreement (the "**Option Agreement**") of even date herewith, evidencing Buyer's option and contingent obligation to purchase the Purchased Assets, as hereinafter defined, and this Asset Purchase Agreement has been approved by each of Seller, County, and Buyer to become effective in accordance with the terms of the Option Agreement.

AGREEMENT:

NOW, THEREFORE, for and in consideration of the premises and the mutual agreements, covenants, representations, and warranties hereinafter set forth and other good and valuable consideration, the receipt and adequacy of which are forever acknowledged and confessed, the parties hereto hereby agree as follows:

1. PURCHASE AND SALE OF ASSETS AND CERTAIN RELATED MATTERS

1.1 **Purchased Assets.** Subject to the terms and conditions of the Option Agreement and this Agreement and in the event that Buyer elects to or is required to purchase the Purchased Assets in accordance with the Option Agreement, the Seller agrees to sell, convey, transfer, assign and deliver to Buyer, and Buyer agrees to purchase at Closing, all assets of every description, whether real or personal, tangible or intangible, other than the Excluded Assets as hereinafter defined, owned by the Seller or the County, as such applies to the Hospital operations, on the Closing Date and held or used in connection with the business or operation of the Hospital (collectively, the "**Purchased Assets**"), including but not limited to the following (reference is made to Section 10.14 hereinbelow with respect to Schedules and Exhibits):

a) fee simple title to, or a leasehold interest in, as the case may be, the real property described on Schedule 1.1(a) attached hereto and as updated to the Closing Date, which Schedule shall indicate whether the real property is owned or leased, together with all improvements, any construction in progress, any other buildings and fixtures therein and thereon, and all rights, privileges and easements appurtenant thereto (collectively, the "**Real Property**"); for clarity, the Real Property shall include all real property owned or leased by the Seller as of the date hereof or acquired prior to the Closing, except the property identified on Schedule 4.10, which may be sold by Seller in its discretion prior to the Closing;

b) all tangible personal property, including, without limitation, all major, minor and other equipment, vehicles, furniture and furnishings used in the operation of the Hospital, including, but not limited to, the items identified on Schedule 1.1(b), attached hereto and as updated to the Closing Date (the items listed on Schedule 1.1(b) are hereinafter referred to as the "**Owned Furniture/Equipment**", and the Owned Furniture/Equipment, together with similar items of furniture, equipment and furnishings that are used in the operation of the Hospital pursuant to rights granted under the Contracts (as defined below), shall collectively be referred to as the "**Furniture and Equipment**");

c) all supplies and inventory that are used or held for use in the Hospital (as defined below) (collectively, the "**Supplies and Inventory**");

d) any and all rights respecting computer and data processing hardware and related software, operating manuals, or other materials that are related to the Purchased Assets, as identified on Schedule 1.1(d) attached hereto and as updated to the Closing Date;

e) if Buyer so elects prior to the Closing, and to the extent legally transferable, Seller's interest in the financial, patient, medical staff and personnel (with respect only to personnel being hired by Buyer) records relating to the Hospital (including, without limitation, all equipment records, medical administrative libraries, medical records, documents, catalogs, books, records, files, electronic storage systems, operating manuals and current personnel records for persons being hired by the Buyer) in whatever form, tangible or digital, to the extent such records exist as of the Closing Date, provided that for a term of ten (10) years following the Closing Seller shall have rights to access or obtain copies of all such records by providing written notice and request to Buyer;

f) all rights and interests of the Seller in the contracts, commitments, leases and agreements listed on Schedule 1.1(f) (the "**Assumed Contracts**"), as updated to the Closing Date, but excluding the contracts listed on Schedule 3.18, as updated to the Closing Date, hereof and designated on such schedule as excluded contracts, and also excluding pension, profit sharing, defined compensation, employee health retirement or other benefit plans (the "**Excluded Contracts**");

g) all licenses and permits, to the extent legally assignable, held by the Seller, relating to the ownership, occupancy, development, or operation of the Hospital (including, without limitation, any pending governmental approvals);

h) to the extent held or used in or ancillary to the business or operation of Habersham Medical Center or any related facilities, patents, trademarks, trade names, service marks, copyrights, technology, know-how, trade secrets, computer software programs and modifications thereto in both source code and object code form, computer systems and other programs and licenses, to the extent transferable;

i) all plans, specifications, architectural renderings, surveys, plats, or similar studies or reports relating to the Hospital in the Seller's possession or reasonably available to Seller;

j) all other property owned by the Seller or the County and used or held for use in the business of the Hospital or the Purchased Assets, whether or not reflected on the Financial Statements (defined below), located at the Hospital, and whether or not similar to the items specifically set forth above, but excluding the Excluded Assets as defined below;

k) the interests of Seller in any joint venture, partnership, limited liability company, or other entity through which Seller is participating with Buyer in an ambulatory health strategy by exercising its right of first refusal described in Section 10.12;

l) if Buyer so elects prior to the Closing, Seller's Medicare and Medicaid provider numbers and all rights under the corresponding provider agreements, to the extent transferable;

m) any reserves, prepaid expenses or claims for refund with related to the Assumed Contracts;

n) any amounts receivable in respect of cost reports filed by Buyer for the Hospital for periods ending after the Closing Date which shall not include the operations occurring prior to Closing Date; and

o) the interests of the Seller and the County, to the extent it applies to the Hospital operations, in all property of the foregoing types or any other description used or held for use in the operation or business of the Hospital arising or acquired between the Effective Date and the Closing.

1.2 Excluded Assets. Those assets of the Seller described below shall be retained by the Seller (collectively, the "**Excluded Assets**") and shall not be conveyed to Buyer:

- a) cash, cash equivalents and marketable securities;
- b) deposits, prepaid expenses, and claims for refund other than with respect to Assumed Contracts;
- c) All amounts payable to Seller in respect of third party payers pursuant to retrospective settlements (including without limitation pursuant to Medicare, Medicaid and Tricare), cost reports filed or to be filed by Seller for periods prior to the Closing and retrospective payment of claims that are the subject of CMS recovery audit contractor appeals and all appeals and appeal rights of Seller relating to such settlements, including cost report settlements, for periods prior to the closing;
- d) all claims of the Seller against third parties, including any and all rights and claims assertable by the Seller related to the Purchased Assets that were filed prior to the Closing Date;
- e) all Seller records relating to (i) litigation files and records, cost report records relating to periods of time ending prior to the Closing Date, tax returns and minute books, and (ii) the Excluded Assets and Excluded Liabilities to the extent that Buyer does not need the same in connection with the day to day operation of the Hospital including, but not limited to, accounts receivable records, patient billing records, personnel records of employees retained by the Seller, as well as all records which by law the Seller is required to maintain in its possession, provided however that Buyer shall be afforded access to such records as needed;
- f) any reserves or prepaid expenses related to Excluded Assets and Excluded Liabilities;
- g) any and all rights respecting computer and data processing hardware and related software, operating manuals, or other materials that are proprietary to Seller and are identified on Schedule 1.2(g);
- h) rights to insurance proceeds arising in connection with the operation of the Hospital prior to the Closing or from pre-Closing Date incidents, the Seller's assets held in connection with any self-funded insurance programs and reserves, if any, and all insurance proceeds arising in connection with Excluded Assets or Excluded Liabilities;
- i) any claims of the Seller against third parties to the extent that such claims relate to the Excluded Assets or Excluded Liabilities;
- j) all rights in connection with and the assets of Seller's employee benefit plans;
- k) the documents, records, and operating manuals pertaining to the Hospital which are proprietary to Seller or which by law Seller is required to retain;
- l) all rights of Seller under this Agreement and its related documents;

m) any amounts receivable in respect of cost reports properly filed by Seller on behalf of Hospital;

n) all accounts receivable, including but not limited to patient receivables arising from rendering of services to patients at the Hospital, billed and unbilled, recorded or unrecorded, with collection agencies or otherwise, accrued and existing in respect of services rendered up to the Closing Date (the "**Accounts Receivable**") provided however, that the Accounts Receivable shall be held by Seller in a separate account pursuant to an escrow agreement to be negotiated and executed at least sixty (60) days prior to Closing Date, to be attached and incorporated herein by reference and further described in Section 11.3 (the "**Escrow Agreement**"), to be available to offset Seller's and County's obligations of indemnification hereunder;

o) if Buyer so elects, Seller's Medicare and Medicaid provider numbers and all rights and obligations under the corresponding provider agreements; and

p) all Excluded Contracts, as further described in Paragraph 1.1(f).

1.3 Assumed Liabilities. In connection with the conveyance of the Purchased Assets to Buyer, Buyer agrees to assume, as of the Closing Date, only the future payment and performance of the following liabilities (the "**Assumed Liabilities**") of the Seller:

a) all obligations which arise from the operation of the Hospital from and after the Closing Date;

b) all obligations accruing from and after the Closing Date with respect to the Assumed Contracts; and

c) all obligations related to the Purchased Assets related to the use or ownership of the Purchased Assets from and after the Closing Date.

1.4 Excluded Liabilities. Except for the Assumed Liabilities, and notwithstanding anything to the contrary set forth herein, Buyer shall not assume and under no circumstances shall Buyer be obligated to pay or assume, and none of the assets of Buyer shall be or become liable for or subject to any liability, indebtedness, commitment, or obligation of the Seller or the County, whether known or unknown, fixed or contingent, recorded or unrecorded, currently existing or hereafter arising or otherwise (collectively, the "**Excluded Liabilities**"), including, without limitation, the following Excluded Liabilities:

a) any debt, obligation, expense or liability that is not an Assumed Liability related to the operations of the Hospital prior to the Closing Date;

b) claims or potential claims for medical malpractice, professional liability, or general liability relating to events, acts or omissions prior to the Closing Date, whether or not threatened or pending on or before the Closing Date;

c) any liabilities or obligations associated with or arising out of any of the Excluded Assets;

d) liabilities and obligations of the Seller of every kind and nature, known and unknown, in respect of periods prior to the Closing Date, including, but not limited to, those arising under the terms of the Medicare, Medicaid, TRICARE, Seller's Medicare or Medicaid provider numbers or provider agreements, or other third party payor programs or health insurers, and any liability arising pursuant to the Medicare, Medicaid, TRICARE, or any other third party payor programs as a result of the consummation of any of the transactions contemplated under this Agreement relating to such services submitted by or on Seller prior to the Closing Date, including claims for overpayments or other excessive reimbursement or non-covered services; and any liability of Seller under or arising prior to the Closing Date from any risk pools and other risk sharing agreements established in connection with any managed care payor contract assumed by the Buyer hereunder;

e) all federal, state or local tax liabilities or obligations or assessments of the Seller, including those from the consummation of the transactions contemplated herein, regardless of when such obligations may become known or due including, without limitation, any income tax, any franchise tax, any tax recapture, real estate, ad valorem tax, any indigent care tax, any sales and/or use tax, and any FICA, FUTA, workers' compensation, and any and all other taxes or amounts due and payable as a result of the exercise by the employees at the Hospital of such employee's right to vacation, sick leave, and holiday benefits accrued while in the employ of the Seller (provided, however, that this clause (e) shall not apply to state and local recording fees and taxes to the extent such fees and taxes are the responsibility of Buyer pursuant to this Agreement);

f) liability for any and all claims by or on behalf of the Seller's employees relating to periods prior to the Closing Date, including without limitation, liability for any compensation, retirement, defined benefit, defined contribution, pension, deferred compensation, or any other employee health and welfare benefit plans or Seller's participation in, sponsorship of, or characterization of any such plan, liability for any EEOC claim, ADA claim, FMLA claim, wage and hour claim, unemployment compensation claim, or workers' compensation claim or personnel policy, including those relating to any termination of employment, and all employee wages and benefits, including, without limitation, accrued vacation, sick leave, extended illness benefits, holiday pay, severance pay and related taxes or other liability related thereto;

g) any obligation or liability accruing from, arising out of, or relating to any federal, state or local investigations of, or claims or actions against, the Seller, any of their employees, agents or representatives, including, but not limited to, liabilities related to federal and state fraud and abuse laws and regulations and liabilities related to compliance or non-compliance with Medicare and Medicaid conditions of participation, with respect to acts or omissions prior to the Closing Date;

h) any debt, obligation, expense, or liability of the Seller or the County arising out of or incurred as a result of any transaction of the Seller or the County occurring after the Closing Date;

i) any and all liabilities owed by Seller to the County, or vice versa, without limitation ;

j) any obligation or liability attributable to periods prior to the Closing Date and asserted under the federal Hill-Burton program or other restricted grant and loan programs with respect to the ownership or operation of the Purchased Assets;

k) amounts due or that may become due to Medicare, Medicaid, or any other health care reimbursement or payment intermediary or other third party payor on account of adjustments or other payment adjustments with respect to Seller's Medicare cost reports attributable to any period prior to, on, or after the Closing Date or any other form of Medicare or other healthcare reimbursement recapture, adjustment, offset or overpayment whatsoever, including fines and penalties;

l) any liabilities related to any pension, profit sharing, deferred compensation, or other employee pension or health or welfare benefit plan or arrangement in which Seller's employees of the Hospital participate or have participated during Seller's ownership of the Hospital (including any liabilities for COBRA for qualifying events that occur before the Closing Date or in connection with transactions contemplated by this Agreement);

m) any liability or obligation for severance with respect to employees of Seller who are not employed by Buyer on the Closing Date;

n) any liabilities related to the Excluded Contracts;

o) liability arising out of any contract due to breach by Seller prior to the Closing Date;

p) liabilities for expenses incurred by Seller or County incidental to the preparation of this Agreement, preparation or delivery of materials or information requested by Buyer, or the consummation of the transactions contemplated hereby, including all counsel and accounting fees or any account payable which is attributable to legal and accounting fees and similar costs incurred by Seller or County which are directly related to the sale of any of the Purchased Assets;

q) liabilities arising from or in connection with (i) any administrative ruling or other order, stipulation or decree of any federal, state or local agency or (ii) the violation of any federal, state or local act, statute, rule, regulation, decree or ordinance, Medicare or Medicaid program integrity or compliance agreement, either involving Seller or relating to or arising in connection with the use, operation, ownership or possession of the Hospital or the use, operation, ownership or possession of any of the other Purchased Assets prior to the Closing Date;

r) any liability related to any amounts receivable or payable by Hospital prior to the Closing Date in respect of Seller Cost Reports and any repayment obligations related thereto;

s) liabilities related to Det Norsk Veritas ("DNV") or any equivalent accreditation and surveys prior to the Closing Date, including, but not limited to, the cost of any required remediations or re-surveys;

t) all obligations and liabilities accruing, arising out of, or relating to acts or omissions of the Seller or the County prior to Closing, including, but not limited to, any acts or omissions in connection with (1) any Assumed Contract, (2) the business or operation of the Hospital, or (3) the Purchased Assets;

u) any obligation or liability accruing, arising out of, or relating to any act or omission by the Seller or the County after Closing Date;

v) any liabilities or obligations existing on the Closing Date which are required to be reflected on a balance sheet prepared in accordance with generally accepted accounting principles and which were not reflected on the Reference Balance Sheet, except for assumed liabilities;

w) any penalties incurred by the Buyer arising from, and liabilities attributable to any assets, properties, or contracts which are not among the Purchased Assets or Assumed Contracts;

x) any other liability, fixed or contingent, relating to the Hospital or Purchased Assets occurring prior to the Closing and not expressly assumed by Buyer pursuant to the provisions of this Agreement; and

y) any civil or criminal obligation or liability accruing, arising out of, or relating to any acts or omissions of Seller or County or the directors or officers or employees or agents thereof claimed to violate any constitutional provision, statute, ordinance or other law, rule, regulation, interpretation, or order of any governmental entity; and

z) all liability for payment on debt service on bond indebtedness or any other indebtedness arising out of Seller's Bonds (as hereinafter defined) and any other obligations to the holders of such bonds.

2. PURCHASE PRICE

2.1 **Purchase Price.** In consideration of the transfer of the Purchased Assets to Buyer and the covenants and agreements of Seller herein, Buyer shall pay to Seller the sum of Fifteen Million Dollars (\$15,000,000.00) ("**Purchase Price**") in accordance with the terms and conditions of the Option Agreement, incorporated herein by reference; provided however that the Payments (as defined in the Option Agreement and paid to Seller by Buyer in accordance therewith) shall be (i) used by the Seller only as described in the Option Agreement and (ii) credited against the Purchase Price at the Closing.

2.2 **Fair Market Value Consideration.** Seller and Buyer hereby represent and warrant that the Purchase Price was negotiated at arms-length and represents a value that is based upon the consideration negotiated between the Parties to reflect the value of the Purchased Assets as of the Effective Date of the Option Agreement. The Purchase Price was negotiated without regard to the volume or value of business or referrals generated between the parties. The Parties intend for the Purchase Price to provide fair consideration to the Seller and County for the Purchased Assets. The Parties also intend for the Purchase Price to be invested into the Seller's

facilities to maintain access to healthcare services in Habersham County and is not intended to transfer or refer patients or services to Buyer's facilities.

3. CLOSING.

3.1 Closing.

a) Upon exercise of Buyer's option or sooner activation of Buyer's mandate to purchase the Purchased Assets (the "**Activation Date**") in accordance with the Option Agreement, and further subject to the satisfaction or waiver by the appropriate party of all of the conditions precedent to Closing specified in Section 7 and Section 8 hereof and Seller's and County's compliance with and performance of all their respective covenants and obligations hereunder, the consummation of the transactions contemplated by and described in this Agreement (the "**Closing**") shall take place at a location in Habersham County, Georgia mutually agreeable to the parties on or before sixty (60) days following the Buyer's written notice of its intent to exercise its Acquisition Option, defined by the Option Agreement, incorporated herein by reference, unless extended by the written mutual agreement of the Parties, not to be unreasonably withheld (the date Closing is referred to herein as the "**Closing Date**"). For all purposes, including financial accounting and all other necessary regulatory and licensure purposes between the parties, the Closing Date and the Closing shall be deemed to have occurred as of 12:01 a.m. local time in Gainesville, Georgia on the Closing Date ("**Effective Time**").

b) Buyer and Seller agree that title to the Real Property will be transferred from the Seller to the Buyer on the Closing Date. Therefore, the general warranty deed and the quit claim deed described in paragraph 3.2(b) shall be delivered to the Title Company (as defined in Section 7.3(a) hereof) on or before the Closing Date, in proper form and substance and duly executed by the Seller and the County, as applicable to the Hospital's Real Property. Seller, County, if applicable, and Buyer shall provide all necessary instructions to the Title Company such that the Title Company will be authorized and directed to record the deeds immediately upon notice from Seller that Seller has received the Purchase Price. Buyer and Seller also agree that title to the Purchased Assets will transfer from Seller to Buyer at the Closing on the Closing Date.

c) Seller shall have full responsibility for the operation of the Hospital until the Closing. Therefore, the parties agree that all revenues or benefits derived from the operation of the Hospital prior to the Closing Date shall accrue to the benefit of Seller, and all liabilities or other obligations derived from the operation of the Hospital prior to the Closing Date shall be the responsibility of Seller until the Closing Date at which time Buyer shall assume the Assumed Liabilities and accept the Purchased Assets, as described in Article 1 above. The parties agree as follows: (i) all employees of the Hospital shall be employees of Seller until the Effective Time and Seller will retain all liabilities and obligations related to employees incurred prior to the Closing (including but not limited to payment of wages and benefits and responsibility for any other employee-related claims) until the Effective Time, (ii) all determinations related to Excluded Assets, Assumed Liabilities or Excluded Liabilities shall be made as of the Closing Date, and (iii) all of the Contracts (other than the Excluded Contracts) will be assigned by Seller and assumed by Buyer effective as of the Closing.

3.2 **Actions of Seller at Closing.** At the Closing and unless otherwise waived in writing by Buyer, Seller and County shall deliver to Buyer the following:

a) General Warranty Deed(s) and quit claim deed (the "**Deeds**"), fully executed by the Seller and County, as applicable, to the Real Property in recordable form conveying to Buyer good and marketable fee simple title to the Real Property described in Schedule 1.1(a), subject only to the Permitted Encumbrances, defined in Section 4.10 below;

b) (i) an affidavit to the effect that, other than as specified therein, no improvements or repairs have been made by, or for the account of, or at the instance of, Seller or County to or on the Real Property within ninety-five (95) days preceding the Closing Date for which payment in full has not been made; (ii) a FIRPTA certificate; (iii) a residency affidavit (if required by the title company or applicable law); and (iv) the information to enable the closing agent to file a 1099 to report the sale;

c) A Bill of Sale (the "**Bill of Sale**"), fully executed by the Seller and County, as applicable to interests in the Purchased Assets, conveying to Buyer all of the Seller's right, title and interest in the Purchased Assets (other than Real Property), free and clear of all liabilities, claims, charges, easements, restrictive covenants, encumbrances, encroachments, mortgages, pledges, liens, security interests and restrictions (the "**Encumbrances**") other than the Permitted Encumbrances and the Assumed Liabilities;

d) An Assignment and Assumption Agreement (the "**Assignment and Assumption Agreement**"), fully executed by Seller and County, as appropriate, conveying to Buyer their interests in the Assumed Contracts;

e) Copies of resolutions duly adopted by the governing bodies of Seller and of the County, authorizing and approving the performance of the transactions contemplated hereby and the execution and delivery of this Agreement and the documents described herein, certified as true and of full force as of the Closing Date, by the appropriate officers of Seller and of the County;

f) Certificates of a duly authorized officer of Seller and the County, certifying as of the Effective Date and as of the Closing Date that each covenant and agreement of Seller and County to be performed prior to or as of the Closing pursuant to this Agreement has been performed in all material respects and each representation and warranty of Seller and the County contained in this Agreement is true and correct in all material respects as of the Effective Date and as of the Closing Date, as if made on and as of the Effective Date and on and as of the Closing Date;

g) Certificate of incumbency for the respective officers of Seller and the County, to the extent applicable, executing this Agreement or any other agreements or instruments contemplated herein;

h) All Certificates of Title and other documents evidencing an ownership interest conveyed as part of the Purchased Assets (including any vehicle titles);

i) A standard form owner's affidavit (modified as necessary to make factually accurate) as required by the Title Company (as defined in Section 7.3(a) hereof) to issue the Title Policy (as defined in Section 7.3(a) hereof) as described in and provided by Section 7.3 hereof;

j) the DEA Power of Attorney (as defined in Section 10.9 hereof) fully executed by the Seller for the pharmacy operations operated by the Hospital;

k) to assist in the transition of ownership of the Hospital, Buyer and Seller shall have entered into a mutually satisfactory arrangement with respect to the transition of employment from Seller to Buyer of the key employees listed on Schedule 3.2(k), as updated as of the Closing (the "**Key Employees**");

l) An opinion of Seller's Bond Counsel, in form and substance satisfactory to Buyer, that no Purchased Asset is, or will become upon any default, failure, or any other occurrence, subject to any of Seller's revenue anticipation certificates including without limitation Series 2014A, Series 2014B and Series 2014C (all such certificates, collectively, "**Seller's Bonds**");

m) Such other instruments and documents as the Buyer shall determine are appropriate and necessary to effect the transactions contemplated hereby;

n) With respect to the Real Property, the Furniture and Equipment and the other personal property included in the Purchased Assets, a recent UCC lien search showing no liens on any fixtures attached to any such real property or liens on furniture and equipment or other personal property, except for Permitted Encumbrances and liens which shall be released at or prior to Closing;

o) The Escrow Agreement fully executed by the Seller and the County;
and

p) Exclusive possession of the Purchased Assets, subject only to Permitted Encumbrances, as defined below in Section 4.10.

3.3 Actions of Buyer at Closing. At the Closing and unless otherwise waived in writing by Seller, Buyer shall deliver to Seller (or as otherwise specified) the following:

a) An amount equal to the Purchase Price, *less* the Payments previously paid, by wire transfer in immediately available funds to an account at a US Bank jointly designated by Seller and County.

b) The Assignment and Assumption Agreement, fully executed by Buyer, pursuant to which Buyer shall assume the future payment and performance of the Assumed Contracts and the Assumed Liabilities as herein provided;

c) Copies of resolutions duly adopted by the Board of Trustees or governing body of Buyer authorizing and approving its performance of the transactions contemplated hereby and the execution and delivery of this Agreement and the documents described herein, certified as true and in full force as of the Closing Date, by the appropriate officers of Buyer,

d) Certificate of a duly authorized officer of Buyer, certifying as of the Effective Date and as of the Closing Date that each covenant and agreement of Buyer to be performed prior to or as of the Closing pursuant to this Agreement has been performed in all material respects and each representation and warranty of Buyer is true and correct in all material respects as of the Effective Date and as of the Closing Date, as if made on and as of the Effective Date and on and as of the Closing Date;

e) Certificates of incumbency for the respective officers of Buyer executing this Agreement or any other agreements or instruments contemplated herein;

f) Certificates of existence and good standing, if applicable, or other evidence of Buyer from the State of Georgia, dated the most recent practical date prior to Closing;

g) the DEA Power of Attorney fully executed by the Buyer;

h) the Escrow Agreement fully executed by the Buyer; and

i) such other instruments and documents as the parties reasonably agree are appropriate and necessary to effect the transactions contemplated hereby.

3.4 Additional Acts. From time to time after the Closing, Seller and County shall execute and deliver such other instruments of conveyance and transfer, and take such other actions as Buyer reasonably may request, to convey and transfer full right, title and interest to, vest in, and place Buyer in legal and actual possession of, any and all of the Purchased Assets. In the case of Assumed Contracts and rights which cannot be transferred effectively without the consent of third parties, Seller with Buyer's assistance shall use commercially reasonable efforts to obtain such consents prior to the Closing and if not so obtained, then promptly thereafter. Seller shall also furnish Buyer with such information and documents in its possession or under its control, or which Seller or County, as applicable, can execute or cause to be executed, as will enable Buyer to prosecute any and all petitions, applications, claims and demands relating to or constituting a part of the Purchased Assets. To the extent reasonably necessary, and subject to such limitations as Seller shall reasonably establish, Seller shall provide to Buyer access to (i) Seller's risk management information concerning the Hospital; and (ii) those policies or procedures of Seller pertaining to the pre-Closing operation of the Hospital (including employment policies, procedures, manuals and training aids) which Buyer needs to operate the Hospital.

3.5 Operation Transition Agreement. Seller will engage either Buyer or an independent third-party or parties to assist Seller with the transition and wind down of the Authority affairs, including without limitation final cost reports, audits, Internal Revenue Service filings and termination of provider number with governmental payors. Any and all Transition Services shall be documented in a separate Agreement.

4. REPRESENTATIONS AND WARRANTIES OF SELLER AND COUNTY.

The following representations and warranties of Seller and County shall be made as of the Effective Date of the Option Agreement unless specifically referenced as a different date within the subparagraph contained herein. In addition, the Seller's and County's representations and warranties shall be confirmed and updated as of the Closing Date and the representations and warranties updated and provided as of the Closing Date shall supersede the representations and

warranties made as of the Effective Date of the Option Agreement. Accordingly, considering the respective date of the representation and warranty, each of County and Seller, as applicable, represents and warrants to Buyer the following:

4.1 Existence and Capability. (a) County is a political subdivision of the State of Georgia. To the extent the County has any interest in the Purchased Assets, County has the requisite power and authority to enter into this Agreement, the Bill of Sale, the Assignment and Assumption Agreement, the Deeds, and all other agreements executed in connection with this Agreement and in connection with the Closing (such agreements sometimes being referred to herein collectively as the "**Acquisition Agreements**") and to carry out and to perform its obligations under the Acquisition Agreements and to conduct its business as now being conducted.

(b) Seller is a public body corporate and politic of the State of Georgia, duly created and validly existing pursuant to the Hospital Authorities Law (O.C.G.A. Section 31-7-70 et seq.) of the State of Georgia and a resolution of the Habersham County Board of Commissioners adopted on August 5, 1946. Seller has the requisite power and authority to enter into and to perform its obligations under the Acquisition Agreements and to conduct its business as now being conducted.

4.2 Powers; Consents; Absence of Conflicts With Other Agreements, Etc. As of the Closing Date, the execution, delivery, and performance of the Acquisition Agreements by Seller and County, to which Seller or County is a party, and the consummation by Seller and County of the transactions contemplated by the Acquisition Agreements and the documents described herein, as applicable:

a) are within each such party's respective constitutional or statutory powers, are not in contravention of law or of the terms of their respective organizational documents, as amended to date, and have been duly authorized and approved by all necessary laws or action, none of which actions have been modified or rescinded and all of which actions remain in full force and effect;

b) except as provided in Section 8.2, do not require any approval or consent required to be obtained by Seller or County of, or filing required to be made by Seller or County with, any governmental agency or authority bearing on the validity of this Agreement which is required by law or the regulations of any such agency or authority;

c) assuming the receipt of any consents required pursuant to the Contracts, to the best knowledge of Seller will neither conflict with, nor result in any breach or contravention of, or result in the creation of any Encumbrances under, any indenture, agreement, lease, instrument or understanding to which Seller or County are a party or by which Seller or County are bound, including without limitation, documents related to any of Seller's Bonds, the Installment Sale Agreement executed by and between the Seller and the County dated as of July 1, 2014 (the "ISA"), or Seller's Bonds;

d) assuming receipt of all matters addressed in Section 8.2, to the knowledge of Seller will not violate any statute, law, rule, or regulation of any governmental authority to which Seller, County or the Purchased Assets may be subject; and

e) to the knowledge of Seller will not violate any judgment, decree, writ or injunction of any court or governmental authority to which Seller, County or the Purchased Assets may be subject.

4.3 Binding Agreement. The Acquisition Agreements to which Seller and County are a party and each of the other documents and instruments required thereby or delivered in connection therewith have been duly executed and delivered by Seller and County, and constitute the legal, valid and binding obligations of Seller and County, enforceable against them in accordance with their respective terms.

4.4 Financial Statements. At least sixty (60) days prior to the Closing, Seller shall deliver to Buyer copies of the following financial statements of Seller ("**Financial Statements**"), which Financial Statements are prepared or audited by Seller's auditors, and maintained on an annual basis, and copies of which are attached hereto as Schedule 4.4: [NTD: list financial statements here]. As of the delivery thereof, (i) the Financial Statements shall have been prepared in accordance with accounting principles generally accepted in the United States of America, consistently applied ("**GAAP**"), applied on a consistent basis throughout the periods indicated, and since providing the Financial Statements, Seller has not changed any accounting policy or methodology in determining the obsolescence of inventory or in calculating reserves (including reserves for uncollected accounts receivable) throughout all periods presented, (ii), subject to the exceptions to GAAP set forth on Schedule 4.4, such Financial Statements shall be prepared from and in accordance with the books and records of Seller with respect to the Hospital, (iii) except as provided in Schedule 4.4, to the best knowledge of the Seller, the balance sheets contained in the Financial Statements present fairly the financial condition of the Hospital as of the dates indicated thereon, and (iv) the income statements contained in the Financial Statements present fairly the results of operations of the Hospital for the periods covered. Except for (y) liabilities that are disclosed in this Agreement on the date the Seller provides the Financial Statements, and any contracts entered into in connection herewith, and schedules and exhibits hereto and thereto, and (z) liabilities that were incurred as of the balance sheet that shall be provided sixty (60) days prior to the Closing Date (the "**Balance Sheet Date**") in the ordinary course of business, as of the date hereof, there are no material liabilities of any nature of Seller or any of its Related Entities relating to the Hospital or the other Purchased Assets and Assumed Liabilities required in accordance with GAAP to be disclosed on the financial statements of Seller.

4.5 Certain Post-Balance Sheet Results. Except as set forth in Schedule 4.5 hereto, between the Balance Sheet Date and the Closing Date, there has not been any and shall not have been any:

a) material physical damage, destruction, or loss (whether or not covered by insurance) affecting the Hospital;

b) threatened employee strike, work stoppage, or labor dispute pertaining to the Hospital;

c) sale, assignment, transfer, or disposition of any item of property, plant or equipment included in the Purchased Assets having a value in excess of Twenty-Five Thousand

Dollars (\$25,000), except in the ordinary course of business with comparable replacement thereof when reasonably appropriate;

d) increase in the compensation payable by the Seller to any of its employees or independent contractors or any increase in, or institution of any bonus, insurance, pension, profit-sharing, retiree health or life insurance, or other employee benefit plan, remuneration or arrangements made to, for or with such employees, except with respect to individual employees in the ordinary course of business;

e) material change in the rates charged by the Hospital for its services, other than those made in the ordinary course of business;

f) other than the transaction described in this Agreement, material transaction pertaining to the Hospital by the Seller outside the ordinary course of business;

g) change in accounting principles; or

h) failure to maintain the Purchased Assets in good working condition in the ordinary course of business consistent with past practices.

4.6 Licenses, Permits, and Approvals. The Hospital is duly licensed pursuant to applicable law. The pharmacies, laboratories, and all other ancillary departments or provider-based clinics owned or operated by the Seller and located at the Hospital or operated for the benefit of the Hospital which are required to be specially licensed are duly licensed by the appropriate licensing agency (the "**State Health Agency**") except where the failure to be so licensed would not have a material adverse effect on the operation of the Hospital, and such licenses, permits or approvals are identified on Schedule 4.6 (the "**Seller Licenses**"). The Seller has all material licenses, registrations, permits, and approvals that are necessary to operate the Hospital and its related businesses. Each Seller License is valid and in full force and effect as of the Effective Date and as of the Closing Date, no Seller License is subject to any Encumbrance, limitation, restriction, probation or other qualification and there is no default under any license or any basis for the assertion of any default thereunder. Schedule 4.6 specifies the holder of each Seller License and whether or not such Seller License is transferable to Buyer. To the knowledge of Seller, there is no investigation or proceeding, threatened or pending, that could result in the termination, revocation, limitation, suspension, restriction or impairment of any license or the imposition of any fine, penalty or other sanctions for violation of any legal or regulatory requirements relating to any Seller License or any basis therefor. Seller has, and has had at all relevant times, all licenses that are or were necessary in order to enable Seller to own the Purchased Assets and conduct, operate, and be reimbursed for the Hospital.

4.7 Certificates of Need. Seller will have obtained a determination letter from the State Health Agency to the effect that the Hospital does not hold a separate Certificate of Need, having been "grand-fathered" by reason of being in operation prior to the enactment of such requirement within the five year period following execution of the Option Agreement. No application for any Certificate of Need, Exemption Certificate (each as defined below) or declaratory ruling has been made by Seller. As used herein, "Certificate of Need" means a written statement issued by the State Health Agency evidencing community need for a new, converted,

expanded or otherwise significantly modified health care facility, health service or hospice, and "Exemption Certificate" means a written statement from the State Health Agency stating that a health care project is not subject to the Certificate of Need requirements under applicable state law.

4.8 Medicare Participation/Accreditation. The Hospital is qualified for participation in the Medicare, Medicaid and TRICARE programs (the "**Government Programs**"), has current and valid provider contracts with such programs, is in compliance with the conditions of participation in such programs, and has received all approvals or qualifications necessary for reimbursement for the Hospital. The Hospital is duly accredited by DNV. Copies of the most recent accreditation letters from the DNV and other survey reports, deficiency list, if any, and plan of correction, if any, pertaining to the Hospital have been made available to Buyer. To the best knowledge of Seller, all billing practices of the Seller with respect to the Hospital to all third party payors, including the Medicare, Medicaid and TRICARE programs and private insurance companies, have been in compliance with all applicable laws, regulations and policies of such third party payors and the Medicare, Medicaid and TRICARE programs. Neither the Seller nor any of its officers, directors, employed physicians or managing employees is excluded from participation in the Medicare, Medicaid or TRICARE programs, nor is any such exclusion threatened in writing. Except as set forth on Schedule 4.8, to the knowledge of Seller there is not pending, nor threatened, any proceeding or investigation under the Government Programs involving Seller or any of the Purchased Assets. The cost reports of Seller and the Hospital for the Government Programs and for payment or reimbursement of any other receivables for each fiscal year required to be filed on or before the Closing Date shall be filed in accordance with all applicable requirements, including timing requirements. Seller has provided Buyer with (i) a complete copy of the last three years' filed cost reports for the Hospital, (ii) a list of all provider numbers and provider agreements currently utilized by the Hospital, (iii) the identity of all fiscal intermediaries or contract administrators for each such provider number or provider agreement, and (iv) a list of all claims, actions or appeals pending before any fiscal intermediary or contract administrator or governmental entity with respect to any of the last five years' filed cost reports prior to the Closing Date for the Hospital. Except as disclosed on Schedule 4.8, Seller is in compliance with filing requirements with respect to cost reports of the Hospital and such reports do not claim, and Hospital has not received 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. Schedule 4.8 indicates which of such cost reports have not been audited and finally settled and a brief description of any and all written notices of program reimbursement, proposed or pending audit adjustments, disallowances, appeals of disallowances, and any and all other unresolved claims or disputes of which Seller is aware in respect of such cost reports. Seller is not subject to any Medicare, Medicaid or other third party corporate integrity or compliance agreements or consent orders applicable to the Hospital.

4.9 Regulatory Compliance. To the knowledge of Seller, Seller is, and the operations of the Hospital are, in compliance with all applicable statutes, rules, regulations, and requirements of the governing bodies having jurisdiction over the Hospital. To the knowledge of Seller, neither (i) the Seller, nor (ii) any of Seller's employees, agents, officers or directors, to the extent related to their services to the Hospital have committed a violation of federal or state laws regulating health care fraud, including but not limited to the federal Anti-Kickback Law, 42 U.S.C. §1320a-7b, the Stark Laws, 42 U.S.C. §1395nn, as amended, the False Claims Act, 31 U.S.C. §3729, et seq., or the applicable State of Georgia equivalents. With respect to the Hospital, other

than as set forth in Schedule 4.9, Seller is not currently undergoing any outstanding audit by any government agency, intermediary or carrier concerning or relating to any federal or state government funded healthcare program (other than routine reviews of claims and cost reports as submitted), and to the knowledge of the Seller, there are no grounds to anticipate any such audit in the foreseeable future. To the knowledge of Seller, Seller has complied with all applicable security and privacy standards regarding protected health information under the Health Insurance Portability and Accountability Act of 1996 and the implementing regulations at 45 CFR Parts 160 and 164, as amended by the Health Information Technology for Economic and Clinical Health Act (collectively "**HIPAA**"), and all applicable state privacy and security laws. Seller has complied with all applicable requirements of the Occupational Safety and Health Act and all applicable state equivalents, and with all applicable regulations promulgated under any such legislation, and with all orders, judgments, and decrees of any tribunal under such legislation, that apply to Seller's Business, the Acquired Assets or the Premises, and, except as set forth on Schedule 4.9, Seller has not received any notice alleging any violation thereof.

4.10 Real Property. The Seller now owns and will at the Closing Date own good and marketable fee simple title to the Real Property identified on Schedule 1.1(a), together with all buildings, improvements, and component parts thereon and all appurtenances and rights thereto, except the property identified on Schedule 4.10, which may be sold by Seller in its discretion. Seller has a valid and enforceable leasehold interest in the Real Property which it leases from third parties. Seller holds the Real Property free from all claims, defects or Encumbrances (other than Permitted Encumbrances, as defined below). For purposes of this Agreement, "**Permitted Encumbrances**" shall mean and include (i) taxes and assessments by any taxing authority from the year of Closing and subsequent years, (ii) matters affecting the Real Property which are created by or with the written consent of Buyer, (iii) the rights of tenants pursuant to any lease identified on Schedule 4.10, (iv) all applicable laws, ordinances, rules and governmental regulations relating to building, zoning, land use and occupancy of the Real Property, (v) easements of record for the installation or maintenance of public utilities serving only the Real Property, and (vi) easements and restrictions of record that do not adversely affect the current use of the Real Property. The Real Property constitutes all real property necessary for or used by Seller in the operation of the Hospital. With respect to the Real Property as of the Closing Date, other than as may be set forth on Schedule 4.10 hereto:

a) Seller has not received during its period of ownership of the Real Property any written notice of a material violation of any applicable ordinance or other law, order, regulation, or requirement of condemnation, lien, assessment, or the like relating to any part of the Real Property or the operation thereof;

b) the Real Property and its operation are in material compliance with all applicable federal, state and local laws, building, health and safety and zoning ordinances.

c) the Real Property is subject to no easements, restrictions, ordinances, or such other limitations on title so as to make such property unusable for its current use;

d) Seller has not received during its period of ownership of the Real Property any written or posted notice of any existing, proposed or contemplated plans to modify or realign any street or highway or any existing, proposed or contemplated eminent domain proceeding

that would result in the taking of all or any part of the Real Property or that would adversely affect the current use of any part of the Real Property; and

e) The Real Property will be conveyed to Buyer free and clear of any and all Encumbrances, restrictions and impairments of title except for the Permitted Encumbrances.

4.11 Title to Purchased Assets. Seller is the sole and exclusive legal and equitable owner of all right, title and interest in, and has good, clear, indefeasible, insurable and marketable title to, all of the Purchased Assets free of all Encumbrances. All of the Purchased Assets have been maintained in accordance with normal industry practice, and are in good operating condition and repair. During the past three (3) years, there has not been any interruption of the operations of the Hospital due to the condition of any of the Purchased Assets. The Purchased Assets include all assets, properties and rights used or found useful by Seller in connection with the operation of the Hospital and which are necessary or desirable in order for Buyer to continue, following Closing, the operation of the Hospital as historically and currently conducted. Seller will convey to Buyer on the Closing Date all of the Purchased Assets free and clear of any Encumbrance. With respect to all of the Purchased Assets other than the (i) Real Property, (ii) the Owned Furniture/Equipment, and (iii) the Supplies and Inventory, as of the Closing Date Seller or County shall own and hold good and valid title or leasehold interests, as the case may be, and as of the Closing Date will convey or assign to Buyer such title or leasehold interests, as the case may be, to all of such Purchased Assets, subject only to the Permitted Encumbrances and the Assumed Liabilities.

4.12 Employee Benefit Plans. Each Employee Benefit Plan has been established, maintained and administered in compliance with its terms and complies, both in form and operation, with the applicable provisions, the Internal Revenue Code of 1986, as amended (the "**Code**"), and all other state and federal applicable laws. Except as described in Schedule 4.12 Seller shall retain all responsibility for all claims or liabilities relating to the operation and administration of Seller's Employee Benefit Plans and reserves the right to engage a third party to assist with any filings and wind down of the Employee Benefit Plans, pursuant to Section 3.5 of this Agreement. Buyer will not assume or become the sponsor of any Employee Benefit Plan. "**Employee Benefit Plan**" means any "employee benefit plan" deferred compensation, pension, retirement severance, vacation, cafeteria, dependent care, medical care, employee assistance program, education or tuition assistance programs, insurance and other similar fringe or employee benefit plans, programs or arrangements, and any current or former employment or executive compensation or severance agreements or any other plan or arrangement to provide compensation or benefits to any individual, written or otherwise, which has ever been contributed to, sponsored or maintained by Seller. Buyer shall: (i) not recognize any collective bargaining unit and specifically rejects any collective bargaining unit which covers any Seller employee; and (ii) not assume any liability with respect to any labor contract or other collective bargaining agreement or other labor agreement.

4.13 Litigation or Proceedings. Schedule 4.13 sets forth an accurate list and summary description of all currently pending litigation or legal proceedings with respect to the Hospital and shall be updated within ten (10) days prior to the Closing Date. Schedule 4.13 shall indicate if the Seller's malpractice carrier has refused to defend any such action. Except to the extent set forth on Schedule 4.13, there is no action, suit, litigation, proceeding or investigation pending or threatened by or against Seller or County (and in the case of County, relating only directly or

indirectly to the Hospital, the Real Property or the Purchased Assets), and neither Seller nor County has received any written claim, complaint, incident, report, threat or notice of any such proceeding or claim and to the knowledge of Seller there are no other known claims or complaints. Neither Seller nor County has received any opinion or memorandum or advice from legal counsel to the effect that it is exposed, from a legal standpoint, to any liability or claim relating to the Purchased Assets or to the business, prospects, financial condition, operations, property or affairs of the Hospital. There are no outstanding orders, writs, judgments, injunctions or decrees of any court, governmental agency or arbitration tribunal against, involving or affecting Seller or the Purchased Assets, and to the knowledge of Seller there are no facts or circumstances which may result in the institution of any such action, suit, claim or legal, administrative or arbitration proceeding or investigation against, involving or affecting Seller, the Purchased Assets or the transactions contemplated hereby. Neither Seller nor County (as related to the Hospital or Purchased Assets) is in default with respect to any order, writ, injunction or decree known to or served upon it from any court or any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign. There are no actions, suits, litigation, or proceedings pending or threatened in writing against Seller or County (as related to Hospital or Purchased Assets) which could materially adversely affect Seller's or County's ability to perform its or their obligations under this Agreement or the consummation of the transactions contemplated by the Acquisition Agreements. Seller has not engaged in any transaction that would reasonably be expected to subject Seller (or any successors in interest) to any avoidance action with respect to the Purchased Assets. Without limiting the generality of the foregoing, Seller has not with respect to the Purchased Assets (i) received any material payments from its or their account debtors outside the ordinary and usual course, (ii) acquired or sold any asset other than for fair market value, or (iii) conducted any business with any debtor-in-possession or bankrupt estate other than in the ordinary and usual course.

4.14 Environmental Laws. Neither Seller nor County is aware of the Real Property being subject to any environmental hazards, risks, or liabilities other than the ordinary course of risks for a healthcare facility, and to the knowledge of Seller, Seller is not in material violation of any federal, state or local statutes, regulations, laws or orders pertaining to environmental matters, including, without limitation, the Comprehensive Environmental Response Compensation and Liability Act ("**CERCLA**") and the Resource Conservation and Recovery Act ("**RCRA**"). The Seller has not knowingly allowed any Hazardous Substances (as defined below) to be discharged, possessed, managed, processed, or otherwise handled in the Real Property in a manner that is in material violation of applicable law, and during its ownership of the Hospital the Seller has complied in all material respects with all environmental laws applicable to any part of the Real Property. Prior to Closing, Seller shall immediately notify Buyer should Seller become aware of any lien, notice, litigation, or threat of litigation relating to any alleged unauthorized release of any Hazardous Substance or the existence of any Hazardous Substance with respect to any part of the Real Property alleged to be in violation of applicable law. "**Hazardous Substances**" shall mean and include polychlorinated biphenyls, friable asbestos, and any substances, materials, constituents, wastes, or other elements which are included under or regulated by any federal, state or local law, rule or regulation pertaining to environmental regulation, contamination, clean-up, or disclosure, including, without limitation, CERCLA and RCRA.

4.15 Hill-Burton and Other Liens. Seller is not aware of any restrictions that continue to apply to the Hospital as a result of its prior receipt of any loans, grants or loan guarantees

pursuant to the Hill Burton Act program, the Health Professions Educational Assistance Act, the Nurse Training Act, the National Health Planning and Resources Development Act, and the Community Mental Health Centers Act, as amended and as applicable.

4.16 Taxes. Seller has filed all federal, state and local tax returns required to be filed by it (all of which are true and correct in all material respects) and has duly paid or made provision for the payment of all taxes (including any interest or penalties and amounts due state unemployment authorities) which are shown thereon to be due and payable to the appropriate tax authorities, except for amounts which the Seller has disputed in good faith. Seller has withheld and remitted to the appropriate tax authorities proper and accurate amounts from its employees' compensation in material compliance with all withholding and similar provisions of the Code, including employee withholding and social security taxes, and any and all other applicable laws. No deficiencies for any taxes have been asserted in writing or threatened in writing, and no audit on any such returns is currently under way or threatened in writing. There are no outstanding agreements by Seller for the extension of time for the assessment of taxes. Seller has not taken any action in respect of any federal, state or local taxes (including, without limitation, any withholdings required to be made in respect of employees) which will have a material adverse impact upon the Hospital. There are no tax liens (which have not been satisfied or discharged by payment or concession by the relevant taxing authority) in force as of the date hereof with respect to any of the Purchased Assets and no reasonable basis exists for the imposition of any such liens.

4.17 Employee Relations. To the knowledge of Seller there is no threatened employee strike, work stoppage, or labor dispute pertaining to the Hospital. No collective bargaining agreement exists or is currently being negotiated by the Seller, no written demand has been received for recognition by a labor organization by or with respect to any employees of the Seller. No union organizing activities by or with respect to any employees of the Seller are taking place, and none of the employees of the Seller are represented by any labor union or organization. Seller has not received written notice of any unfair practice claim against the Seller before the National Labor Relations Board. There is no strike, slowdown, or stoppage pending or threatened in writing to the Seller against or involving the Hospital, and none has occurred during Seller's ownership of the Hospital. Except as set forth on Schedule 4.17, there are no pending or threatened EEOC claims, OSHA complaints, union grievances, wage and hour claims, unemployment compensation claims, workers' compensation claims or the like with respect to Seller's employees. To the knowledge of Seller, Seller is in compliance in all material respects with all laws and contracts respecting employment and employment practices, labor relations, terms and conditions of employment, and wages and hours. Seller is not engaged in any unfair labor practices. Buyer shall not be subject to any claim or liability for severance pay as a result of the consummation of the transactions contemplated by this Agreement through the Closing.

4.18 Contracts. "**Contracts**" means all agreements, leases, contracts and commitments, written or oral, to which Seller is a party or by which Seller or the Purchased Assets or the Hospital is bound including, without limitation: (i) notes, loans, credit agreements, mortgages, indentures, security agreements, operating leases, Real Property leases, capital leases and other agreements and instruments relating to the borrowing of money or extension of credit and any contract of suretyship or guaranty; (ii) all employment and consulting agreements and arrangements (including but not limited to physician employment agreements and agreements for medical director services), and all bonus, compensation, pension, insurance, retirement, deferred

compensation and other plans, agreements, trusts, funds and other arrangements for the benefit of employees; (iii) agreements with health care providers, including without limitation, visiting nurses associations, health maintenance organizations, hospitals and long-term care facilities; (iv) agreements, orders or commitments for the purchase by Seller of inventories and supplies; (v) agreements, orders or commitments for the sale or lease to customers of goods or services (including without limitation agreements to provide dialysis services); (vi) licenses of patents, copyrights, trademarks and other intangible property rights; (vii) agreements or commitments for capital expenditures; (viii) provider and supplier agreements with third party payers; (ix) any joint venture, partnership or other agreement involving a share of profits or losses; (x) any contract, agreement or arrangements with any Related Entity; (xi) any agreement restricting competition or the business activities of any person or entity; (xii) any agreement for the purchase or sale of any Asset; (xiii) all leases of real property; and (xiv) any other agreements or obligations material to the Hospital or the Purchased Assets. Schedule 4.18 hereto contains a complete and correct list of Contracts, including a complete description for any oral Contracts. Each Contract is separately designated on Schedule 4.18 as either a Contract that Seller has agreed to assign and that Buyer has agreed to assume or as an Excluded Contract that shall be retained or terminated by Seller, in its discretion and at its own expense; Seller has made available to Buyer not less than thirty (30) days prior to Closing true and correct copies of all the Contracts listed on Schedule 4.18. To the knowledge of Seller, it represents and warrants with respect to each of the Contracts that:

a) the Contracts listed on Schedule 4.18 constitute valid and binding obligations of the Seller and are enforceable against all parties thereto in accordance with their terms;

b) each Contract listed on Schedule 4.18 constitutes the entire agreement by and between the respective parties thereto with respect to the subject matter thereof;

c) assuming the receipt of any consents required in connection with the assignment of the Contracts, all material obligations required to be performed by the Seller prior to the Closing Date hereof under the terms of the Contracts listed on Schedule 4.18 have been performed, no act or omission by the Seller has occurred or failed to occur which, with the giving of notice, the lapse of time or both would constitute a material default by the Seller under the Contracts listed on Schedule 4.18, and each of such Contracts listed on Schedule 4.18 is now and will be upon the Closing Date, in full force and effect without default on the part of either party thereto; and

d) Seller shall retain after the Closing Date all responsibility and liability in connection with the Excluded Contracts designated as such on Schedule 3.18.

4.19 Supplies. All the inventory and supplies constituting any part of the Purchased Assets are of levels consistent with past practices of Seller at the Hospital and are sufficient for the continued operation of the Hospital. All the inventory and supplies consists and will consist in all material respects of items of a quality usable or saleable for the services currently being offered through the Hospital. The quantities of all inventory and supplies are reasonable and justified under the normal operations of the Hospital.

4.20 Insurance. Schedule 4.20 is an accurate listing of the current insurance policies maintained by Seller covering the ownership and operations of the Hospital and the Purchased Assets, which schedule reflects the policies' numbers, identity of insurers, amounts, and

coverage. All of such policies are in full force and effect with no premium arrearage. Seller has given in a timely manner to its insurers all notices required to be given under its insurance policies with respect to all of the known claims and actions covered by insurance. Unless identified on Schedule 4.20, the Seller has not (a) received any written notice of denial of coverage of any claim, (b) received any written notice or other communication from any such insurance company canceling or materially amending any of such insurance policies, and no such cancellation or amendment is threatened or (c) failed to give any written notice or present any known claim which is still outstanding under any of such policies with respect to the Hospital or any of the Purchased Assets while owned by Seller. Seller or its Related Parties will either maintain malpractice insurance for a period of six (6) years following the Closing Date with respect to events that occurred in the operation of the Hospital during Seller's ownership of the Hospital prior to the Closing or obtain applicable tail coverage; such coverage (including deductibles and limits) will be reasonably consistent with past practices subject to commercially reasonable changes based on market conditions.

4.21 Medical Staff Matters. Seller has provided to Buyer true, correct, and complete copies of the bylaws and rules and regulations of the medical staff of the Hospital, as well as a list of all current members of the medical staff. Except as set forth on Schedule 4.21 hereto, (i) there are no adverse actions with respect to any medical staff members of the Hospital or any applicant thereto for which a medical staff member or applicant has requested a judicial review hearing which is not privileged and has not been scheduled or has been scheduled but has not been completed; (ii) there are no pending or threatened disputes with applicants, staff members, or health professional affiliates, and (iii) all appeal periods in respect of any medical staff member or applicant against whom an adverse action has been taken have expired without any appeal having been made.

4.22 Compliance Program. The Seller is not a party to a Corporate Integrity Agreement with the Office of Inspector General of the Department of Health and Human Services, and the Seller has no ongoing reporting obligations pursuant to any settlement agreement entered into with any governmental entity. During Seller's ownership of the Hospital, to the knowledge of Seller, the Seller has not been the subject of any government payer program investigation conducted by any federal or state enforcement agency and has not been a defendant in any *qui tam* or other False Claims Act litigation. The Seller has not been served with or received any search warrant, subpoena, civil investigative demand, or contact letter by or from any federal or state enforcement agency related to the operation of the Hospital.

4.23 Intellectual Property. Schedule 4.23 sets forth a list of all trademarks, service marks, trade names, domain names, patents, copyrights, inventions, processes and applications therefore (whether registered or common law) which are owned, controlled or used by the Seller (collectively the "**Intellectual Property**"), together in each case with a brief description of the nature of such right. All Seller-owned fictitious or assumed business names, patents, copyrights and trademarks listed in Schedule 4.23 are valid and in full force and all applications listed therein as pending have been prosecuted in good faith as required by law and are in good standing. There has been no infringement by Seller or any of its Related Entities with respect to any Intellectual Property rights of others. Unless identified in Schedule 4.23, Seller owns or possesses adequate licenses or other rights to use all Intellectual Property necessary or desirable to conduct the operations of the Hospital as conducted, none of which rights will be impaired by the

consummation of the transactions contemplated by this Agreement, and all of the rights of Seller thereunder will be enforceable by Buyer immediately after Closing without the consent or agreement of any other party. None of the Intellectual Property listed in Schedule 4.23 is involved in any interference or opposition proceeding, and there has been no written notice received by Seller or any other indication that any such proceeding will hereafter be commenced. No proceedings have been instituted or are pending or to the knowledge of Seller threatened which challenge the validity of the ownership by Seller of such Intellectual Property. Except as set forth on Schedule 4.23, Seller has not granted any third party any right to use any of the Intellectual Property for any purpose.

4.24 Financing Statements. There are no financing statements under the Uniform Commercial Code with respect to the Hospital or the Purchased Assets which name Seller or County as debtor or lessee filed in any state, except as set forth on Schedule 4.24. Except for those no longer in effect or as otherwise set forth on Schedule 4.24, neither Seller nor County has signed any financing statement or any security agreement with respect to the Hospital or the Purchased Assets under which a secured party thereunder may file any such financing statement.

4.25 Immigration Act. To the knowledge of Seller, Seller is in compliance in all material respects with terms and provisions of the Immigration Reform and Control Act of 1986 (the "**Federal Immigration Act**") and the Georgia Security and Immigration Compliance Act, as amended (the "**Georgia Immigration Act**") with respect to the Hospital. For each employee of Seller employed in the Hospital for whom compliance with the Federal Immigration Act by Seller is required, Seller has obtained and retained a complete and true copy of each such employee's Form I9 (Employment Eligibility Verification Form) and all other records or documents prepared, provided or retained by Seller pursuant to the Federal Immigration Act to the extent Seller is required to do so under the Federal Immigration Act. For each employee of Seller employed in the Hospital for whom compliance with the Georgia Immigration Act by Seller is required, Seller has obtained and retained a complete and true copy of each such employee's records or documents prepared, provided or retained by Seller pursuant to the Georgia Immigration Act to the extent Seller is required to do so under the Georgia Immigration Act and Seller has made all required filings under the Georgia Immigration Act. Seller has registered for and used the federal work authorization verification system in compliance with the Georgia Immigration Act and the Federal Immigration Act. Seller has not been cited, fined or served with a Notice of Intent to Fine or with a Cease and Desist Order (as such terms are defined in the Federal Immigration Act) at the Hospital, nor has any action or administrative proceeding been initiated or threatened against Seller in connection with the Hospital, by reason of any actual or alleged failure to comply with either the Federal Immigration Act or the Georgia Immigration Act.

4.26 WARN Act. Schedule 4.26 lists the full name, job title, job site and unit, date of Employment Loss (as defined below), and type of Employment Loss of each employee of Seller and its Related Entities employed in the Hospital who has experienced an Employment Loss in the ninety (90) days preceding the Closing Date of this Agreement. Except as set forth in the Agreement, Seller has not taken any action that resulted in an Employment Loss by any employee of Seller employed in the Hospital prior to the Closing Date. "**Employment Loss**" for this purpose shall mean (i) an employment termination, other than a discharge for cause, voluntary departure, or retirement, (ii) a layoff exceeding six (6) months or (iii) a reduction in hours of work of more than fifty percent (50%), and "employee" shall mean any employee, including officers, managers and

supervisors, but excluding employees who are employed for an average of fewer than twenty (20) hours per week or who have been employed for fewer than six (6) of the preceding twelve (12) months. At the relevant time prior to the Closing, Seller will have complied with the Workers Adjustment Retraining and Notification Act, including, without limitation, by providing notice in accordance with the requirements thereof.

4.27 Disclosure. In connection with this Agreement, the Schedules to this Agreement, and any other agreement, document, certificate or statement made to Buyer by or on behalf of Seller or County, as applicable to the Hospital, in connection with the transactions contemplated hereby, each of Seller and County has not made and will not make any untrue statement of a material fact and has not omitted and will not omit to state a material fact necessary in order to make the statements contained herein or therein not misleading in light of the circumstances under which they were made or necessary to provide a prospective purchaser of the Purchased Assets or the Hospital with all information material thereto. As of the Closing Date, there is no fact within the knowledge of Seller that has not been disclosed herein to Buyer and which could have a material adverse effect on the transaction contemplated hereby.

5. REPRESENTATIONS AND WARRANTIES OF BUYER. As of the Effective Date and as of the Closing Date (except for those representations and warranties that are made as of the Closing Date only, which are true and correct as of the Closing Date), Buyer represents and warrants to Seller the following:

5.1 Existence and Capacity. Buyer is a public body corporate and politic of the State of Georgia, duly created and validly existing pursuant to the Hospital Authorities Law (O.C.G.A. Section 31-7-70 et seq.) of the State of Georgia and a resolution of the Board of Commissioners of Hall County, Georgia and the City Commissioners of Gainesville, Georgia, by joint resolution adopted on October 8, 1945. Buyer has the requisite statutory power and authority to enter into the Acquisition Agreements to which it is a party, to perform its obligations hereunder, and to conduct its business as now being conducted.

5.2 Powers; Consents; Absence of Conflicts With Other Agreements, Etc. The execution, delivery, and performance by Buyer of the Acquisition Agreements to which Buyer is a party, and the consummation of the transactions contemplated herein by Buyer are within its statutory powers, are not in contravention of law or of the terms of its organizational documents, and have been duly authorized by all appropriate action of its governing body;

a) except as provided in Section 8.2, do not require any approval or consent required to be obtained by Buyer of, or filing required to be made by Buyer with, any governmental agency or authority bearing on the validity of this Agreement which is required by law or the regulations of any such agency or authority;

b) will neither conflict with, nor result in any breach or contravention of, or the creation of any Encumbrance under, any indenture, agreement, lease, instrument or understanding to which it is a party or by which it is bound;

c) assuming receipt of all matters addressed in Section 8.2, will not violate any statute, law, rule, or regulation of any governmental authority to which it may be subject; and

d) will not violate any judgment, decree, writ, or injunction of any court or governmental authority to which it may be subject

5.3 Binding Agreement. The Acquisition Agreements to which Buyer will become a party pursuant hereto are and will constitute the valid and legally binding obligations of Buyer, and are and will be enforceable against Buyer in accordance with the respective terms hereof and thereof, except as limited by applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws affecting the enforcement of creditor's rights generally from time to time in effect.

5.4 Proceedings. To the knowledge of Buyer, there are no claims, actions, proceedings or investigations of which Buyer has received written notice, pending or threatened, challenging the validity or propriety of the transactions contemplated by this Agreement.

5.5 Financial Ability. Buyer has the ability to obtain funds in cash in amounts equal to the Purchase Price by means of credit facilities or otherwise and will at the Closing have immediately available funds which will be sufficient to enable Buyer to pay the Purchase Price.

5.6 Compliance Program. The Buyer and its Related Entities are not a party to a Corporate Integrity Agreement with the Office of Inspector General of the Department of Health and Human Services, and the Buyer and its Related Entities have no ongoing reporting obligations pursuant to any settlement agreement entered into with any governmental entity. Neither the Buyer nor its Related Entities have been the subject of any government payer program investigation conducted by any federal or state enforcement agency and has not been a defendant in any *qui tam*/or other False Claims Act litigation. Neither Buyer nor any Related Entity has been served with or received any search warrant, subpoena, civil investigative demand, or contact letter by or from any federal or state enforcement agency related to its operations.

6. COVENANTS OF SELLER AND COUNTY PRIOR TO CLOSING.
Between the Effective Date of the Option Agreement and the Closing Date (or termination of the Option Agreement):

6.1 Access to Information. Following the Activation Date, and provided such access does not interfere with the business operations of the Hospital, upon receipt of an reasonable request at least ten (10) business days in advance, Seller will make available to Buyer (i) financial information and other books and records in Seller's possession relating to the Hospital; (ii) interviews with the key executives of the Hospital to be agreed upon at such time; (iii) the Hospital facilities available for a physical inspection; (iv) reasonable access to inspect the Purchased Assets; (v) copies of recent third party inspection reports in its possession; (vi) copies of all contracts, agreements, leases, deeds, plats, and (vii) all books, agreements, personnel, papers and records in Seller's possession relating to the ownership and operating of the Hospital by Seller. Seller will designate a contact person, such as the CEO, for coordination of inspections and other contacts.

6.2 Operations. Seller will (a) carry on its operations pertaining to the Hospital in the ordinary course of business (other than matters related to or in contemplation of the Closing), (b) maintain the Hospital, and Purchased Assets, and all parts thereof in good operating condition, ordinary wear and tear excepted, replacing obsolete items as reasonably necessary (c) keep in full force and effect current insurance policies or other comparable insurance pertaining to the Hospital

until the Closing Date, and (d) perform in all material respects all of its obligations under Assumed Contracts and under Excluded Contracts relating to or affecting the Purchased Assets or the business or operations of the Hospital.

6.3 Debt Service Fund. Within sixty (60) days following the completion of each fiscal year for the Seller through the Closing Date, Seller will deposit into the Debt Service Fund, as defined hereinbelow, all funds held by Seller for Seller's account in excess of twenty (20) Days Cash On Hand, as defined in the ISA. The "**Debt Service Fund**" shall consist of a separate bank account to be agreed upon by the parties (the "**DSF Account**"), to be held and managed in accordance with the provisions of the Option Agreement.

6.4 Additional Covenants. From the Effective Date of the Option Agreement until the Closing Date, Seller shall:

- (a) Continue operating in the ordinary course of business consistent with the ongoing operations of the Hospital;
- (a) Maintain the Real Property and Purchased Assets owned, operated or used by Seller for the operations of the Hospital, subject to reasonable wear and tear;
- (b) Operate the Hospital in material compliance with all applicable laws;
- (c) Not make any transfer, assignment or grant of any license or sublicense of any rights under or with respect to any proprietary rights of the Seller outside the ordinary course of business;
- (d) Not issue any additional revenue anticipation certificates or similar long-term indebtedness without the prior written consent of the County;
- (e) Not amend or terminate any of its contracts required to operate the Hospital other than in the ordinary course of business;
- (f) Not increase compensation payable or to become payable or otherwise enter into one or more bonus agreements with any employee at the Hospital that is triggered to be paid after the Closing Date, except for routine payments or increases in the ordinary course of business in accordance with past practices;
- (g) Not take any action outside the ordinary course of business of the Hospital, except as may be required in order to consummate the transaction; and
- (h) Except as provided in Section 6.4(a), not dispose of any single piece of equipment or Real Property that is included in the definition of Purchased Asset which would have a material adverse effect on the operation of the Hospital or the transactions contemplated hereby.

6.5 Governmental Approvals. Seller shall assist and cooperate with Buyer and its representatives and counsel in obtaining all governmental consents, approvals, and licenses which Buyer deems necessary or appropriate and in the preparation of any document or other

material which may be required by any governmental agency as a predicate to or as a result of the transactions contemplated herein.

6.6 Title Information. At least sixty (60) days prior to the Closing Date, Seller will deliver to Buyer (i) copies of all prior title reports, title insurance commitments or title insurance policies it has obtained with respect to the Real Property or any portion thereof; (ii) copies of all existing surveys and plats of the Real Property; and (iii) copies of all existing environmental surveys.

6.7 Updates to Seller's Disclosure Schedules. Fifty-Four (54) months following the date of the Initial Payment or as soon as practicable following notice of the Activation Date, if such date occurs earlier, Seller shall promptly supplement or amend the disclosure schedules referred to in Section 4 to reflect any fact necessary to make the representations true and correct. No such supplement or amendment shall affect Buyer's rights under Section 7, and the conditions in such Section shall be applied without taking into account any such supplement or amendment.

7. CONDITIONS PRECEDENT TO OBLIGATIONS OF BUYER. Notwithstanding anything herein to the contrary, the obligations of Buyer to consummate the transactions described herein are subject to the fulfillment, on or prior to the Closing Date (or on the Effective Date, as noted below), of the following conditions precedent unless (but only to the extent) waived in writing by Buyer at the Closing:

7.1 Representations/Warranties/Covenants/Documents. The representations and warranties of Seller and County contained in this Agreement, whether made jointly or severally, and in any written statements delivered to Buyer under this Agreement shall be true and correct as of the Effective Date and as of the Closing Date. Each of Seller and County shall have performed, satisfied and complied with all obligations and covenants of Seller and of the County required by this Agreement to be performed or complied with by them or either of them on or prior to the Closing Date. Each of the Seller and the County shall have delivered to Buyer all documents required to be delivered by each of them, and all such documents shall have been properly executed by Seller and County, if applicable.

7.2 Pre-Closing Confirmations. Buyer shall have obtained documentation or other evidence satisfactory to Buyer in its reasonable discretion that Buyer has:

- a) Received approval from all government entities (excluding the Buyer itself or any state or local authority or commission that oversees the operations of the Buyer) whose approval is required to complete the transactions herein contemplated;
- b) Received confirmation from all applicable licensure agencies that as of the Closing Date all material licenses necessary for the operation of the Hospital (as well as DNV accreditation) will be transferred to, or issued or reissued in the name of, Buyer except for any documents required to be filed or otherwise fileable or consents, authorizations, orders or approvals required to be issued or otherwise issuable, after the Closing Date; and
- c) Notwithstanding the Pre-Closing Confirmations described herein, in the event there is a delay in the receipt by the Buyer of the Pre-Closing Confirmations due to the

neglect or any act or omission of the Buyer or any of its Related Entities, the requirement to receive such Pre-Closing Confirmations shall be waived in their entirety.

7.3 Title Policy. On the Closing Date, the Title Company shall have delivered to Buyer a pro forma of the Title Policy (or marked Title Commitment containing no exceptions to title to the Real Property except Permitted Encumbrances). The Title Policy shall be issued in an amount equal to at least the portion of the Purchase Price being allocated by Buyer to the Real Property and shall insure to Buyer good and marketable title to the Real Property subject only to the Permitted Encumbrances.

a) **Title Commitment.** Buyer, at its expense, will obtain one or more current title commitments as to the Real Property (the "**Title Commitment**") issued by a title insurance company selected by Buyer (the "**Title Company**"), together with copies of all exceptions to title referenced therein. The Title Commitment shall contain the express commitment of the Title Company to issue an Owner's Title Policy (the "**Title Policy**") to the Buyer in an amount equal to the portion of the Purchase Price being allocated by Buyer to the Real Property insuring good and marketable title to the Real Property in accordance with Section 7.3 hereof. Buyer shall provide a copy of the Title Commitment and exception documents to Seller.

b) **Surveys.** Buyer shall be responsible for all costs and expenses incurred in connection with, and shall obtain and deliver to Buyer and Seller a boundary survey or an as-built survey of each parcel of the Real Property within thirty (30) days prior to the Closing Date. Seller shall deliver to Buyer any update of any survey of the Real Property that was prepared more than six (6) months prior to Closing.

7.5 Actions/Proceedings. No action or proceeding before a court or any other governmental agency or body shall exist, have been instituted or overtly threatened to restrain or prohibit the transactions herein contemplated.

7.6 Vesting/Recordation. Each of Seller and the County, as applicable solely to the Hospital operations, shall have furnished to Buyer, in form and substance satisfactory to Buyer, assignments or other instruments of transfer necessary or appropriate to transfer to and effectively vest in Buyer all right, title, and interest in and to the Purchased Assets pursuant to this Agreement free and clear of all Encumbrances other than Permitted Encumbrances, in proper statutory form for recording on the public deed records and other public records as applicable if such recording is necessary or appropriate.

7.7 Deed. Seller shall have delivered to Buyer a General Warranty Deed and to the extent applicable to the Purchased Assets, County shall have delivered to Buyer a Quit Claim Deed conveying good and marketable title to the Real Property subject only to Permitted Encumbrances.

7.8 Termination Statements. Buyer shall have received payment and release letters, together with UCC-3 termination statements in form and substance satisfactory to Buyer from all parties having financing statements filed against any of the Purchased Assets, except with respect to such financing statements as may be noted on Schedule 4.24.

7.9 **Licensure Matters.** Seller shall have executed and delivered to Buyer, for submission to the appropriate authorities CMS Form 855A, duly completed to report the change of ownership of the Hospital.

7.10 **County Release.** County shall have executed in favor of Seller and of Buyer, and delivered, a release satisfactory to Buyer and Buyer's counsel of all rights County has, may have, or may at any future time have in or to the Hospital, the Real Property, the facilities thereof, or any Purchased Asset, or any part thereof, arising under the Seller's Bonds or under the ISA.

7.11 **Opinion of Bond Counsel.** Seller shall have delivered to Buyer an opinion of Seller's Bond Counsel, in form and substance satisfactory to Buyer, that no Purchased Asset, including but not limited to the revenues generated from the operation of the Hospital after Closing, is or will become subject to any lien, security interest, or other claim or rights in or by the holders or the trustee for the holders of Seller's Bonds.

7.11 **Continuous Operation.** From the Effective Date to the Closing Date, Seller shall have continually operated the Hospital in accordance with its licensure, registration, applicable Certificates of Need, accreditation, and all other requirements which will allow the Buyer to continue to operate the Hospital on and after the Closing Date.

8. CONDITIONS PRECEDENT TO OBLIGATIONS OF SELLER. Notwithstanding anything herein to the contrary, the obligations of Seller to consummate the transactions described herein are subject to the fulfillment, on or prior to the Closing Date (or on the Effective Date, as noted below), of the following conditions precedent unless (but only to the extent) waived in writing by Seller at the Closing:

8.1 **Representations/Warranties.** The representations and warranties of Buyer contained in this Agreement and in any written statements delivered to Seller under this Agreement shall be true and correct as of the Effective Date and as of the Closing Date. Buyer shall have performed, satisfied and complied with all obligations and covenants of Buyer required by this Agreement to be performed or complied with by it on or prior to the Closing Date.

8.2 **Governmental Approvals.** All material consents, authorizations, orders and approvals of (or filings or registrations with) any government entity or other party required in connection with the execution, delivery and performance of this Agreement shall have been obtained (or if not obtainable before Closing shall have been made and Buyer shall have provided Seller reasonably satisfactory assurances that they will be granted after the Closing) by Buyer when so required, except for any documents required to be filed, or consents, authorizations, orders or approvals required to be issued or otherwise issuable, after the Closing Date.

8.3 **Actions/Proceedings.** No action or proceeding before a court or any other governmental agency or body shall have been instituted or threatened to restrain or prohibit the transactions herein contemplated.

9. SELLER'S COVENANT NOT TO COMPETE. Seller hereby covenants that from the Closing Date until the fifth (5th) anniversary of the Closing Date, Seller shall not, directly or indirectly (whether on its behalf or on behalf of any corporation, partnership, limited liability

company, or any other entity or organization (whether for-profit or not-for-profit, governmental or private)), except as a consultant or contractor to Buyer (or any Related Entity of Buyer), develop, own, lease, manage, operate, control, or participate in any manner with the ownership, leasing, management, contractual joint venture arrangement, affiliation, operation or control of any business which offers services in competition with those services of the Hospital which existed as of the Closing Date. In the event of a breach of this Section, Seller recognizes that monetary damages shall be inadequate to compensate Buyer and Buyer shall be entitled, without the posting of a bond or similar security, to an injunction restraining such breach, with the costs (including attorneys' fees) of securing such injunction to be borne by Seller. Nothing contained herein shall be construed as prohibiting Buyer from pursuing any other remedy available to it for such breach or threatened breach. All parties hereto hereby acknowledge the necessity of protection against the competition of Seller and that the nature and scope of such protection has been carefully considered by the parties. Seller further acknowledges and agrees that the covenants and provisions of this Section 9 form part of the consideration under this Agreement and are among the inducements for Buyer entering into and consummating the transactions contemplated herein. The period provided and the area covered are expressly represented and agreed to be fair, reasonable and necessary. Seller acknowledges that the restricted area constitutes the primary service area of Buyer and that it is in the legitimate business interests of Buyer and its Related Entities to protect themselves from competition within such service area. The consideration provided for herein is deemed to be sufficient and adequate to compensate for agreeing to the restrictions contained in this Section 9. If, however, any court determines that the foregoing restrictions are not reasonable, such restrictions shall be modified, rewritten or interpreted to include as much of their nature and scope as will render them enforceable.

10. ADDITIONAL AGREEMENTS.

10.1 Consented Assignment. Anything contained herein to the contrary notwithstanding, this Agreement shall not constitute an agreement to assign any Assumed Contract if an attempted assignment thereof without the consent of another party thereto would constitute a breach thereof or in any material way affect the rights of Seller thereunder, unless such consent is obtained. If such consent is not obtained, or if an attempted assignment would be ineffective or would materially affect Seller's rights thereunder so that Buyer would not in fact receive all such rights, Seller and Buyer shall cooperate with one another in any reasonable arrangement designed to provide to Buyer the benefits and obligations under any such Assumed Contract, including enforcement of any and all rights of Seller against the other party or parties thereto arising out of the breach or cancellation by such other party or otherwise. In the event that a third party does not consent to the assumption by Buyer of a material Assumed Contract and Seller cannot provide the benefits of the contract pursuant to the immediately preceding sentence, the Closing shall occur and Seller shall be responsible for damages incurred by Buyer by virtue of the inability of Seller to assign such material Assumed Contract to Buyer; provided, however, that the foregoing shall not apply to (i) any contracts or arrangements with private or governmental payors or (ii) contracts of Seller that are Excluded Assets.

10.2 Post Closing Access to Information. Seller and Buyer acknowledge that subsequent to the Closing Date each party or their Related Entities may need access to information or documents in the control or possession of the other party or its Related Entities for the purposes of concluding the transactions herein contemplated, audits, compliance with governmental

requirements and regulations, and the prosecution or defense of third party claims, including but not limited to audit, tax and cost report work papers. Accordingly, Seller and Buyer agree that for a period of six (6) years after the Closing Date each will make reasonably available to the other's agents, independent auditors, counsel, and/or governmental agencies upon written request and at the expense of the requesting party such documents and information as may be available relating to the Purchased Assets for periods prior and subsequent to the Closing Date to the extent necessary to facilitate concluding the transactions herein contemplated, audits, compliance with governmental requirements and regulations, and the prosecution or defense of claims and accordingly the parties agree that within such 6-year period prior to destruction or disposal of any such documents or information, each party will provide not less than forty-five (45) days' prior written notice to the other party of such proposed destruction or disposal. If either party desires to obtain any of such documents or records, it may do so by notifying the other party in writing at any time prior to the date scheduled for such destruction or disposal. In such event, such party shall not destroy such documents and the parties shall then promptly arrange for the delivery of such documents. All reasonable documented out-of-pocket expenses associated with the delivery of the requested documents shall be promptly paid by the receiving party.

10.3 Preservation and Access to Records. During the Term hereof and after the Closing, Buyer shall, in the ordinary course of business and as required by law and Sections 10.2 and 10.3, keep and preserve in their original form all medical and other records of the Hospital existing as of the Closing Date, and which constitute a part of the Purchased Assets delivered to Buyer at the Closing Date. For purposes of this Agreement, the term "records" includes all documents, electronic data and other compilations of information in any form. Buyer acknowledges that as a result of entering into this Agreement and operating the Hospital it will gain access to patient and other information that is subject to laws, rules and regulations regarding confidentiality. Buyer agrees to abide by any such laws, rules and regulations relating to the confidential information it acquires. Buyer agrees to maintain the patient and personnel records delivered to Buyer at the Closing Date at the Hospital (or other designated location) after the Closing Date in accordance with applicable law (including, if applicable, Section 1861(v)(i)(I) of the Social Security Act (42 U.S.C. § 1395(V)(1)(i)) and requirements of relevant insurance carriers and DNV standards, all in a manner consistent with the maintenance of patient and personnel records generated at the Hospital after the Closing Date. Upon reasonable notice, during normal business hours, upon Buyer's receipt of any legally required consents and authorizations, Buyer will afford to the representatives of Seller, including its counsel and accountants, full and complete access to, and copies of, the records transferred to Buyer at the Closing Date (including, without limitation, access to patient records in respect of patients treated by the Seller at the Hospital and personnel records). Upon reasonable notice, during normal business hours, Buyer shall also make its officers and employees available to Seller at reasonable times and places after the Closing Date for purposes required under this Section 10.3. In addition, Seller shall be entitled to remove from the Hospital copies of any such patient or personnel records, but only for purposes of (a) responding to government investigations or requests; or (b) pending claims or litigation involving a patient or personnel to whom such records refer, as certified in writing prior to removal by counsel retained by Seller in connection with such litigation and only upon Buyer's receipt of any legally required consents and authorizations. Any patient or personnel record so removed from the Hospital shall be promptly returned to Buyer following its use by Seller.

10.4 Tax and Medicare Effect. None of the parties (nor such parties' counsel or accountants) has made or is making any representations to any other party (nor such party's counsel or accountants) concerning any of the tax or Medicare effects of the transactions provided for in this Agreement as each party hereto represents that each has obtained, or may obtain, independent tax and Medicare advice with respect thereto and upon which it, if so obtained, has solely relied.

10.5 Cooperation on Tax Matters. Following the Closing Date, the parties shall cooperate reasonably with each other and shall make available to the other, as reasonably requested and at the expense of the requesting party, and to any taxing authority, all information, records or documents relating to tax liabilities or potential tax liabilities of the parties for all periods on or prior to the Closing Date and any information which may be 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 Purchased Assets delivered to Buyer at the Closing Date) at least until the expiration of any applicable statute of limitations or extensions thereof.

10.6 Cost Reports. Subject to the Seller's rights to engage a third party to provide transition and wind down services, Seller, at its expense, shall prepare and timely file all terminating and other cost reports required or permitted by law to be filed under the Medicare and Medicaid or other third party payor programs and the State Health Agency for periods ending on or prior to the Closing Date, or as a result of the consummation of the transactions described herein ("**Seller Cost Reports**"). Buyer shall forward to Seller any and all correspondence and summaries of any other contact or communication relating to the Seller Cost Reports within five (5) business days after receipt by Buyer. Buyer shall remit any receipts of funds relating to the Seller Cost Reports promptly after receipt by Buyer and shall forward to Seller any demand for payments within three (3) business days after receipt by Buyer. Notwithstanding anything to the contrary in this Agreement, Seller shall retain all rights to the Seller Cost Reports including any amounts receivable or payable or repayment obligations in respect of such reports or reserves relating to such reports. Such rights shall include the right to appeal any Medicare or Medicaid determinations relating to the Seller Cost Reports. Seller shall retain the originals of the Seller Cost Reports, correspondence, work papers and other documents relating to the Seller Cost Reports. Seller will furnish copies of Seller Cost Reports and correspondence related to any audit or investigation related to Seller Cost Reports to Buyer upon request to allow Buyer to cooperate with or defend itself against any future claim related thereto.

10.7 Misdirected Payments, Etc. Seller and Buyer covenant and agree to remit, with reasonable promptness (within ten (10) business days after discovery), to the other any payments received, which payments are on or in respect of accounts or notes receivable owned by (or are otherwise payable to) the other along with supporting documentation. In addition, subject to the Escrow Agreement, the Escrow provisions in Section 11.3 and compliance with Article 11.3(f), in the event of a determination by any governmental or third party payor that payments to the Seller resulted in an overpayment or other determination that funds previously paid by any program or plan to the Seller must be repaid, then (i) Seller shall be responsible for repayment of said monies (or defense of such actions) if such overpayment or other repayment determination was for services rendered prior to the Closing Date and (ii) Buyer shall be responsible for repayment of said monies (or defense of such actions) if such overpayment or other repayment determination was for services rendered after the Closing Date; provided however, that to the extent such overpayment or repayment determination is caused by the acts or omissions of the Buyer, its Related Entities,

affiliates or subsidiaries or each entity's employees, contractors, representatives or agents, it shall be the responsibility of Buyer.

10.8 Employee Matters. Effective as of the Closing Date, Buyer or a Related Entity of Buyer shall offer employment to substantially all employees of Seller who provide services related to the Hospital (collectively, the "**Seller Employees**"), provided that such employee (i) meets all Buyer's or Buyer's Related Entity's employment qualifications, (ii) meets all federal and State of Georgia laws governing the hiring of employees, (iii) applies on-line for position and passes a pre-employment drug test, background check, interview, and physical exam, if applicable, and (iv) is not listed on any List of Excluded Individuals/Entities of the Office of Inspector General of the U.S. Department of Health and Human Services. Those Seller Employees who accept the initial terms and conditions of employment offered by Buyer or its Related Entity as of the Closing Date shall be designated on Schedule 10.8 as "**Transferring Employees**" and referred to hereinafter as such. Such offers of employment shall be for positions and at wages comparable to those enjoyed by such Transferring Employees immediately prior to the Closing Date. Seller will terminate the employment of the Transferring Employees effective as of the Closing Date. Seller acknowledges and agrees that it is responsible for paying to the Transferring Employees all compensation and benefits accrued up to the Closing Date, including, without limitation accrued vacation, earned illness bank, and other payable time off that exceeds eighty (80) hours of accrued PTO (accrued vacation and other payable time off shall be referred to herein collectively as "**PTO**"). Buyer shall be responsible for providing the remaining PTO accrued up to eighty (80) hours for each Transferring Employee. Seller shall provide to Buyer within ten (10) business days following the Closing a list of Transferring Employees and the PTO liability accrued therefor, and funds representing the cost of these eighty (80) hours (the "**Seller's PTO Obligation**") shall be paid to Buyer from the A/R Escrow described in Section 11.3 hereof as soon as practicable following thereafter. In the event a Transferring Employee ceases employment with Buyer prior to the use of the eighty (80) hours of PTO, Buyer shall remit full lump sum payment for the Transferring Employee's PTO benefits within five (5) days of the termination of the Transferring Employee's employment with Buyer regardless of the reason for the termination. In no event shall Buyer modify any PTO policy to restrict or remove the eighty (80) hours of PTO benefits for any Transferring Employee. Any PTO accrued as of the Closing Date that exceeds eighty (80) hours of accrued PTO shall be paid by Seller to each Transferring Employee in the next Seller payroll disbursed, whether at or following the Closing Date, but in any event no more than thirty (30) business days following the Closing Date. Schedule 10.8 sets forth with respect to each of the Seller Employees such person's position, date of hire, current salary, accrued PTO and amount of any other accrued benefits to which such person may be entitled or for which such person has made either a written or oral claim to Seller. Nothing herein shall obligate Buyer or a Related Entity of Buyer to employ the Transferring Employees for any specific time period. Nothing in this Section shall be construed to grant any employee any rights as a third party beneficiary. Buyer does, however, agree to negotiate in good faith with the Key Employees in an effort to agree on short term transition services contracts subject to extension upon mutual agreement of the parties thereto. In respect of the employees employed by Buyer, Buyer will honor prior service credit under current Seller welfare plans for purposes of satisfying pre-existing condition limitations in Buyer's welfare benefit plans. To the extent the Seller has maintained tax-qualified retirement plans for such employees, Buyer shall recognize the existing seniority of all such employees under the tax-qualified retirement plans maintained by Buyer ("**Buyer's Plans**") and accordingly shall provide prior service credit under Buyer's Plans for the purposes of determining eligibility and vesting.

Seller shall retain all liabilities with respect to any and all Seller Employees who are not Transferring Employees (including, but not limited to, workers' compensation claims, resulting unemployment compensation, health insurance, and employment related litigation) and, unless specifically assumed herein, all liabilities associated with the Transferring Employees which may have accrued prior to the Closing Date (including, but not limited to, workers' compensation claims, resulting unemployment compensation, health insurance, and employment related litigation).

10.9 Use of Controlled Substance Permits. At Buyer's election and to the extent permitted by applicable law, Buyer shall have the right, for a period not to exceed one hundred twenty (120) days following the Closing Date, to operate under the licenses and registrations of the Seller relating to controlled substances and the operations of pharmacies and laboratories, until Buyer is able to obtain such licenses and registrations for itself. In furtherance thereof, the Seller shall execute and deliver to Buyer at the Closing limited powers of attorney substantially in the form of Exhibit B hereto (the "**DEA Power of Attorney**"). Buyer shall apply for all such licenses and permits as soon as reasonably possible before and after the Closing and shall diligently pursue such applications. Buyer shall fully indemnify and hold the Seller harmless from and against all losses incurred, paid or required to be paid by the Seller, resulting in whole or in part from the use of such licenses and permits by Buyer.

10.10 Licensure Matters. Seller shall reasonably cooperate with Buyer to take all actions necessary to transfer or reissue to Buyer the licenses for the Hospital as of the Closing Date.

10.11 Termination Prior to Closing.

a) Either Buyer or Seller may at its option at any time at or prior to the time set for Closing, terminate this Agreement under any one of the following circumstances:

(1) If at the time for Closing (a) a bona fide action or proceeding shall be pending against any party wherein an unfavorable judgment, decree or order would prevent or make unlawful the carrying out of the transactions contemplated by this Agreement or (b) any governmental agency (other than Buyer) shall have notified any party to this Agreement that the consummation of the transactions contemplated by this Agreement would constitute a violation of the laws of any jurisdiction and that it has commenced or intends to commence proceedings to restrain the consummation of the transactions contemplated hereunder, and such agency has not withdrawn such notice prior to such termination; provided, however, that, the Closing shall be extended so long as either party hereto is diligently attempting to obtain the dismissal of such action or proceeding or cause such notice to be withdrawn; or

(2) If the conditions or obligations of this Agreement to be complied with or performed by the other party at or before the Closing shall not have been complied with or performed on or before the date specified for the Closing, or such later date upon which the parties shall mutually agree, and (i) such noncompliance or nonperformance shall not have been waived by the party giving such notice of termination and (ii) the terminating party has not caused or procured the action or inaction giving rise to the noncompliance.

b) If there has been a permitted termination in accordance with Section 10.11(a), then this Agreement shall be deemed terminated, and all further obligations of the parties

hereunder shall terminate except that those confidentiality obligations set forth in Section 12.8 shall survive. In the event either party suffers damages as a result of the breach and termination of this Agreement, such party may pursue legal and equitable remedies.

10.12 County Oversight. County and Seller agree to enter into an agreement whereby County shall receive general financial and compliance reports related to the operations of Seller during the term hereof, including but not limited to quarterly compliance reviews and financial reports, which may be performed by internal and external third-party consultants or auditors, in County's discretion and at County's expense.

10.13 Restructuring of Purchased Assets. Seller and County acknowledge and agree that, simultaneous with the transactions contemplated hereby, Buyer intends to "restructure" the governance and operation of the Purchased Assets by leasing them to a newly-formed single-member Georgia limited liability company ("LLC") of which NGHS will be the sole member, and agree to fully support and cooperate with such restructuring.

10.14 Schedules and Other Instruments. Each Schedule and Exhibit to this Agreement shall be considered a part hereof as if set forth herein in full. All Schedules, Exhibits, or other instruments provided for herein and not delivered at the time of execution of this Agreement or which are incomplete at the time of execution of this Agreement shall be delivered or completed within sixty (60) days after the date hereof, unless otherwise specifically set forth herein. It shall be deemed a condition precedent to the obligations of the parties hereto that each of the Schedules, Exhibits and related documents shall meet with the reasonable approval of such parties. Each of the parties hereto shall have ten (10) business days following the date of receipt of each Schedule, Exhibit or related document within which to approve or disapprove such item. If within the ten (10) business day period either party gives written notice to the other of disapproval of any such item, the other party shall have five (5) business days within which to correct the item disapproved. If the party to whom notice of disapproval is delivered is either unwilling or unable to correct the disapproved item, then the disapproving party shall have five (5) business days within which to terminate this Agreement by giving written notice of such termination to the other party.

10.15 Foundation. The parties acknowledge and agree that the assets of the Habersham Medical Center Foundation, Inc., ("**Foundation**") are not assets of the Seller. Within sixty (60) days of the Effective Date hereof and as a condition precedent to Buyer's obligation to make the Initial Payment under the Option Agreement, Seller and Foundation shall enter into an agreement that requires the Foundation to commence dissolution process within thirty (30) days following the Closing Date and any residual assets of the Foundation shall be transferred to The Medical Center Foundation, Inc., if allowed by the governing documents of the Foundation, and if the governing documents of the Foundation do not so allow, then in accordance with its governing documents and shall be subject to any donor restrictions thereon and shall be limited to use for the health needs in Habersham County only.

11. INDEMNIFICATION.

11.1 Indemnification by Buyer. Buyer shall defend, indemnify and hold harmless Seller and its Related Entities, and their respective officers, directors, employees, agents or independent contractors (collectively, "**Seller Indemnified Parties**"), from and against any and

all losses, liabilities, damages, costs (including, without limitation, court costs and costs of appeal) and expenses (including, without limitation, reasonable attorneys' fees and fees of expert consultants and witnesses) that such Seller Indemnified Party incurs as a result of, or with respect to (i) any misrepresentation or breach of warranty by Buyer under this Agreement, (ii) any breach by Buyer of, or any failure by Buyer to perform, any covenant or agreement of, or required to be performed by, Buyer under this Agreement, (iii) any of the Assumed Liabilities after the Closing Date, or (iv) any claim made by a third party which is due to an event or occurrence that arose out of the operation of the Hospital or the Purchased Assets after the Closing Date.

11.2 Indemnification by Seller. Subject to the limitations described herein, Seller shall defend, indemnify and hold harmless Buyer and its Related Entities, and their respective officers, trustees, directors, employees, agents, or independent contractors (collectively, "**Buyer Indemnified Parties**"), from and against any and all losses, liabilities, damages, costs (including, without limitation, court costs and costs of appeal) and expenses (including, without limitation, reasonable attorneys' fees and fees of expert consultants and witnesses) that such Buyer Indemnified Party incurs as a result of, or with respect to (i) any misrepresentation or breach of warranty by Seller under this Agreement, (ii) any breach by Seller of or any failure by Seller to perform, any covenant or agreement of, or required to be performed by, Seller under this Agreement, (iii) any of the Excluded Liabilities, or (iv) any claim made by a third party with respect to the operation of the Hospital, including any employee benefit plans, prior to the Closing Date except to the extent such claim is caused by or related to the acts or omissions of the Buyer, its Related Entities and its affiliates, subsidiaries and each entities' employees, contractors, representatives or agents.

11.3 Escrow Accounts. Notwithstanding anything to the contrary described herein, the DSF Escrow and the Opioid Escrow shall only apply in the event the Buyer assumes the Seller's Medicare and Medicaid provider number and all obligations related therein:

(a) The first Two Million Dollars (\$2,000,000.00) of the Debt Service Fund, as defined in the Option Agreement, shall be deposited into an escrow account (the "**DSF Escrow**").

(b) From and after the Closing for a period of six (6) years, Seller shall deposit all sums received on account of the Accounts Receivable into an escrow account (the "**A/R Escrow**").

(c) Promptly upon receipt thereof, Seller shall deposit all financial payments received as a result of national opioid litigation claims into an escrow account (the "**Opioid Escrow**").

(d) The DSF Escrow, A/R Escrow, and Opioid Escrow shall be (i) held and disbursed by the Escrow Agent solely for the purpose of and in accordance with the terms of this Agreement and the Escrow Agreement and (ii) held as a trust fund and shall not be subject to any lien, attachment, trustee process or other judicial process of any creditor of any person, except that (x) the Seller may pay its reasonable, documented administrative and wind-down costs associated with the Seller's wind-down of its operations from the A/R Escrow and (y) the Escrow Agent shall pay to Buyer from the receipts into the A/R Escrow, to the extent there are funds available, a sum representing the cost to fund Seller's PTO Obligation in accordance with Section 10.8 hereinabove.

The Parties agree to instruct the Escrow Agent, in the Escrow Agreement, to disburse the funds in the DSF Escrow, A/R Escrow, and Opioid Escrow accounts and any interest earned thereon in accordance with this Agreement and the Escrow Agreement. In the event of a conflict between the Escrow Agreement and this Agreement, the terms of this Agreement shall govern.

(e) In the event that following the Closing Date and in accordance with Sections 11.3(f), Buyer or any of its Related Entities suffers any (i) offsets against reimbursement due to Buyer under any government or third-party payor program after exhausting the appeal process in good faith, as applicable (ii) claims for reimbursement relating to amounts owing by Seller under any such government or third-party payor programs after exhausting the appeal process in good faith, as applicable or (iii) other costs, claims, or expenses related to Seller's liability or alleged liability under the False Claims Act [31 U.S.C. § § 3729-3733], Anti-Kickback Statute [42 U.S.C. § 1320a-7b(b)], "Stark" Physician Self-Referral Law [42 U.S.C. § 1395nn], or any state analogue thereof or regulation promulgated thereunder (collectively, the "**Fraud and Abuse Claims**"), then Buyer shall submit a request to payment thereof or repayment therefor from the Escrow Agent in accordance with the Escrow Agreement procedures, but only to the extent that funds are available as follows and only provided Buyer provides advance notice to the Seller of the Fraud and Abuse Claims to enable the Seller to evaluate and assert any defenses or mitigation of the Fraud and Abuse Claims:

1. First, such payment or repayment shall be made from the A/R Escrow;
2. Second, when and if the A/R Escrow is depleted, such payment or repayment shall be made from the DSF Escrow;
3. Third, when and if both the A/R Escrow and the DSF Escrow are depleted, the Buyer or its Related Entities shall be responsible for the next Five Million Dollars (\$5,000,000.00) without recourse to the Seller or its Related Entities therefor;
4. Fourth, when and if the A/R Escrow and DSF Escrow are depleted, and Buyer has paid or otherwise borne Five Million Dollars (\$5,000,000.00) in Fraud and Abuse Claims, such payment or repayment shall be made from the Opioid Escrow.

(f) Prior to any release of the A/R Escrow, DSF Escrow or Opioid Escrow, Buyer shall provide Seller with notice in writing of the potential recoupment claim as described in Section 10.7 or a Fraud and Abuse Claim within ten (10) business days of receipt of written assertion of a claim, liability or investigation. Seller and Buyer shall cooperate in review, defense and mitigation of the potential liability related to any such claim prior to the Escrow Agent remitting any payments, provided that Buyer may assume control of such defense subject to the following: (i) Buyer shall provide access to Seller of all documents and relevant information to enable Seller to defend any such claims and (ii) Buyer shall not settle any recoupment or overpayment claim or a Fraud and Abuse Claim that exceeds Five Million and no/100 Dollars (\$5,000,000.00); or admits fault on the part of Seller or any of its officers, directors, employees, contractors or agents; or requires Seller to take or refrain from taking any action without the prior written consent of Seller, which shall not be unreasonably withheld. Seller shall have the right to obtain independent counsel to defend any such claims that would be subject to the Escrow Agreement, at Seller's expense.

(g) Seller shall use best efforts to become bonded for an additional Five Million Dollars (\$5,000,000.00) in liability protection for Fraud and Abuse Claims, which shall be available to pay or reimburse Buyer for Fraud and Abuse Claims which are not satisfied by the amounts available under paragraph (e) above.

(h) Upon expiration of six (6) years from the date of Closing, any balance remaining in the DSF Escrow, A/R Escrow, and Opioid Escrow accounts shall be remitted to the County to remit payment on any debt outstanding related to Hospital.

11.4 Notice and Control of Litigation. If any claim or liability is asserted in writing by a third party against a party entitled to indemnification under this Section 11 (the "**Indemnified Party**") which would give rise to a claim under this Section 11, the Indemnified Party shall notify the person giving the indemnity (the "**Indemnifying Party**") in writing of the same within ten (10) business days of receipt of such written assertion of a claim or liability. The Indemnifying Party shall have the right to defend the claim and control the defense, settlement, and prosecution or defense of any litigation. If the Indemnifying Party, within ten (10) business days after receipt of such written notice of such claim, fails to agree to defend such claim, the Indemnified Party shall (upon further notice to the Indemnifying Party) have the right to undertake the defense, compromise, or settlement of such claim on behalf of and for the account and at the risk of the Indemnifying Party, subject to the right of the Indemnifying Party to assume the defense of such claim at any time prior to settlement, compromise, or final determination thereof. Anything in this Section 11.4 notwithstanding, (i) in the event that a proposed settlement requires the Indemnified Party to admit any wrongdoing or take or refrain from taking any action, then the proposed settlement shall not be entered into unless it is reasonably acceptable to both the Indemnifying Party and the Indemnified Party, and (ii) the Indemnifying Party shall not, without the written consent of the Indemnified Party, settle or compromise any claim or consent to the entry of any judgment which does not include as an unconditional term thereof the giving by the claimant to the Indemnified Party of a release from all liability in respect of such claim and has the prior consent of the Indemnified Party which consent shall not be unreasonably withheld. The foregoing rights and agreements shall be limited to the extent of any requirement of any third-party insurer or indemnitor. All parties agree to cooperate fully as necessary in the defense of such matters. Should the Indemnified Party fail to notify the Indemnifying Party in the time required above, the indemnity with respect to the subject matter of the required notice shall be limited to the damages that would have resulted absent the Indemnified Party's failure to notify the Indemnifying Party in the time required above after taking into account such actions as could have been taken by the Indemnifying Party had it received timely notice from the Indemnified Party.

11.5 Notice of Claim. If an Indemnified Party becomes aware of any breach of the representations or warranties of the Indemnifying Party hereunder or any other basis for indemnification under this Section 11, the Indemnified Party shall notify the Indemnifying Party in writing of the same within forty-five (45) days after becoming aware of such breach or claim, specifying in detail the circumstances and facts which give rise to a claim under this Section 11. Should the Indemnified Party fail to notify the Indemnifying Party within the time frame required above, the indemnity with respect to the subject matter of the required notice shall be limited to the damages that would have nonetheless resulted absent the Indemnified Party's failure to notify the Indemnifying Party in the time required above after taking into account such actions as could have been taken by the Indemnifying Party had it received timely notice from the Indemnified Party.

Buyer shall notify Seller or County of any claim related to this Agreement, including the indemnification obligations described herein no later than six (6) years following the Closing Date. Upon expiration of the six (6) years following the Closing Date, neither Seller nor County shall be responsible for any damages, claims or obligations under this Agreement.

11.6 Claims by a Straddle Patient. Subject to the insurance carrier's determination of responsibility and applicability of the insurance and coverage obligations (which determination either party shall retain the unrestricted right to appeal), any claim by a patient relating to professional negligence or similar matters involving a patient of the Hospital served both prior to the Closing Date and subsequent to the Closing Date will be the responsibility of either Seller or Buyer in accordance with the following guidelines: (i) if it is a claim in which clearly the incident giving rise to liability arose on or prior to the Closing Date Seller shall be responsible for the loss and defense expenses to the extent such loss was not caused by the acts or omissions of Buyer, its Related Entities, affiliates, subsidiaries, contractors, employees, representatives or agents; (ii) if it is a claim in which clearly the incident giving rise to liability arose subsequent to the Closing Date, Buyer shall be responsible for the loss and defense expenses; and (iii) in the event that the time at or during which the incident giving rise to liability occurred is not clear, or is continuing prior to and after the Closing Date, Seller and Buyer will jointly defend the case and each will fully cooperate with the other in such defense. Once the case is closed, if Buyer and Seller cannot agree to the allocation of both indemnity and expenses, then the parties shall make good faith efforts to settle the dispute by negotiation between the parties. If negotiation between the parties is unable to resolve such dispute, any party may submit the dispute to arbitration administered by the American Arbitration Association pursuant to its Healthcare Payor Provider Arbitration Rules, and judgment on the award rendered by a single arbitrator may be entered in any court having jurisdiction thereof. Such arbitration shall be conducted in Atlanta, Georgia.

11.7 Mitigation. The Indemnified Party shall take all reasonable steps to mitigate all liabilities and claims, including availing itself as reasonably directed by the Indemnifying Party of any defenses, limitations, rights of contribution, claims against third parties and other rights at law, and shall provide such evidence and documentation of the nature and extent of any liability as may be reasonably requested by the Indemnifying Party. The amount of any indemnification hereunder shall be reduced or reimbursed, as the case may be, by any amount received by the Indemnified Party under any insurance coverage or from any other party alleged to be responsible therefor. The Indemnified Party shall use reasonable efforts to collect any amounts available under such insurance coverage and from such other party alleged to have responsibility. If the Indemnified Party receives an amount under any such insurance coverage or from such other party subsequent to an indemnification provided by the Indemnifying Party pursuant to this Section 11, the Indemnified Party shall promptly reimburse the Indemnifying Party for any payment made or expense incurred by the Indemnifying Party in connection with providing such indemnification up to such amount received by the Indemnified Party. Each party shall act in a commercially reasonable manner in addressing any liabilities that may provide the basis for an indemnifiable claim (that is, each party shall respond to such liability in the same manner that it would respond to such liability in the absence of the indemnification provided for in this Agreement). Any request for indemnification of specific costs shall include invoices and supporting documents containing reasonably detailed information about the costs or damages for which indemnification is being sought.

12. MISCELLANEOUS.

12.1 Additional Assurances. The provisions of this Agreement shall be self-operative and shall not require further agreement by the parties except as may be herein specifically provided to the contrary; provided, however, at the request of a party, the other party or parties shall execute such reasonably necessary additional instruments and take such reasonably necessary additional actions as are consistent with this Agreement with the requesting party bearing all reasonable costs and expenses related thereto. In addition and from time to time after Closing, Seller shall execute and deliver such other reasonably necessary instruments of conveyance and transfer, and take such other reasonably necessary actions as Buyer reasonably may request, more effectively to convey and transfer full right, title, and interest to, vest in, and place Buyer in legal and actual possession of, any and all of the Purchased Assets in a manner consistent with this Agreement with Buyer bearing or reimbursing Seller for all reasonable expenses and costs associated therewith.

12.2 Consents, Approvals and Discretion. Except as herein expressly provided to the contrary, whenever this Agreement requires any consent or approval to be given by a party, or whenever a party must or may exercise discretion, the parties agree that such consent or approval shall not be unreasonably withheld or delayed and such discretion shall be reasonably exercised.

12.3 Legal Fees and Costs. In the event a party elects to incur legal expenses to enforce or interpret any provision of this Agreement by judicial proceedings, the prevailing party will be entitled to recover such legal expenses, including, without limitation, reasonable attorneys' fees, costs, and necessary disbursements at all court levels, in addition to any other relief to which such party shall be entitled

12.4 Choice of Law. The parties agree that this Agreement shall be governed by and construed in accordance with the laws of the State of Georgia without regard to conflict of laws principles. The parties agree that venue shall lie in the courts of Habersham County, Georgia, as to actions brought by Buyer, Northeast Georgia Health System, Inc. ("NGHS"), or a Related Entity of either of them, and in the courts of Hall County, Georgia, as to actions brought by Seller, County, or a Related Entity of either of them.

12.5 Benefit/Assignment. Subject to provisions herein to the contrary, this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective legal representatives, successors, and assigns. No party may assign this Agreement without the prior written consent of the other parties, which consent shall not be unreasonably withheld. In the event a party hereto experiences a "**Change of Control**" as defined herein, this Agreement shall be binding upon the successor organization and it shall be a condition of any Change of Control that the successor executes a binding assumption of the Option Agreement and this Asset Purchase Agreement effective with the Change of Control effective date. Change of Control means any change where (i) the majority of the governing board for the relevant party is modified; (ii) transfer of the assets necessary to operate the Buyer or its Related Entities healthcare facilities to a third party; (iii) the sale of substantially all of the assets of the Buyer or any of its Related Entities; (iv) the merger or consolidation of the Buyer or any of its Related Entities into a third party; or (v) the management and operational control of Buyer or NGHS is leased or contracted to a third party. Notwithstanding anything to the contrary in this Agreement, each party acknowledges and agrees

that it is the intention of the Buyer to restructure the operation of the Hospital by entering into a long-term lease whereby a Related Entity of NGHS will be the lessee and will operate the Hospital.

12.6 No Brokerage. Buyer and Seller each represent and warrant to the other that it has not engaged a broker in connection with the transactions described herein. Each party agrees to be solely liable for and obligated to satisfy and discharge all loss, cost, damage, or expense arising out of claims for fees or commissions of brokers or other consultants employed or alleged to have been employed by such party.

12.7 Cost of Transaction. Whether or not the transactions contemplated hereby shall be consummated, the parties agree as follows: (i) Seller shall pay the fees, expenses, and disbursements of Seller and its agents, representatives, accountants, and legal counsel incurred in connection with the subject matter hereof and any amendments hereto; (ii) Buyer shall pay the fees, expenses, and disbursements of Buyer and its agents, representatives, accountants and legal counsel incurred in connection with the subject matter hereof and any amendments hereto; and (iii) Buyer shall pay for the Title Policy, transfer taxes, recording fees, the Surveys, any environmental reports, engineering reports, licensure application fees, and mechanical, structural, electrical and roofing engineering costs, and any other costs related to the Buyer's due diligence with respect to the transactions contemplated herein.

12.8 Confidentiality. It is understood by the parties hereto that the information, documents, and instruments delivered to Buyer by Seller and its agents and the information, documents, and instruments delivered to Seller by Buyer and its agents are of a confidential and proprietary nature. Each of the parties hereto agrees that both prior and subsequent to the Closing Date it will maintain the confidentiality of all such confidential information, documents, or instruments delivered to it by each of the other parties hereto or their agents in connection with the negotiation of this Agreement or in compliance with the terms, conditions, and covenants hereof and will only disclose such information, documents, and instruments to its duly authorized officers, members, directors, representatives, and agents (including consultants, attorneys, and accountants of each party) and applicable governmental authorities in connection with any required notification or application for approval or exemption therefrom. Each of the parties hereto further agrees that if the transactions contemplated hereby are not consummated, it will return all such documents and instruments and all copies thereof in its possession to the other parties to this Agreement. Each of the parties hereto recognizes that any breach of this Section 12.8 would result in irreparable harm to the other party to this Agreement and its Related Entities and that therefore either Seller or Buyer shall be entitled to an injunction to prohibit any such breach or anticipated breach, without the necessity of posting a bond, cash, or otherwise, in addition to all of its other legal and equitable remedies. Nothing in this Section 12.8, however, shall prohibit the use of such confidential information, documents, or information for such governmental filings as in the opinion of Seller's counsel or Buyer's counsel are required by law or governmental regulations or are otherwise required to be disclosed pursuant to applicable state law.

12.9 Public Announcements. Seller and Buyer mutually agree that no party hereto shall release, publish, or otherwise make available to the public or to the media or any representative of the media in any manner whatsoever any information or announcement regarding the transactions herein contemplated without the prior written consent of Seller and Buyer, except for information and filings reasonably necessary to be directed to governmental agencies to fully

and lawfully effect the transactions herein contemplated or required in connection with securities and other laws.

12.10 Waiver of Breach. The waiver by any party of a breach or violation of any provision of this Agreement shall not operate as, or be construed to constitute, a waiver of any subsequent breach of the same or any other provision hereof.

12.11 (a) Notice. Any notice, demand, or communication required, permitted, or desired to be given hereunder shall be deemed effectively given when personally delivered, when received by confirmed overnight delivery from a reputable carrier, when received by confirmed electronic transmission (including facsimile or electronic mail), or five (5) days after being deposited in the United States mail, with postage prepaid thereon, certified or registered mail, return receipt requested, addressed as follows:

Seller: Hospital Authority of Habersham County
541 Historic Hwy #441-N
Demorest, GA 30535
Attention: Chairman of the Board
c/o Chief Executive Officer

County: Habersham County, Georgia

Attention: _____

HACH: The Hospital Authority of Hall County and the City of Gainesville
743 Spring Street, N.E.
Gainesville, Georgia 30501
Attention: Chairman

With a copy to: Northeast Georgia Health System, Inc.
743 Spring Street, N.E.
Gainesville, Georgia 30501
Attention: CEO

or to such other address, and to the attention of such other person or officer as any party may designate, with copies thereof to the respective counsel thereof as notified by such party.

(b) A copy of any notice given to any party hereunder shall also be delivered to each other party in accordance with this Section 12.11.

12.12 Severability. In the event any provision of this Agreement is held to be invalid, illegal or unenforceable for any reason and in any respect, such invalidity, illegality, or unenforceability shall in no event affect, prejudice, or disturb the validity of the remainder of this Agreement, which shall remain in full force and effect, enforceable in accordance with its terms.

12.13 Divisions and Headings. The divisions of this Agreement into sections and subsections and the use of captions and headings in connection therewith are solely for convenience and shall have no legal effect in construing the provisions of this Agreement.

12.14 Survival. All of the representations, warranties, covenants, and agreements made by the parties in this Agreement or pursuant hereto in any certificate, instrument, or document shall survive the consummation of the transactions described herein. Notwithstanding anything in this Section 12.14 which may be to the contrary, the applicable statute of limitations shall be the survival period for any matter relating to (a) fraud or willful, intentional or reckless misrepresentation or willful omission of a material fact in connection with this Agreement or the Acquisition Agreements and the transactions contemplated hereby or thereby, or (b) any liability relating to personal injury. Notwithstanding anything in this Section 12.14 which may be to the contrary, any claim, demand, or cause of action with respect to a breach of any representation or warranty made in this Agreement (other than representations or warranties contained in Section 5 or Section 6, which shall survive indefinitely), must be made or brought, if at all, within five (5) years after the Closing Date.

12.15 Related Entity. As used in this Agreement, the term "**Related Entity**" or "**Related Entities**" means, as to the entity or entities in question, any person or entity that directly or indirectly controls, is controlled by or is under common control with, the entity in question and the term "control" means possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity whether through ownership of voting securities, by contract or otherwise. For clarity, NGHS, its affiliates, and the Buyer are Related Entities as to one another.

12.16 No Inferences. Inasmuch as this Agreement is the result of negotiations between sophisticated parties of equal bargaining power represented by counsel, no inference in favor of, or against, either party shall be drawn from the fact that any portion of this Agreement has been drafted by or on behalf of such party.

12.17 Third Party Beneficiaries. The terms and provisions of this Agreement are intended solely for the benefit of Buyer and Seller and their respective permitted successors or assigns, and it is not the intention of the parties to confer, and this Agreement shall not confer, third-party beneficiary rights upon any other person; except that, notwithstanding the foregoing, NGHS shall be deemed a third-party beneficiary hereunder and shall be entitled to rely upon and to enforce the provisions hereof.

12.18 Enforcement of Agreement. The parties hereto agree that irreparable damage would occur in the event that any of the provisions of this Agreement was not performed in accordance with its specific terms or was otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof in any court of competent jurisdiction, this being in addition to any other remedy to which they are entitled at law or in equity.

12.19 Entire Agreement/Amendment. This Agreement supersedes all previous contracts, and constitutes the entire agreement of whatsoever kind or nature existing between or among the parties respecting the within subject matter, and no party shall be entitled to benefits

other than those specified herein, As between or among the parties, no oral statements or prior written material not specifically incorporated herein shall be of any force and effect. The parties specifically acknowledge that in entering into and executing this Agreement, the parties rely solely upon the representations and agreements contained in this Agreement and no others. All prior representations or agreements, whether written or verbal, not expressly incorporated herein are superseded, and no changes in or additions to this Agreement shall be recognized unless and until made in writing and signed by all parties hereto. This Agreement may be executed in two or more counterparts, each and all of which shall be deemed an original and all of which together shall constitute but one and the same instrument.

12.20 Risk of Loss. The risk of loss or damage to any of the Purchased Assets and the Hospital shall remain with Seller until the Closing Date, and Seller will maintain its insurance policies covering the Purchased Assets and the Hospital through the Closing Date. If, prior to the Closing Date, all or any part of the Purchased Assets is destroyed or damaged by fire or the elements or by any other cause where such damage or destruction results in a valid insurance claim to be asserted by the Seller, the Buyer in its sole discretion may elect to (i) require the Seller to utilize the insurance proceeds to repair or replace the assets to preserve its original value; (ii) proceed with the Closing as scheduled (provided, however, at the Closing, Seller and its Affiliates shall assign, transfer and set over to the Buyer all of Seller's and its Affiliates' right, title and interest in and to any insurance proceeds on account of such damage or destruction loss plus the amount of any deductibles under such insurance policies); or (ii) terminate the Agreement.

[Signatures on following page]

IN WITNESS WHEREOF, the parties hereto have caused this Asset Purchase Agreement to be executed in multiple originals by their authorized officers, all as of the Effective Date set forth hereinabove.

"SELLER":

HABERSHAM COUNTY HOSPITAL AUTHORITY

By: [Signature]
Title: CHAIRMAN

[SEAL]

Attest:

By: [Signature]
Title: Notary

Date: September 17, 2019

"HAHC"

THE HOSPITAL AUTHORITY OF HALL COUNTY AND THE CITY OF GAINESVILLE

By: _____
Title: _____

[SEAL]

Attest:

By: _____
Title: _____

Date: _____

"COUNTY":

HABERSHAM COUNTY, GEORGIA

By: [Signature]
Title: CHAIR

[SEAL]

Attest:

By: [Signature]
Title: County Clerk

Date: September 16, 2019

IN WITNESS WHEREOF, the parties hereto have caused this Option to Purchase Agreement to be executed in multiple originals by their authorized officers, all as of the Effective Date set forth hereinabove.

"SELLER":

HABERSHAM COUNTY HOSPITAL AUTHORITY

By: _____

Title: _____

[SEAL]

Attest:

By: _____

Title: _____

Date: _____

"HAHC"

THE HOSPITAL AUTHORITY OF HALL COUNTY AND THE CITY OF GAINESVILLE

By: *Richard D. ...*
Title: *Chair*



Attest:
By: *Carol H. Burrell*
Title: *Secretary*

Date: *09/16/2019*

"COUNTY":

HABERSHAM COUNTY, GEORGIA

By: _____

Title: _____

[SEAL]

Attest:

By: _____

Title: _____

Date: _____

DISCLAIMER

THE FOLLOWING DRAFT SCHEDULES TO ACCOMPANY THE ASSET PURCHASE AGREEMENT DATED NOVEMBER 18, 2019 (“APA”) ARE NOT ALL INCLUSIVE AND SHALL BE UPDATED PRIOR TO CLOSING IN ACCORDANCE WITH THE APA. THE REPRESENTATIONS AND WARRANTIES AS WELL AS THE INFORMATION REQUIRED BY THE APA SCHEDULES SHALL NOT BE FINALIZED UNTIL THE TIME PERIOD REQUIRED BY THE APA AND CONTEMPORANEOUS WITH THE CLOSING. THIS DISCLAIMER APPLIES TO ALL SCHEDULES ATTACHED REGARDLESS OF ANY NOTATIONS CONTAINED THEREIN.

Schedule 1.1(a)

Purchased Assets – Real Property

Please find attached the legal descriptions for the Real Property [Attach PDF]

EXHIBIT "A"

Legal Description

PARCELS 1 - 15

ALL THAT TRACT or parcel of land lying and being in Land Lots 39 and 44 of the 10th District, Habersham County, Georgia, being the following tracts, to wit: **Tract 1** containing 1.35 acres, more or less; **Tract 2** containing .4 acres, more or less; **Tract 3** containing .66 acres, more or less; **Tract 4** containing .36 acres, more or less; **Tract 5** containing 2.67 acres, more or less, **Tract 6** containing .81 acres, more or less; **Tract 7** containing .85 acres, more or less; **Tract 8** containing .45 acres, more or less; **Tract 9** containing .44 acres, more or less; **Tract 10** containing 4.37 acres, more or less; **Tract 11** containing .61 acres, more or less; **Tract 12** containing 8.09 acres, more or less; **Tract 13** containing 11.71, more or less; **Tract 14** containing .68 acres, more or less; and **Tract 15** containing 1.8 acres, more or less, each as depicted in a certain retracement survey prepared for the Habersham County Board of Commissioners dated April 4, 2014 and revised on May 20, 2014 by Lovell, Duvall and Associates, Inc., Samuel L. Duvall, Georgia Registered Land Surveyor No. 2295, which plat is recorded in Plat Book 66, Page 72, Habersham County Deed Records, which plat is referenced herein for a more particular description of the properties herein conveyed.

PARCEL 16

ALL THAT TRACT or parcel of land together with improvements thereon lying and being in Land Lot 40 of the 10th Land District, Habersham County, Georgia containing .74 acres as shown on a plat of survey for Steven M. Puche by Holcomb Surveying, Inc., dated August 9, 1998, and recorded in Plat Book 50, Page 142, Habersham County, Georgia Deed Records, which plat is incorporated herein by reference and made a part of this description. Said property being the same property described in that certain Warranty Deed dated November 10, 2006 from Habersham Pediatrics, LLC to The Hospital Authority of Habersham County, recorded in Deed Book 780, Pages 171-172, Habersham County, Georgia Deed Records.

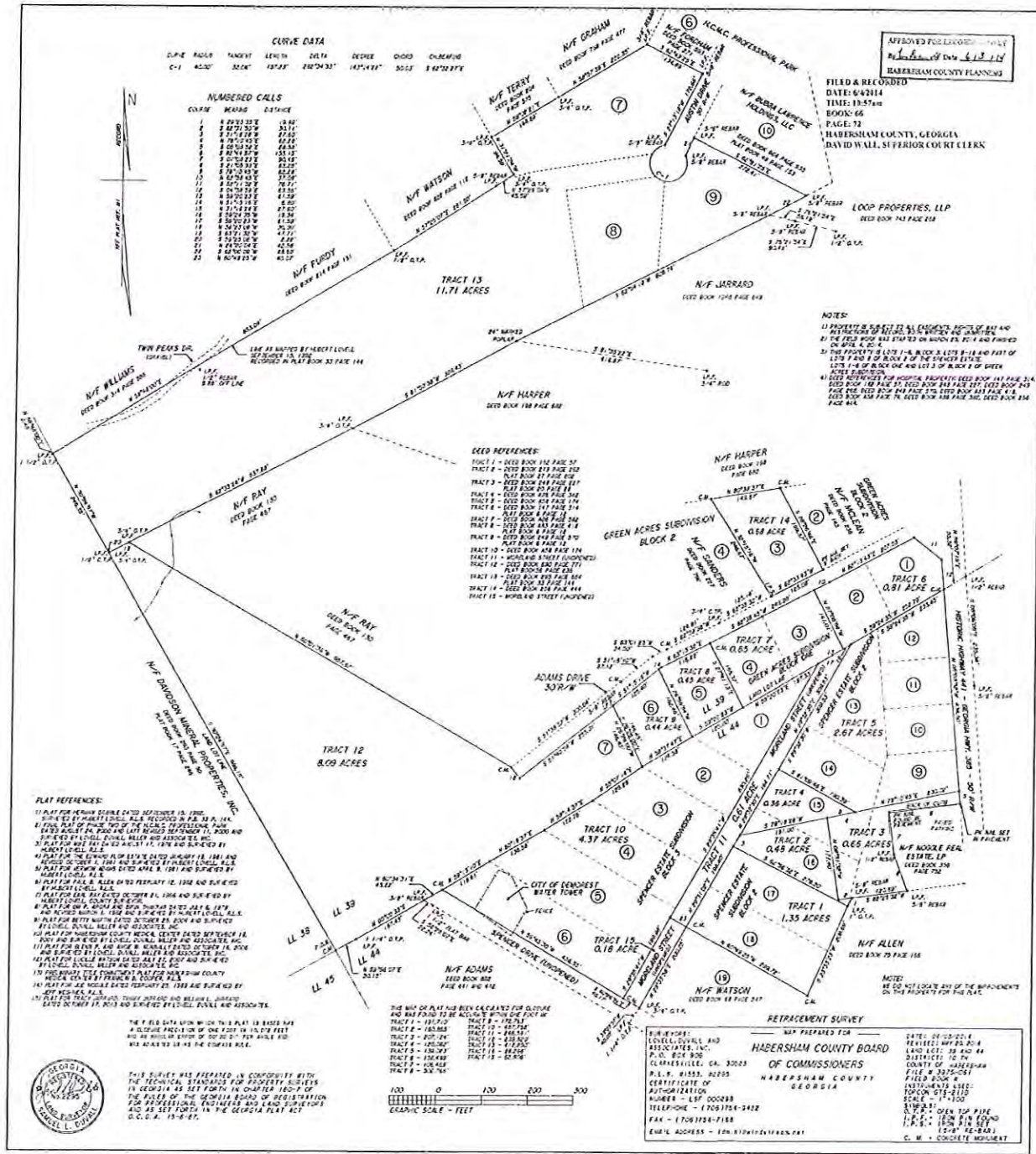
PARCEL 18

ALL THAT TRACT or parcel of land lying and being in Land Lot 150 of the 12th Land District of Habersham County, Georgia and being designated as Lot 7 of Grandis Heights, Phase 1, containing 1.65 acres, more or less, as shown on a plat of survey prepared by Hubert Lovell, RLS, dated February 17, 1995, and recorded in Plat Book 37, Page 159, Habersham County, Georgia Deed Records, reference to which plat is made for a more particular description of the property herein described. Said property being described in that certain Warranty Deed dated March 22, 1995, between HGPC, Inc. and The Hospital Authority of Ahbersham [sic] County, recorded in Deed Book 331, Page 65, Habersham County, Georgia Records.

The above referenced properties are conveyed subject to all easements, reservations and restrictions of record, if any.

The purpose of this Deed is to divest and convey any interest of the Grantor in the above referenced parcels to Grantee.

Parcels 1 - 15





187 ft

073 019

073 020B

073 020

073 020C

073 020A

073 018

075 002

MASTERS DR

073 022A

073 022

MOBILE TER

073 021

073 084

075 001A

075 001C

073 023

ROBERTSON LOOP RD

073 083

N 441 HISTORIC HWY

073 082

073 081

075 094

Cornelia
073 024A

073 024



Schedule 1.1(b)

Purchased Assets – Owned Furniture/Equipment

Summary Asset Inventory as of 10/31/2019

| Count of Item # | Column Labels | | |
|------------------------|----------------------|-------------------------|------------------------|
| Row Labels | Clinical | Non Clinical | Grand Total |
| ABL 90 | 1 | | 1 |
| Accucheck Monitor | 1 | | 1 |
| ACT Diff 2 | 1 | | 1 |
| AED Machine | 6 | | 6 |
| Agglutination Viewer | 1 | | 1 |
| Air Compressor | | 1 | 1 |
| Air Cord | 2 | | 2 |
| Air Hose | 1 | | 1 |
| Air Regulator | 3 | | 3 |
| Airway Box | 2 | | 2 |
| Anesthesia Machine | 7 | | 7 |
| Arm Board | 10 | | 10 |
| Arthrocar Coblator | 2 | | 2 |
| Arthroscopy Pump | 1 | | 1 |
| Autoclave | 2 | | 2 |
| Back Ext | 1 | | 1 |
| Backboard | 2 | | 2 |
| BacT Alert | 1 | | 1 |
| Bair Hugger | 10 | | 10 |
| BAPS Board | 1 | | 1 |
| Basket | 4 | | 4 |
| Bath | 2 | | 2 |
| Battery Charger | | 4 | 4 |
| Bean bag | 5 | | 5 |
| Bed | 154 | | 154 |
| Bed elevator | 3 | | 3 |
| Bedside Commode | 47 | | 47 |
| Bedside Table/Stand | | 86 | 86 |
| Bench | 2 | 10 | 12 |
| BF Analyzer | 2 | | 2 |
| Biohazard Bin | 7 | | 7 |
| BIPAP | 3 | | 3 |
| Bleeding Control Kit | 1 | | 1 |
| Blood Warmer | 2 | | 2 |
| Boiler | | 8 | 8 |

| | | | |
|--------------------------|----|-------|-------|
| Bookcase | | 86 | 86 |
| Bovie Machine | 6 | | 6 |
| Breast Pump | 1 | | 1 |
| Breath Alcohol Tester | 3 | | 3 |
| Bucket | 2 | | 2 |
| Buggy | | 3 | 3 |
| Cabinet | 16 | 253 | 269 |
| Cable Column | | 1 | 1 |
| Calibrater system | 1 | | 1 |
| Caliper | 2 | | 2 |
| Call System | 55 | | 55 |
| Camera | | 5 | 5 |
| Camera Power Source | 1 | | 1 |
| Canopy Tent | 1 | | 1 |
| C-arm Monitor | 1 | | 1 |
| Carrier Bag | | 2 | 2 |
| Cart | 1 | 229 | 230 |
| Cast Cutter | 1 | | 1 |
| Cauterizing Machine | 1 | | 1 |
| Centrifuge | 8 | | 8 |
| Chair | 81 | 1,405 | 1,486 |
| Charging Station | | 1 | 1 |
| Check Protector | | 1 | 1 |
| Christmas Tree | | 3 | 3 |
| Clamp | 1 | | 1 |
| Cleaning Equipment | | 28 | 28 |
| Clinitek Advantus | 1 | | 1 |
| Clipper | 5 | | 5 |
| Clock/Picture | | 650 | 650 |
| CO2 | 6 | | 6 |
| Coblator II | 1 | | 1 |
| Coblator Irrigation Pump | 1 | | 1 |
| ColPack | 1 | | 1 |
| Combo Unit | 2 | | 2 |
| Command Power Source | | 1 | 1 |
| Computer | 22 | 289 | 311 |
| Computer - Keyboard | | 24 | 24 |
| Computer - Monitor | 3 | 369 | 372 |
| Computer - Peripheral | | 274 | 274 |
| Cooler | | 1 | 1 |
| Copy Machine | | 22 | 22 |
| Couch | | 16 | 16 |
| Counter | | 1 | 1 |

| | | | |
|----------------------------|-----|-----|-----|
| CPAP | 2 | | 2 |
| Crash Cart | 18 | | 18 |
| Credenza | | 16 | 16 |
| CT Scanner | 1 | | 1 |
| Cup Sets | 2 | | 2 |
| Cushion | 3 | | 3 |
| Cybex | 1 | | 1 |
| Cytospin | 1 | | 1 |
| Defibrillator | 5 | | 5 |
| Dehumidifier | | 1 | 1 |
| Deposit Box | | 1 | 1 |
| Desk | | 226 | 226 |
| Dictation | 14 | | 14 |
| Diesel Storage Tank | | 1 | 1 |
| Diff Count | 1 | | 1 |
| Difibulator | 2 | | 2 |
| Dinamap | | 1 | 1 |
| Display Case | | 1 | 1 |
| Drink Station | | 7 | 7 |
| Dryer | | 5 | 5 |
| Drying Rack | | 2 | 2 |
| Dumbbell Tree | 3 | | 3 |
| Dynamometer | 5 | | 5 |
| Easel | | 4 | 4 |
| EKG Machine | 5 | | 5 |
| Electrical ARC Suit | | 1 | 1 |
| Electronic Board | 1 | | 1 |
| Endo Wedge Pillow | 2 | | 2 |
| Eneteral Pump | 1 | | 1 |
| Epidural | 10 | | 10 |
| ESR Autoplus | 1 | | 1 |
| Estim | 1 | | 1 |
| Ethicon Harmonic Generator | 1 | | 1 |
| Exam Table | 39 | | 39 |
| Exercise Equipment | 376 | | 376 |
| Eye Wash | 4 | | 4 |
| Fan | | 18 | 18 |
| FCE Box | 4 | | 4 |
| File Cabinet | | 302 | 302 |
| Fire Extinguisher | | 24 | 24 |
| Flashlight | | 1 | 1 |
| Floor Mat | | 3 | 3 |
| Flowmeter | 49 | | 49 |

| | | | |
|-----------------------|-----|-----|-----|
| Fluency Direct Device | 2 | | 2 |
| Fluidotherapy | 1 | | 1 |
| Foam wedge | 1 | | 1 |
| Fracture Table Bed | 1 | | 1 |
| Freezer | 3 | 3 | 6 |
| Gameready Unit | 1 | | 1 |
| Gas Detection Device | | 1 | 1 |
| Generator | | 3 | 3 |
| Glide Scope | 1 | | 1 |
| Glucometer | 17 | | 17 |
| GM2 Counter | 1 | | 1 |
| Hair Dryer | 3 | | 3 |
| Headboard elevator | 1 | | 1 |
| Hearing Screening | 3 | | 3 |
| Heat Detector | | 1 | 1 |
| Heat press | 1 | | 1 |
| Helment | 6 | | 6 |
| Hematology | 1 | | 1 |
| Hepa Filter | | 1 | 1 |
| Hover tech | 1 | | 1 |
| Hutch | | 2 | 2 |
| HVAC | | 57 | 57 |
| Hydroculator | 3 | | 3 |
| Impulse | 1 | | 1 |
| Incubator | 4 | | 4 |
| Infant Bath | 1 | | 1 |
| Instrument Wash | 2 | | 2 |
| Insufflator | 4 | | 4 |
| Insuflow | 1 | | 1 |
| Insuflow unit | 1 | | 1 |
| Ionto Unit | 3 | | 3 |
| IT-Networking | | 124 | 124 |
| IV Equipment | 225 | | 225 |
| Key box | | 7 | 7 |
| Kiosk | | 9 | 9 |
| Kitchen Equipment | 1 | 90 | 91 |
| Knee holder | 3 | | 3 |
| Kpad Machine | 1 | | 1 |
| Kyphoplasty Table | 2 | | 2 |
| Lab Box | | 2 | 2 |
| Label printer | | 9 | 9 |
| Lamp | 32 | 28 | 60 |
| Laparoscopic Tower | 1 | | 1 |

| | | | |
|---|-----|-----|-----|
| Lateral positioner | 14 | | 14 |
| Laundry | | 101 | 101 |
| Leakage Tester | | 1 | 1 |
| Lifepak 20 Defib/Monitor | 1 | | 1 |
| Lift | 13 | | 13 |
| Light Source Power Box | 1 | 1 | 2 |
| Linen Hamper | | 2 | 2 |
| Lobby Items | | 18 | 18 |
| Locker | 2 | 26 | 28 |
| Mag Pole | 2 | | 2 |
| Mail Box | | 1 | 1 |
| Maintenance Equipment | | 61 | 61 |
| Mannequin | 57 | | 57 |
| Massage Table | 5 | | 5 |
| Mat | | 27 | 27 |
| Med Graphics Pulmonary Function Machine | 1 | | 1 |
| Medical Dryers | 1 | | 1 |
| Medrad Power Injector | 2 | | 2 |
| Metal plate | 3 | | 3 |
| Metal positioner | 3 | | 3 |
| Microscope | 4 | | 4 |
| Misc Desk Equipment | | 59 | 59 |
| Moisture Detector | | 1 | 1 |
| Monitor | 1 | 10 | 11 |
| Monitor Stand | | 6 | 6 |
| Morgue Equipment | 2 | | 2 |
| MRI | 1 | | 1 |
| Musical | | 4 | 4 |
| Not Used | | 146 | 146 |
| Nurse on a Stick | 1 | | 1 |
| Nurse on the Wall | 5 | | 5 |
| Observer Software | 1 | | 1 |
| Olympus Camera Power source | 1 | | 1 |
| Olympus Portable Tower | 1 | | 1 |
| Olympus Video Recording Unit | 1 | | 1 |
| Omnicell | 20 | | 20 |
| Organizer | 9 | 36 | 45 |
| Orthoglass Box | 1 | | 1 |
| Otoscope/Ophthalmoscope | 47 | | 47 |
| Oxygen | 105 | | 105 |
| Padded Board | 1 | | 1 |
| Paraffin Bath | 1 | | 1 |
| Phones/Communication Equip | | 422 | 422 |

| | | | |
|-------------------------------|----|-----|-----|
| Picture Box | 1 | | 1 |
| Pill Crusher | 2 | | 2 |
| Plasma Freezer | 2 | | 2 |
| Plasma Thawer | 1 | | 1 |
| Platelet Rocker | 1 | | 1 |
| Plotter | | 1 | 1 |
| Podium | | 4 | 4 |
| Portable Suction | 3 | | 3 |
| Portable Water Booster Pump | | 3 | 3 |
| POS System | | 6 | 6 |
| Probes | 1 | | 1 |
| Processor Box | | 1 | 1 |
| Projector | | 6 | 6 |
| Projector Screen | | 3 | 3 |
| Pyramid Machine | 1 | | 1 |
| Quest Horizon Blood Spinner | 1 | | 1 |
| Rack | | 2 | 2 |
| Rail Clamp | 24 | | 24 |
| Rainbow | 1 | | 1 |
| Razor | 4 | | 4 |
| Rebounder | 1 | | 1 |
| Refrigerator | 3 | 69 | 72 |
| Regulator | 2 | | 2 |
| Respiratory Therapy Equipment | 2 | | 2 |
| Rocker Board | 1 | | 1 |
| Roller Board | 1 | | 1 |
| Room Divider | 32 | 9 | 41 |
| Rope Pole | | 1 | 1 |
| Safe | 1 | 13 | 14 |
| Safety Strap | 12 | | 12 |
| Sand bag | 2 | | 2 |
| Scale | 32 | 3 | 35 |
| Scanner/Printer | 9 | 129 | 138 |
| SCD Machine | 32 | | 32 |
| Scope | 1 | | 1 |
| Security | | 2 | 2 |
| Seizure Pad | 1 | | 1 |
| Shadow Box | 1 | | 1 |
| Sharps | 1 | | 1 |
| Sharps Container | 63 | | 63 |
| Shelves/Rack | | 399 | 399 |
| Shoulder | 1 | | 1 |
| Shoulder Holder | 2 | | 2 |

| | | | |
|----------------------------|-----|-----|-----|
| Siemens Clinitek Analyzer | 1 | | 1 |
| Siemens DCS Vantage | 1 | | 1 |
| Sign | | 9 | 9 |
| Silicone headrest | 3 | | 3 |
| Sink | 14 | | 14 |
| Skytron tower | 1 | | 1 |
| Slant Board | 1 | | 1 |
| Sled/Slide | 5 | | 5 |
| Slide Stainer | 1 | | 1 |
| Slip Printer | | 2 | 2 |
| Smoke Evacuator | | 1 | 1 |
| Sound System | | 29 | 29 |
| Spinal/Epidural Positioner | 1 | | 1 |
| Spine Model | 1 | | 1 |
| Sponge bag holder | 3 | | 3 |
| Stago | 1 | | 1 |
| Stairs | | 1 | 1 |
| Stand | 33 | 23 | 56 |
| Steam Sterilizer | 2 | | 2 |
| Steps | | 1 | 1 |
| Steris Processor | 1 | | 1 |
| Sterrad NX | 1 | | 1 |
| Stethoscope | 17 | | 17 |
| Stim Unit | 7 | | 7 |
| Stool | | 159 | 159 |
| Storage Bin | | 237 | 237 |
| Stretcher | 42 | | 42 |
| Suction Carousel | 4 | | 4 |
| Suction D&C Machine | 1 | | 1 |
| Suction Regulator | 95 | | 95 |
| Suitcase | | 2 | 2 |
| Surge Protector | | 59 | 59 |
| Surgical Table | 7 | | 7 |
| Suture tower | 2 | | 2 |
| Table | 130 | 354 | 484 |
| Television | | 153 | 153 |
| Test Tube Rocker | 1 | | 1 |
| Theragun | 1 | | 1 |
| Thermometer | 47 | | 47 |
| Time Clock | | 3 | 3 |
| Tourniquet | 2 | | 2 |
| Traction Table | 2 | | 2 |
| Traction Unit | 2 | | 2 |

| | | | |
|------------------------------|-----|-----|-----|
| Transport Kit | 1 | | 1 |
| Trashcan | 13 | 456 | 469 |
| Tube System | 3 | | 3 |
| UBE | 2 | | 2 |
| Ultrasound | 10 | | 10 |
| Uninterruptible Power Supply | | 46 | 46 |
| Vac Pump | 1 | | 1 |
| Vapotherm | 5 | | 5 |
| Vein Finder | 1 | | 1 |
| Ventilator | 4 | | 4 |
| Vibrator | 1 | | 1 |
| Video Monitor | 5 | | 5 |
| Vital Signs Monitor | 144 | | 144 |
| Vitek II | 1 | | 1 |
| Vitros 5600 | 2 | | 2 |
| Vortex Mixer | 1 | | 1 |
| VS/Cardiac Monitor | 4 | | 4 |
| Walker | 44 | | 44 |
| Wall Box | | 2 | 2 |
| Wall Fixture | 262 | 302 | 564 |
| Wall Monitor | | 1 | 1 |
| Wall Mounted BP | 7 | | 7 |
| Wall Organizer | | 29 | 29 |
| Wall Separation | | 1 | 1 |
| Warmer | 18 | | 18 |
| Washer | | 4 | 4 |
| Water Heater | | 3 | 3 |
| Water Tank | | 1 | 1 |
| Weather Radio | | 1 | 1 |
| Wedge | 3 | | 3 |
| Wheelchair | 75 | | 75 |
| Wheeled basin holder | | 1 | 1 |
| Wheeled Bin | | 6 | 6 |
| Wheeled Suction Canister | 1 | | 1 |
| Wood Pew | | 3 | 3 |
| Work Station | | 2 | 2 |
| XRAY Equipment | 43 | | 43 |

Schedule 1.1(d)

[NTD: This shall be updated Annually and Prior to Closing]

Preliminary Purchased Assets – Computer and Data Processing Hardware and Software

1. Meditech – Primary Hospital EHR
2. MPM – “Meditech Practice Management” – Physician Clinic EHR
3. Meditech Home Health
4. Point Click Care – Nursing Home EHR
5. GE Centricity (OB)
6. Additional Software Includes:
7. GE PACS
8. Provation
9. Telemetry system (different in ICU and ED)
10. Medisolv (DR reports for abstracting and other reports)
11. Q-net (CMS portal)
12. Iqvia (Stroke abstraction)
13. Gemesis (EMS trip reports site – info for stroke patients)
14. NHSN (antibiotic stewardship and appropriate antibiotic use)
15. Sendss (dog bites, exposures, infections)
16. HIDI (all d/c data to GHA)
17. PressGaney (HCAPS Provider)
18. DNV site (upload responses to DNV queries)
19. Leapfrog (clinical testing that reports out scores which are posted for public viewing – safety scores)
20. HIIN (CMS initiative through GHA)
21. Experian (Medical Necessity/Eligibility and Order Faxing)
22. Bedside Monitoring with EKGs
23. Abbott Glucometer
24. Radiometer America ABG
25. Infant security system
26. Nurse Call systems
27. Alaris Smart IV Pump
28. Omnicell
29. LSI (Cardiac Rehab)
30. Quadex (business office claims)
31. Payorpath (LSS claims)
32. DrFirst (e-prescribing system)
33. First Databank (Formulary Service Vendor)
34. EBSCO DynaMed Plus (Evidence Based Provider information)
35. Krames on Demand (Patient Education)
36. IMO (ICD10 linking of Diagnoses, Procedures, Documentation)
37. NDSC Care Select (Appropriate Use Criteria for Imaging orders)
38. Telehealth (OB telemedicine consults)
39. Zynx (standard content for LSS)
40. Stratus (language interpretation)

41. Indicia (admission status review MCG)
42. Meal Metrics (dietary software)
43. Cardinal (Pharmacy Ordering & remote pharmacist)
44. GUDID (link to international codes for Implantable devices)
45. Macro Helix (340B software for reducing medication cost)
46. M*Modal / Fluency Direct (transcription and voice recognition)
47. Secure Pass (patient registration queue)
48. HCMCFILESERVER (NT4.0): User Data- Old Domain Controller
49. MISSERVER (Win 2000 Server): BlueConnectQMS Data, SQL Server 2003, PM Plus
50. DATASERVER (Win 2000 Server): Optio MedForms, NetAccess
51. FINANCESERVER (Win 2000 Server): Kronos TimeKeeper, Connect, QMS Cart, Intranet
52. HCMC-FAC (Primary Domain Controller Win 2003 Server): Active Directory, Geoffrey Access Security Control, User Data
53. FAXSERVER (Win 2003 Server): Communication Director
54. Omni Cell Omni Gate and OmniSite (Win 2003): Pharmacy Dispensing System - Pharmacy, Omni Cell, and IT perform data backups
55. PACS (GE Centricity): Radiology archiving system - Radiology Staff/GE Engineer perform backups
56. GE Centricity (Win 2003): OB record- OB Staff and IT perform backup
57. S8400 (Linux): Rehab Telephone System
58. Date! (Win 2000): Voice Mail System
59. HABHH-FSI (Win 2003): PtCT Insync
60. DICTAS ERVER (Win 2003): Dictaphone system - Backups performed by Dictaphone and Medical Records
61. HCMC2 (Win 2000): Xchange Network Server, Symantec AMS Administration Console and Quarantine

Schedule 1.1(f)

Purchased Assets – Assumed Contracts

See Schedule 4.18

Schedule 1.2(g)

Excluded Assets – Computer and Data Processing Hardware and Software

None.

Schedule 3.2(k)

Key Employees

Lynn Boggs
Chief Executive Officer

Steven Ciampa
Vice President of Finance (CFO)

Tyler Williams
Vice President of Strategy and Business Development

Linde Mitchell
Vice President of Patient Care Services (CNO)

Leigh Hunnicutt
Vice President of Regulatory and Human Services

Kesha Clinkscale
Vice President of External Affairs

Angela Harpold
Vice President of Ancillary Services

Schedule 3.18

Excluded Contracts

See Schedule 4.18

Schedule 4.4
Financial Statements

[NTD: Include list of current Financial Statements that will be updated at the time of Closing in accordance with APA]

Schedule 4.5

Certain Post-Balance Sheet Results

NTD: None to be updated at the time of Closing in accordance with APA.

Schedule 4.6

Licenses, Permits, and Approvals

| <u>Description</u> | <u>Holder</u> | <u>Transferable to Buyer (Y/N)</u> |
|--|--|---|
| Hospital Permit, No. 068-073, issued by Georgia Department of Human Resources, effective January 14, 1992. | Hospital Authority of Habersham County | No |
| Nursing Home or Intermediate Care Home Permit, No. 1-068-299, issued by Georgia Department of Human Resources, effective June 10, 1982. | Hospital Authority of Habersham County | No |
| State of Georgia License, No. 068-191, issued by Georgia Department of Community Health, effective December 1, 2018. | Hospital Authority of Habersham County | No |
| Certificate of Accreditation, No. 240133-2017-AHC-USA-NIAHO, issued by the Centers for Medicare & Medicaid Services, effective May 16, 2017. | Habersham Medical Center | No |
| Controlled Substance Registration Certificate, No. AH1187500, issued by the Drug Enforcement Administration, issued October 9, 2018. | Habersham Medical Center | No |
| Certificate of Waiver, CLIA ID No. 11D0696681, issued by the Centers for Medicare & Medicaid Services, effective September 1, 2018. | HCMC Home Care | No |
| Permit by Rule, Solid Waste Collection, No. PBR-068-25COL, issued by the Georgia Department of Natural Resources. | Habersham Medical Center | Yes |
| Permit by Rule, Solid Waste Transfer Station, No. PBR-068-25TS, issued by the Georgia Department of Natural Resources. | Habersham Medical Center | Yes |
| | | |
| | | |

Schedule 4.8

Medicare Participation/Accreditation

Pending or threatened proceeding or investigation by Government Programs.

None

List of Cost Reports that have not been finally settled

Cost Reports for Fiscal Years 16, 17 and 18 for Medicare have been tentatively accepted and adjusted and are in process for final settlement.

Cost Reports for Fiscal Year 17 and 18 for Medicaid have not been finally settled.

Schedule 4.9

Regulatory Compliance



Schedule 4.10

Real Property – Good and Marketable Title

Home Care building—1040 Historic Hwy 441, Demorest Georgia [See attached Legal Description]

Property subject to Tenant's Rights

County Lease of the EMS Location [See PDF Attached]

PARCEL 17

ALL THAT TRACT or parcel of land lying and being in Land Lot 40 of the 10th Land District, Habersham County, Georgia and being more fully described as follows:

BEGINNING at a concrete monument at a point where the original land lot line between Land Lots 39 and 40 of said 10th Land District intersects the southeasterly side of U.S. Highway 23 and 441; thence along the southeasterly side of said U.S. Highway 23 and 441 the following courses and distances: North 25 degrees 15 minutes East 96.4 feet; North 21 degrees 11 minutes East 79.9 feet; North 20 degrees 34 minutes East 88.3 feet to a corner at the intersection of the southeasterly side of said U.S. Highway 23 and 441 and the center of an old road; thence along the center of said old road South 36 degrees 16 minutes East 91.5 feet to a point at the intersection of the center of said old road with the westerly side of the old right-of-way now abandoned of the T.F. Railroad; thence along the westerly side of said old T.F. Railroad right-of-way the following courses and distances: due South 92.7 feet; South 3 degrees 38 minutes East 102.4 feet; South 8 degrees 13 minutes East 348.9 feet to a point at the intersection of the westerly side of said old T.F. Railroad right-of-way with the original land lot line between Land Lots 39 and 40 of said District; thence along said original land lot line between Land Lots 39 and 40; North 29 degrees 47 minutes West 425.8 feet to a concrete monument at the intersection of original land lot line with the southeasterly side of U.S. Highway 23 and 441, the POINT OF BEGINNING. Said tract of land contains 1.2 acres, more or less, as more fully described by plat of survey made by Hubert Lovell, R.S., dated January 9, 1973, and recorded in the Office of the Clerk of the Superior Court of Habersham County, Georgia in Plat Book 12, Page 155. Said plat is incorporated herein and made a part hereof by reference. This being the same property described in that certain Warranty Deed dated November 22, 1974 from Habersham Mills to The Hospital Authority of Habersham County, Georgia which deed is recorded in Deed Book 140, Page 17, Habersham County, Georgia Records.

LESS AND EXCEPT:

ALL THAT TRACT or parcel of land lying and being in Land Lot 40 of the 10th Land District, Habersham County, Georgia, being .19 acres, more or less, as more particularly described in that certain plat of survey recorded in Plat Book 44, Page 152, Habersham County, Georgia Records, to which plat reference is hereby made for a more particular description of the property herein described.

LEASE AGREEMENT

HABERSHAM COUNTY, GEORGIA

THIS LEASE, made this 5th day of March, 2018 by and between Hospital Authority of Habersham County, Georgia as first party, hereinafter called "LESSOR", and Habersham County, Georgia as second party, hereinafter called "LESSEE".

WITNESSETH:

1. Leased Premises. The Lessor, for and in consideration of the rents, covenants, agreements and stipulations hereinafter set forth, and other good and valuable consideration, to be paid, kept and performed by Lessee, does hereby lease and rent unto Lessee, and Lessee hereby agrees to lease and take upon the terms and conditions hereinafter provided, the following described property to-wit:

Building and lot located at 125 Robertson Loop Road, Demorest, Habersham County, Georgia.

2. Term. The term of this lease shall be one year from the date hereof. This Lease shall be automatically renewed for additional one year periods unless terminated by either party by giving 180 days written notice of such termination to the other party.

3. Rent. Lessee shall pay rent to Lessor in the amount of \$0.00 per month.

4. Utilities. Lessee shall be responsible for obtaining and maintaining in Lessee's name all utilities, including but not limited to electric, gas, cable, telephone and trash disposal.

5. Insurance. Lessee shall obtain such insurance as Lessee shall deem necessary to protect Lessee's interest in any contents located within the leased premises. Lessee shall also obtain casualty and general liability insurance in an amount satisfactory to Lessor and shall name Lessor as an additional insured on said policy.

6. Maintenance, Repairs or Alterations. Lessee shall be responsible for any and all maintenance and repairs to the premises. Lessee may not make any alterations to the premises without the express written consent of Lessor. Lessee shall at Lessee's own expense, and at all times, maintain the premises in a clean and sanitary manner and shall surrender same, at termination of this Lease, in as good a condition as received, normal wear and tear excepted.

Lessee shall be responsible for damages caused by Lessee's negligence and that of Lessee's employees, guests and invitees.

7. Right of Access. Lessor or its agent may enter the premises without notice to Lessee for inspection and maintenance during reasonable hours. In case of emergency, Lessor or his/her agent may enter at any time.

8. Destruction of, or Damage to Premises. If the premises are totally destroyed by fire, storm, lightning, earthquake or other casualty, this lease shall terminate as of the date of such destruction. If the premises are damaged but not wholly destroyed by any of such casualties, Lessee may restore premises to substantially the same condition as before damage as speedily as practicable.

10. Assignment and Subletting. Lessee may not assign this Lease or sub-let the premises without the express written consent of Lessor.

11. Holding Over. If Lessee should hold over the premises after expiration of the term of this Lease, such possession shall not be construed as a renewal for the same term unless this lease is renewed in accordance with paragraph 2 of this lease. Lessor shall have the right to declare the Lessee to be a tenant holding over and shall further have the right to take any and all lawful action to recover possession of the property.

12. Default. If Lessee fails to perform any term herein, Lessor, at its option, may terminate all rights of Lessee hereunder, unless Lessee, within ten days after notice thereof, shall cure such default.

In the event that the Lessee should fail to strictly adhere to the terms and conditions of this agreement, then Lessee shall be in default hereunder and Lessor shall be entitled to exercise any or all remedies available by law and by contract as set forth herein, including the following:

- a. Continuing the Lease in effect and enforcing all rights and remedies hereunder.
- b. Declaring the lease to be in default by giving written notice to the Lessee and terminating this lease and recovering all damages as a result of the Lessee's breach of the lease.
- c. Declaring the Lessee to be a tenant holding over and taking lawful action to recover possession of the property.

13. Notices. Any notice which either party may or is required to give, may be given by mailing the same, first class postage paid, to Lessee at Habersham County, Georgia 555

Monroe Street, Unit 20, Clarkesville, Georgia 30523 and to Lessor at Habersham County Medical Center, 541 Historic Highway 441-N, Demorest, Georgia 30535 unless otherwise indicated in writing.

14. Time. Time is of the essence of this agreement.

15. Entire Agreement. This contract constitutes the entire agreement between the parties. No representations, warranties, or promises appertaining to this contract or any property affected by the contract have been made or shall be binding on, any of the parties hereto, except as expressly stated in this agreement. This agreement may not be changed orally, but only by agreement in writing, signed by the parties hereto against whom enforcement of such a change is sought. This agreement shall inure to be benefit of, and be binding upon the parties hereto, their heirs, successors, administrators, executors and assigns.

IN WITNESS WHEREOF, Lessor and Lessee have hereunto set their hands and seals, in duplicate, the day and year first above written.

Hospital Authority of Habersham County, Georgia

Lessor

Douglas Henry

Secretary

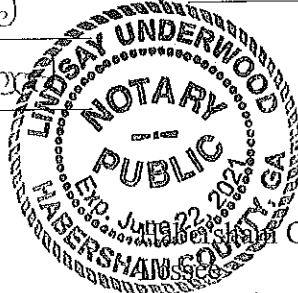
By: *Mountain Ridge* (Seal)

Signed, sealed and delivered
in the presence of:

Lindsay D. Underwood

Witness *Lindsay D. Underwood*

Notary Public



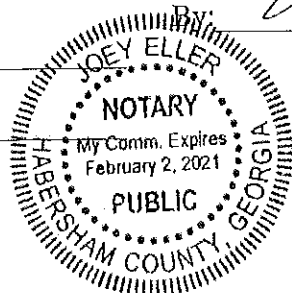
County, Georgia

Signed, sealed and delivered
in the presence of:

Joey Eller

Witness *Joey Eller*

Notary Public



Joey Eller (Seal)

Schedule 4.12

Employee Benefit Plans

None.

Schedule 4.13

Litigation or Proceedings

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Schedule 4.17

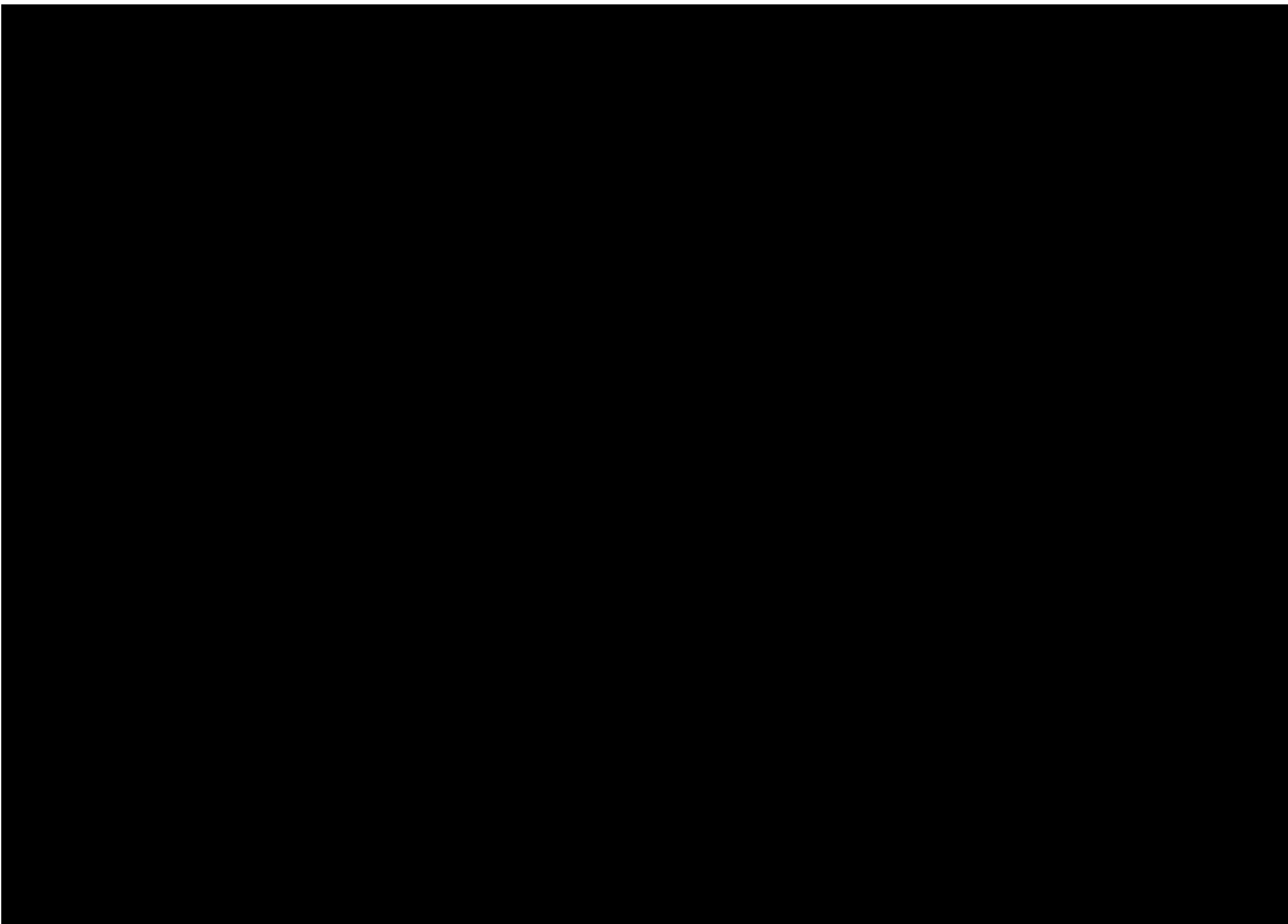
Employee Relations

None.

Schedule 4.18

Contracts

[NTD: See attached preliminary PDF. To be updated prior to Closing]





Schedule 4.20

Insurance

See attached PDF

SCHEDULE OF INSURANCE FOR:

Name Habersham Medical Center
 Address Hwy. 441 North
 City, State, Zip Demorest, GA 30535

Prepared by:

Arthur J. Gallagher & Co
 1665 Terrell Mill Road
 Marietta, GA 30067

Date: AUGUST 2019

***THIS INFORMATION IS NOT INTENDED TO TAKE THE PLACE OF YOUR POLICY.**

| COVERAGE | LIABILITY | DEDUCTIBLE | PERIOD | CARRIER | NUMBER | PREMIUM |
|--|---------------|-----------------|----------------------------|--|--------------|---------------------------|
| HEALTHCARE SYSTEM LIABILITY | | | | | | |
| HEALTHCARE FACILITIES PROFESSIONAL LIABILITY (Claims Made) Retro: 7/1/1976 | | | 8/1/2019 to 8/1/2020 | National Fire & Marine (MedPro) | HN002467 | \$482,347 Includes SLT |
| Per Event Limit | \$1,000,000 | \$25,000 | | | | |
| Aggregate Limit | \$3,000,000 | | | | | |
| PHYSICIANS PROFESSIONAL LIABILITY (Claims Made) Retro: Various | | | | | | |
| Per Event Limit - Per Physician | \$1,000,000 | \$25,000 | | | | |
| Aggregate Limit - Per Physician | \$3,000,000 | | | | | |
| HEALTHCARE PROVIDERS PROFESSIONAL LIABILITY (Claims Made) | | | | | | |
| Per Event Limit | \$1,000,000 | \$25,000 | | | | |
| Aggregate Limit | \$3,000,000 | | | | | |
| COMMERCIAL GENERAL LIABILITY (Claims Made) Retro: 7/1/1976 | | | | | | |
| Per Event Limit | \$1,000,000 | \$25,000 | | | | |
| Annual Aggregate Limit | \$3,000,000 | | | | | |
| Personal & Advertising Injury Limit | \$1,000,000 | | | | | |
| Products/Completed Operations Aggregate Limit | \$3,000,000 | | | | | |
| Damage to Premises Rented | \$50,000 | | | | | |
| Medical Expense | \$5,000 | | | | | |
| Basket Deductible Aggregate (Shared with GL & PL) | | \$75,000 | | | | |
| COV C: EMPLOYEE BENEFITS LIABILITY | | | | | | |
| Each Employee | \$1,000,000 | \$1,000 | | | | |
| Aggregate Limit | \$1,000,000 | | | | | |
| Retroactive Date: 7/1/1976 | | | | | | |
| HEALTHCARE SYSTEM EXCESS | | | | | | |
| Excess Professional/General Liability, Auto, and Employers' Liability | | | 8/1/2019 to 8/1/2020 | National Fire & Marine (MedPro) | EN002467 | \$168,008 Includes SLT |
| Per Event Limit | \$5,000,000 | | | | | |
| Aggregate Limit | \$5,000,000 | | | | | |
| Retroactive Date: 7/1/1976 | | | | | | |
| PROPERTY DAMAGE | | | | | | |
| Blanket Limit + \$10M Extra Expense | \$123,189,620 | | 8/1/2019 to 8/1/2020 | Fireman's Fund Insurance Company | USC007244190 | \$78,109 Includes TRIA |
| Direct Damage/Real & Personal Property | | \$5,000 | | | | |
| Business Income, Including Payroll | Included | | | | | |
| Flood Limit - Zone C | \$50,000,000 | \$25,000 | | | | |
| Earth Movement Limit | \$50,000,000 | \$25,000 | | | | |



SCHEDULE OF INSURANCE FOR:

Name Habersham Medical Center
 Address Hwy. 441 North
 City, State, Zip Demorest, GA 30535

Prepared by:

Arthur J. Gallagher & Co
 1665 Terrell Mill Road
 Marietta, GA 30067

Date: AUGUST 2019

***THIS INFORMATION IS NOT INTENDED TO TAKE THE PLACE OF YOUR POLICY.**

| COVERAGE | LIABILITY | DEDUCTIBLE | PERIOD | CARRIER | NUMBER | PREMIUM |
|--|---------------|------------------------|----------------------------|--|--------------|------------------------|
| BOILER & MACHINERY | | | | | | |
| Property Damage | \$100,000,000 | \$25,000 | 8/1/2019 | Fireman's Fund Insurance Company | USC007244190 | Included |
| Business Income/Extra Expense | Included | 24 Hrs. | to | | | |
| Sub - Limits: | | | 8/1/2020 | | | |
| Perishable Stock | \$10,000,000 | | | | | |
| Hazardous Substances (Any One Occurrence) | \$250,000 | | | | | |
| Expediting Expenses | Included | | | | | |
| Data Restoration | \$250,000 | | | | | |
| AUTOMOBILE AND/OR AMBULANCE LIABILITY | | | | | | |
| Liability Limit | \$1,000,000 | | 8/1/2019 | American Insurance Company | MZA80341422 | \$13,345 |
| Hired and Non-Owned Liability | Included | | to | | | |
| Medical Payments | \$5,000 | | 8/1/2020 | | | |
| Uninsured/Underinsured Motorist | \$1,000,000 | | | | | |
| Fleet Cover Broadening Endorsement | | | | | | |
| AUTOMOBILE AND/OR PHYSICAL DAMAGE | | | | | | |
| Comprehensive (Ford F150 Only) | ACV | \$500 | 8/1/2019 | American Insurance Company | MZA80341422 | Included |
| Collision (Ford F150 Only) | ACV | \$500 | to | | | |
| Hired Car Physical Damage-Comprehensive / Collision Collision | | \$500 / \$500 \$500 | 8/1/2020 | | | |
| CRIME | | | | | | |
| A. Employee Dishonesty | \$500,000 | \$7,500 | 8/1/2019 | Travelers' Casualty & Surety Company | 105658594 | \$5,266 Annually |
| B. Forgery | \$500,000 | \$7,500 | to | | | |
| C. On Premises | \$500,000 | \$7,500 | 8/1/2021 | | | |
| D. In Transit | \$500,000 | \$7,500 | | | | |
| FI. Computer Fraud | \$500,000 | \$7,500 | | | | |
| ERISA Endorsement | \$500,000 | \$0 | | | | |
| Claims Expense | \$5,000 | \$0 | | | | |
| Coverages are subject to a single limit of liability | | | | | | |
| FIDUCIARY LIABILITY | | | | | | |
| Liability Limit | \$1,000,000 | \$5,000 | 8/1/2019 to 8/1/2021 | Travelers' Casualty & Surety Co. | 105658594 | Included with Crime |



SCHEDULE OF INSURANCE FOR:

Name Habersham Medical Center
 Address Hwy. 441 North
 City, State, Zip Demorest, GA 30535

Prepared by:

Arthur J. Gallagher & Co
 1665 Terrell Mill Road
 Marietta, GA 30067

Date: AUGUST 2019

***THIS INFORMATION IS NOT INTENDED TO TAKE THE PLACE OF YOUR POLICY.**

| COVERAGE | LIABILITY | DEDUCTIBLE | PERIOD | CARRIER | NUMBER | PREMIUM |
|--|-------------|------------|----------------|---------------------------------------|-------------|---------------------------------------|
| DIRECTORS & OFFICERS LIABILITY | | | | | | |
| Directors & Officers Liability | \$2,000,000 | \$50,000 | 8/1/2019 | Travelers Casualty & Surety Co. | 106566881 | \$49,114 |
| Anti- Trust Sublimit (20% Co-Insurance) | \$2,000,000 | \$100,000 | to 8/1/2020 | | | |
| Employment Practice Liability | \$2,000,000 | \$50,000 | | | | |
| Third Party Wrongful Acts Sublimit | \$2,000,000 | \$50,000 | | | | |
| Aggregate Limit for All Coverage Parts | \$4,000,000 | | | | | |
| BREACH RESPONSE LIABILITY | | | | | | |
| Network Security / Privacy Liability | \$3,000,000 | \$25,000 | 8/1/2019 | CFC (Lloyd's of London) | ESH04720099 | \$18,200 Includes SLT & Fee |
| Incident Response | \$1,000,000 | \$25,000 | to | | | |
| Cyber Extortion | \$1,000,000 | \$25,000 | 8/1/2020 | | | |
| System Damage and BI | \$3,000,000 | \$25,000 | | | | |
| Cyber Crime | \$250,000 | \$25,000 | | | | |
| WORKERS' COMPENSATION & EMPLOYERS' LIABILITY | | | | | | |
| Employers' Liability: | | | 1/1/2019 | GHAWCSIF | Cert. # 038 | \$220,305 Estimated |
| Each Accident | \$1,450,000 | | to | | | |
| Each Employee | \$1,450,000 | | 1/1/2020 | | | |
| Policy Limit | \$1,450,000 | | | | | |
| Group Accident Liability (Volunteers) | | | | | | |
| Accident Medical Limit <input type="checkbox"/> (<i>per insured per covered accident</i>) | \$50,000 | N/A | 10/1/18 | Zurich American | MCB5464696 | Included Above |
| Accidental Death Benefit | \$5,000 | | to | | | |
| Accidental Dismemberment Benefit | \$5,000 | | 10/1/19 | | | |
| Exposure & Disappearance Benefit | \$5,000 | | | | | |
| Aggregate Limit of Liability per accident (applies only to Accidental Death and Accidental Dismember Benefits only) | \$100,000 | | | | | |

This Schedule of Insurance has been prepared as an overview of your insurance policies. The insurance afforded by the policies described herein is subject to all the terms, exclusions and conditions of such policies. This schedule does not amend, extend, or alter your policies. The final determinate of any coverage issue will be your policy contract. Please refer to your policy for specific language.

The information contained in this document is confidential and is intended solely for the use of the Named Insured. Access, copying or re-use of this document or any information contained herein by any other person is not authorized.



Schedule 4.21

Medical Staff Matters

None.

Schedule 4.23

Intellectual Property

[NTD: None, but will be updated at the time of Closing]

Schedule 4.24
Financing Statements

Schedule 4.24

Financing Statements

121-2012-000782 Filed May 22, 2012

Debtor: Hospital Authority of Habersham County

Secured Party: Leasing Associates of Barrington, Inc. and Norlease, Inc.

068-2015-008538 Filed April 1, 2015

Debtor: Hospital Authority of Habersham County

Secured Party: Olympus America Inc.

007-2015-016926 Filed June 3, 2015

Debtor: Hospital Authority of Habersham County

Debtor: Habersham County Medical Center

Secured Party: MB Financial Bank NA and Med One Capital Funding, LLC

007-015-023228 Filed July 20, 2015

Debtor: Hospital Authority of Habersham County

Secured Party: Olympus America Inc.

007-2015-024483 Filed July 29, 2015

Debtor: Hospital Authority of Habersham County

Debtor: Habersham County Medical Center

Secured Party: Med One Capital Funding, LLC and MB Financial Bank NA

12923165 (2) (27265_127675) (Project Hall - Schedules to Asset Purchase Agreement) - 10/18/2019
12:19:46 PM

068-2016-000577 Filed Aug 22, 2016

Debtor: Hospital Authority of Habersham County dba Habersham County Medical Center Secured Party:
United States Department of Agriculture

068-2016-000651 Filed Oct 11, 2016

Debtor: Hospital Authority of Habersham County dba Habersham County Medical Center
Secured Party: United States Department of Agriculture

068-2016-000749 Filed Nov 23, 2016

Debtor: Hospital Authority of Habersham County dba Habersham County Medical Center
Secured Party: United States Department of Agriculture

028-2017-005859 Filed Apr 14, 2017

Debtor: Hospital Authority of Habersham County
Secured Party: GE HFS, LLC

068-2017-000287 Filed May 30, 2017

Debtor: Hospital Authority of Habersham County dba Habersham County Medical Center
Secured Party: United States Department of Agriculture

038-2017-011504 Filed July 20, 2017

Debtor: Hospital Authority of Habersham County
Secured Party: GE HFS, LLC

068-2017-000508 Filed Sept 25, 2017

Debtor: Hospital Authority of Habersham County dba Habersham County Medical Center
Secured Party: United States Department of Agriculture

068-2018-000157 Filed Mar 15, 2018

12923165 (2) (27265_127675) (Project Hall - Schedules to Asset Purchase Agreement) - 10/18/2019
12:19:46 PM

Debtor: Hospital Authority of Habersham County dba Habersham County Medical Center

Secured Party: United States Department of Agriculture

038-2018-004489 Filed Mar 20, 2018

Debtor: Hospital Authority of Habersham County

Secured Party: SBS Leasing A Program of De Lage Landen Financial Services

068-2018-000188 Filed Mar 26, 2018

Debtor: Hospital Authority of Habersham County dba Habersham County Medical Center

Secured Party: United States Department of Agriculture

068-2018-000224 Filed Apr 11, 2018

Debtor: Hospital Authority of Habersham County dba Habersham County Medical Center

Secured Party: United States Department of Agriculture

068-2018-000288 Filed May 7, 2018

Debtor: Hospital Authority of Habersham County dba Habersham County Medical Center

Secured Party: United States Department of Agriculture

038-2018-007583 Filed May 9, 2018

Debtor: Hospital Authority of Habersham County

Secured Party: GE HFS, LLC

121-2018-000916 Filed May 11, 2018

Debtor: Hospital Authority of Habersham County

Secured Party: Leasing Associates of Barrington, Inc. and MB Financial Bank, NA

068-2018-000344 Filed May 29, 2018

Debtor: Hospital Authority of Habersham County dba Habersham County Medical Center

12923165 (2) (27265_127675) (Project Hall - Schedules to Asset Purchase Agreement) - 10/18/2019
12:19:46 PM

Secured Party: United States Department of Agriculture

068-2018-000365 Filed Jun 11, 2018

Debtor: Hospital Authority of Habersham County dba Habersham County Medical Center

Secured Party: United States Department of Agriculture

068-2018-000425 Filed Jul 6, 2018

Debtor: Hospital Authority of Habersham County dba Habersham County Medical Center

Secured Party: United States Department of Agriculture

068-2018-000429 Filed Jul 9, 2018

Debtor: Hospital Authority of Habersham County dba Habersham County Medical Center

Secured Party: United States Department of Agriculture

068-2018-000477 Filed Jul 30, 2018

Debtor: Hospital Authority of Habersham County dba Habersham County Medical Center

Secured Party: United States Department of Agriculture

068-2018-000487 Filed Aug 3, 2018

Debtor: Hospital Authority of Habersham County dba Habersham County Medical Center

Secured Party: United States Department of Agriculture

068-2018-000512 Filed Aug 13, 2018

Debtor: Hospital Authority of Habersham County dba Habersham County Medical Center

Secured Party: United States Department of Agriculture

068-2018-000515 Filed Aug 16, 2018

Debtor: Hospital Authority of Habersham County dba Habersham County Medical Center

Secured Party: United States Department of Agriculture

068-2018-000520 Filed Aug 17, 2018

Debtor: Hospital Authority of Habersham County dba Habersham County Medical Center

Secured Party: United States Department of Agriculture

068-2018-000724 Filed Dec 10, 2018

12923165 (2) (27265_127675) (Project Hall - Schedules to Asset Purchase Agreement) - 10/18/2019
12:19:46 PM

Debtor: Hospital Authority of Habersham County dba Habersham County Medical Center
Secured Party: United States Department of Agriculture

068-2018-000756 Filed Dec 21, 2018

Debtor: Hospital Authority of Habersham County dba Habersham County Medical Center
Secured Party: United States Department of Agriculture

007-2019-029774 Filed Jul 8, 2019

Debtor: Hospital Authority of Habersham County
Secured Party: Olympus America Inc.

007-2019-036967 Filed Aug 16, 2019

Debtor: Hospital Authority of Habersham County
Secured Party: Olympus America Inc.

Schedule 4.26

Employment Losses

[NTD: TBD at the time of Closing]

Schedule 10.8
Transferring Employees

[NTD: TBD at the time of Closing]

| <u>Name</u> | <u>Position</u> | <u>Date of Hire</u> | <u>Current Salary</u> | <u>Accrued PTO</u> | <u>Other Accrued Benefits</u> |
|--------------------|------------------------|----------------------------|------------------------------|---------------------------|--------------------------------------|
| | | | | | |
| | | | | | |