

**REPORT OF THE STEERING COMMITTEE
TO
THE HARDIN MEMORIAL HOSPITAL BOARD OF TRUSTEES**

TO: HMH Board of Trustees

FROM: HMH Steering Committee –
Harry L. Berry, Judge/Executive and Board Chair
Fred Clem, Jr., Magistrate and Board Member
Garry King, Magistrate and Board Member
Jenny Oldham, Hardin County Attorney
John Godfrey, M.D., Vice President & Chief Medical Officer
Sharon Wright, Vice President & Chief Nursing Officer

DATE: May 1, 2018

Background

On August 15, 2017, the Board of Trustees of Hardin Memorial Hospital (the “HMH Board”), adopted Resolution No. 2017-1. Following an extensive partner search process, this resolution authorized and directed the Steering Committee to: (1) complete its due diligence review of Baptist Health; and (2) negotiate an asset purchase agreement regarding the sale of Hardin Memorial Hospital (“HMH”) to Baptist Healthcare System, Inc. (“Baptist Health”), to be submitted to the HMH Board for its review and approval prior to execution.

Having completed each of these tasks, the Steering Committee submits this report to the Board, along with its **unanimous recommendation that the HMH Board approve** the attached Asset Purchase Agreement (the “APA”). This report summarizes the key terms of the deal that the Steering Committee has negotiated with Baptist Health, as set forth in the APA.

In addition to its own review, the Steering Committee engaged Huron Consulting Group, Inc. to provide financial advisory services, as well as Hall, Render, Killian, Heath & Lyman, P.C. to provide legal advisory services.

Finally, the Steering Committee recognizes that there are several constituencies that will be affected by the HMH Board’s decision. During negotiations, the Steering Committee has grouped these constituencies into four overlapping categories:

- (1) Hardin County and its residents;
- (2) HMH’s employees and retirees (our friends and neighbors who have built their careers at HMH);
- (3) The physicians in our community, including both those in the HMH Medical Group and on the HMH Medical Staff; and

- (4) HMH itself (one of the last independent, county-owned acute care hospitals in Kentucky navigating a rapidly changing health care landscape).

In addition to summarizing the key terms of the APA, this report seeks to identify how the transaction would impact each of these four constituencies.

Recommendation

The Steering Committee unanimously and resoundingly urges the Board of Trustees of Hardin Memorial Hospital to approve the sale of Hardin Memorial Hospital to Baptist Health according to the terms outlined in the Asset Purchase Agreement (and as summarized in this report).

Summary of Key Terms

(Please note that all section references at the end of each paragraph are to sections in the APA.)

Consideration – What is Baptist Health Promising in Exchange for HMH?

This \$361.4 Million deal is structured in a manner common throughout the health care industry, providing certain compensation to, and assuming certain liabilities of, Hardin County while also committing certain capital to the growth of HMH:

- **\$235 Million in Capital Investments to Grow HMH.** In the first five years, Baptist Health committed a minimum of \$150 million to build new facilities, recruit more physicians, upgrade HMH's technology and equipment, and strengthen HMH's position and reputation as the preferred regional healthcare center. After the first five-year period, Baptist Health committed an additional \$85 million during a second five-year period, until such time as Baptist Health has committed a total of \$235 million. (***Section 10.10***)
- **\$126.4 Million Paid to Hardin County.** Baptist Health will pay Hardin County a total of \$126.4 Million as follows:
 - **\$60 Million Paid to Hardin County at Closing.** At Closing, Baptist will pay Hardin County \$60 Million, less the amount used to fully fund all liabilities associated with HMH's defined benefit pension plan. The estimated cost to fully fund all pension plan liabilities is \$30-35 Million. Note that HMH could not have fully funded its pension plan independently, because use of such a significant portion of its existing cash would have caused HMH to be in violation of various bond-related covenants. Because HMH is operated as a subdivision of Hardin County and not as a separate legal entity, if HMH were unable to fund its pension liabilities, the obligation to do so would ultimately fall on Hardin County. (***Sections 2.5 and 6.11***)

- \$66.4 Million (\$50 Million Plus Interest) Paid to Hardin County Over 25 Years. In January 2019, Baptist Health will make an initial \$2 million payment to Hardin County, followed by 24 annual payments of \$2,683,815. (*Section 2.5*)
- Assumption of HMM's Liabilities – Approximately \$37 Million. Baptist Health will assume all of HMM's current debt obligations (except for HMM's pension plan, which Hardin County will fund in advance of Closing with a portion of the \$60 Million it would receive at Closing). HMM's estimated non-pension debt obligations are approximately \$37 million). Because HMM is operated as a subdivision of Hardin County and not as a separate legal entity, if HMM were unable to fund its liabilities, the obligation to do so would ultimately fall on Hardin County. (*Section 2.3*)
- \$150,000/Year in Health Care Services to Hardin County Inmates – More than \$4M in Total Benefit. Baptist Health will provide up to \$150,000 per year of health care services to inmates of the Hardin County jail at no cost to Hardin County. The annual amount will continue for 25 years and be adjusted for inflation each year. If the health care services are paid for by an inmate's insurance or a governmental program, they will not count against the \$150,000 annual cap. This Baptist commitment continues a benefit to the County that HMM has historically provided and that otherwise would become an expense of the County. (*Section 10.12*)

Employees – What Will Happen to HMM's Current Employees and Retirees?

- Employment and Pay. At the closing, HMM's employees will become employees of Baptist Health at their existing rates of pay. Included in this is a commitment from Baptist to retain the current HMM senior leadership team. Baptist Health will recognize and provide service credit for each HMM employee's years of service to HMM. (*Section 9.3*)
- Physician Employees. All HMM physician employees have contracts with HMM. HMM will assign these to Baptist Health Medical Group ("BHMGM") at Closing. The assignment will include some terms that apply to BHMGM physician contracts. Physicians will transition from HMM retirement and benefit plans to BHMGM retirement and benefit plans. HMM and Baptist Health will work to ensure that each physician's fair market value compensation remains consistent through this assignment process. (*Section 9.3*)
- Fully-Funding HMM's Pension. Each of HMM's employees is a participant in the HMM defined benefit pension plan. This pension is qualified as a governmental plan. Neither Baptist Health nor any of the other health systems that presented proposals to HMM were eligible to continue HMM's governmental pension plan. Accordingly, HMM must wind down the pension plan. Because the pension plan will be fully funded as part of this transaction, however, all participants in the pension plan will be guaranteed funding of their pension based on their current levels of qualification. Current pension plan participants will be given the option to elect a lump sum distribution or an annuity. After transitioning to Baptist Health, each of HMM's employees will have the opportunity to

participate in the retirement plans that Baptist Health offers its current employees. (*Section 6.11*)

- Maintaining HMH’s Retiree Medical Benefits – Approximately \$8M. In June 1985, HMH adopted a policy offering medical benefits to retirees age 55 or older, with such benefits continuing until the retiree was old enough to be covered by Medicare. This policy proved too expensive for HMH to maintain and in July 2005, HMH terminated the policy for new employees but grandfathered in the employees in the plan prior to July 1, 2005. Baptist Health will finance and maintain the policy for those employees that were grandfathered in. (*Section 9.3(e)*)

Other Items – What Additional Benefits Are Included in the Proposed Transaction?

- New Baptist “Central Kentucky Market.” Baptist has committed that HMH will be the hub of the Baptist “Central Kentucky Market”, with the goal of growing the services at HMH and its position and reputation as a regional referral center. It is anticipated that HMH will be re-branded after the closing as “Baptist Health – Hardin.” (*Section 10.13*)
- Limited Liability. This agreement limits future liabilities for Hardin County that arise out of HMH operations. (*Article 11*)

Enforcement/Security – What Steps Have Been Taken to Ensure Baptist Health Can and Will Honor This Deal?

- The Steering Committee engaged Huron Consulting Group to complete a diligent assessment of Baptist Health’s ability to meet its commitments to HMH and the County. Below is a review of Huron’s findings:
 - With the implementation of its Performance Improvement Plan in mid-FY17, Baptist Health’s reported profitability has significantly improved, exceeding forecasted earnings, total liquidity and days cash on hand. Actions taken include:
 - Exiting the health plan business (in process)
 - Improved management of physician groups in conjunction with broader system strategy
 - Key leadership roles filled
 - Baptist Health’s operating income for the first 4 months of FY18 amounted to \$23.4 million, a significant improvement from an operating loss of \$69.2 million in FY17 and well-above the budget for this period.
 - Baptist Health’s long-term forecast shows operating income improving from \$60.1 million in FY18 to \$109.0 million in FY22. Note that performance through the first 4 months of FY18 is well above the full-year forecast. If Baptist Health achieves its forecasted results over the projection period, the combination of net income and available cash appear sufficient to meet its commitments to HMH and the County through fiscal year 2022.

- Cash available for funding capital commitments was \$1.3 billion as of December 31, 2017.
- The Steering Committee engaged Hall Render to request and review information from Baptist Health regarding key legal issues that might affect Baptist Health’s ability to meet its commitments to HMH and the County. Below is a summary of Hall Render’s relevant findings:
 - The information Baptist provided regarding potential legal liabilities is consistent with that of similarly sized health systems. Baptist did not identify any significant liabilities that might prevent Baptist from fulfilling its commitments to HMH and the County.
 - In September 2016, Baptist closed on a similar agreement with Floyd Memorial Hospital and Health Services (“Floyd”), a county hospital in Indiana. Baptist’s agreement with Floyd included many similar terms to those in Baptist’s agreement with HMH and the County (e.g., a commitment to invest capital to grow the hospital; annual payments to the county; assumption of the hospital’s liabilities and debt; and employing all of Floyd’s staff at their current levels of compensation). Baptist has met each of its material commitments to Floyd under their agreement.
- The APA contains provisions to ensure Baptist Health honors the terms of the APA:
 - By November 15 of each year, Baptist Health must prepare and provide to the Hardin County Judge Executive a “Capital Commitment Report” reasonably describing Baptist Health’s capital expenditures from the prior year, its capital commitments for the current year, and the cumulative progress to date towards satisfying its \$235 million capital commitment. (*Section 10.10*)
 - If Baptist Health fails to honor the \$235 million capital commitments within 10 years, the difference must be paid to Hardin County no later than March 1, 2029. (*Section 10.10*)
 - If Baptist were to sell HMH, the County has an option to “buy back” HMH and go back into the hospital business. (*Section 10.14*)
 - Each of the hospitals in Baptist Health’s system is governed in part by a local hospital administrative board. HMH’s hospital administrative board will include 11 members in total, with at least six (6) members from Hardin County. This Board will have certain powers, including but not limited to, the following:
 - Monitor implementation of the hospital service area strategic plan;
 - Participate in the review of HMH’s capital and operating budgets and monitor the financial performance of HMH; and

- Implement major capital expenditures and monitor compliance with Baptist Health’s capital commitments to Hardin County. (*Section 10.11*)

The Changing Health Care Market – What are Some Risks of Remaining Independent and County-Owned?

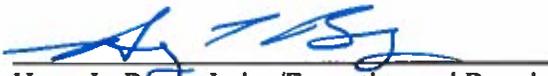
Independent health systems across the country, including those owned by counties or other municipalities, are assessing their ability to remain independent in today’s challenging healthcare environment. The typical issue faced by hospital boards is not only the organization’s ability to remain independent, but whether a merger or other form of affiliation ***better*** positions the hospital to provide high-quality healthcare services to community residents over the long-term.

The HMM Steering Committee thoroughly reviewed the potential benefits of joining Baptist Health, many of which are outlined above. Additionally, there are numerous risks faced by HMM if it remains an independent entity, the more significant of which include:

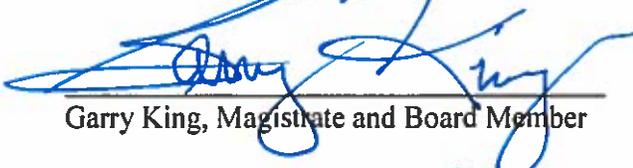
- Reimbursement increases for healthcare services are widely expected to be restrained over the foreseeable future, while operating costs will continue to escalate. The trend of services transitioning from inpatient to outpatient facilities will continue. Many analysts are forecasting a decline in hospital profit margins over the long-term which may prove challenging for HMM to fund its capital plan.
- HMM has a capital plan that includes an IT implementation, facility construction and provider recruitment/onboarding. Baptist Health has committed to spend \$150 million in capital investments in the first five years. It would be impossible for HMM to invest at this level as an independent entity without County financial support.
- The County will retain financial risk if HMM remains independent. Given the current level of debt and pension obligations, combined with a large capital plan, the County may need to provide funding to HMM if its financial performance declines. This offloading of financial risk is one of the main reasons municipalities are exiting the hospital business.
- Healthcare reimbursement is expected to transition from pay-for-volume to a value-based care model. Such a model will require HMM to accept a higher level of risk as the organization will be paid to keep the population healthy. Healthcare systems have identified the following attributes as critical for succeeding under a value-based model: scale (large patient populations reduce the risk of outliers), a complete continuum of care, the use of advance analytics (“big data”), and a highly trained management team. HMM may not be well-positioned for an evolving payment model without the support of a larger organization.

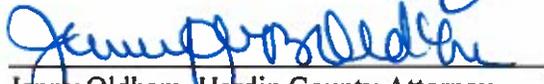
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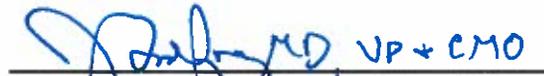
Respectfully submitted by the HMM Steering Committee:


Harry L. Berry, Judge/Executive and Board Chair


Fred Clem, Jr., Magistrate and Board Member


Garry King, Magistrate and Board Member


Jenny Oldham, Hardin County Attorney


John Godfrey, M.D., Vice President & Chief Medical Officer


Sharon Wright, Vice President & Chief Nursing Officer

ASSET PURCHASE AGREEMENT
BY AND BETWEEN
HARDIN COUNTY, KENTUCKY D/B/A HARDIN MEMORIAL HOSPITAL
AND
BAPTIST HEALTHCARE SYSTEM, INC.

Dated as of May 23, 2018

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Non-Foreign Affidavit	<u>Exhibit H</u>
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ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement") is made and entered into as of May 23, 2018 by and between Hardin County, Kentucky d/b/a Hardin Memorial Hospital ("HMH" or "Transferor"), and Baptist Healthcare System, Inc., a Kentucky, non-profit corporation ("Baptist" or "Transferee").

WHEREAS, Transferor is a subdivision of Hardin County, Kentucky ("County") that owns and operates the Facilities (as defined herein) as part of the County; and

WHEREAS, the Facilities are and have been managed by a Baptist Affiliate (Baptist Ventures, Inc. d/b/a Baptist Management Services) since September 1, 1997; and

WHEREAS, Transferor has determined that the community, the Facilities and other Transferred Assets (as defined herein) can best be provided with hospital and other health care services by transferring the Facilities and Transferred Assets to Transferee, subject, however, to action by the HMH Board of Trustees authorizing such transfer in order to provide for the continuous operation of a general acute care hospital and related facilities in and around the County; and

WHEREAS, in reliance upon the representations, warranties and covenants of Transferor set forth herein, Transferee desires to acquire the Facilities and other Transferred Assets from Transferor, and assume certain liabilities of the Transferor associated with the Facilities and Transferred Assets as of the Closing Date (defined herein), all as more fully set forth herein; and

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

1. DEFINITIONS

1.1 Definitions.

As used herein the terms below shall have the following meanings:

"**ACO Participants**" has the meaning set forth in Section 6.12.

"**Affiliate**" means, as to the Person in question, any Person that directly or indirectly controls, is controlled by, or is under common control with, the Person in question and any successors or assigns of such Person; and the term "control" means possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person whether through ownership of voting securities, by contract or otherwise.

"**Agreement**" means this Agreement as amended or supplemented together with all Exhibits and Schedules attached or delivered with respect hereto or expressly incorporated herein by reference.

"**APC**" means a duly licensed advanced practice clinician who is either a nurse practitioner or a physician assistant.

"**Approval**" means any approval, authorization, consent, notice, qualification or registration, or any extension, modification, amendment or waiver of any of the foregoing, of or from, or any notice, statement, filing or other communication to be filed with or delivered to, any Governmental Entity or any other Person.

"**Assignment of Leases and Contracts**" means the Assignment of Leases and Contracts attached hereto as Exhibit A.

"**Assumed Contracts**" has the meaning set forth in Section 2.1.

"**Assumed Liabilities**" has the meaning set forth in Section 2.3.

"**Assumption Agreement**" means the Assumption Agreement attached hereto as Exhibit B.

"**Balance Sheet Date**" means June 30, 2017.

"**Baptist ACO**" shall mean Baptist Health Care Partners, LLC or its assigns.

"**Basket**" has the meaning set forth in Section 11.2.

"**Capital Commitment Report**" shall have the meaning set forth in Section 10.10.

"**Capital Commitments**" has the meaning set forth in Section 10.10.

"**Capital Expenditure**" means expenditures made to acquire or extend the useful life of an asset, including, but not limited to: (i) property, (ii) plant, (iii) equipment, (iv) information technology and related development and implementation costs, (v) equity investment in joint ventures and new legal entities, (vi) development and start-up costs for new service lines or business units incurred on or after the LOI Date, (vii) new capital leases entered into on or after the LOI Date, (viii) new operating leases entered into on or after the LOI Date with a net present value of more than \$250,000; (ix) first year financial losses recognized by Transferee and its Affiliates with respect to the ownership and operation of outpatient clinics and practices for New Physicians, calculated based on the difference between (A) compensation payable to such New Physicians, direct expenditures attributed to such New Physicians (i.e., such as medical malpractice insurance costs, billing and collection costs, dues, license fees and benefits, but not including allocated administrative costs), and (B) less net collections attributable to professional services provided by such New Physicians during the same time period; (x) Unindemnified Losses; (xi) Losses arising from matters identified in the Letter, with certain Losses limited to the extent exceeding \$3,000,000 in the aggregate, as specific in the Letter; or (xii) capital assets in which the expense is recognized over time in accordance with GAAP.

"**CareFirst**" means CareFirst Urgent Care Center, LLC, a Kentucky limited liability company.

"Cash Purchase Price" has the meaning set forth in Section 2.5.

"Claims Notice" has the meaning set forth in Section 11.6(a).

"Closing" has the meaning set forth in Section 3.1.

"Closing Date" has the meaning set forth in Section 3.1.

"CMS" means the Centers for Medicare and Medicaid Services, an agency of the U.S. Department of Health & Human Services.

"COBRA" means Section 10003 of the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, as codified in the Public Health Service Act 42 U.S.C. §300bb-1 through 300bb-8.

"Code" means the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder.

"Commit" shall mean entering into a legally binding obligation through resolutions adopted by a Party's governing body, a contractual obligation or other means under applicable law.

"Competing Business" has the meaning set forth in Section 10.8.

"Confidential Information" means all information of any kind concerning Transferor, obtained directly or indirectly from Transferor, in connection with the transactions contemplated by this Agreement except information (i) ascertainable or obtained from public or published meetings, information or records, (ii) received from a third party not known by Transferee to be under an obligation to Transferor to keep such information confidential, (iii) which is or becomes known to the public (other than through a breach of this Agreement), or (iv) which was in Transferee's possession prior to disclosure thereof to Transferee in connection herewith.

"Continuation of Coverage Beneficiaries" has the meaning set forth in Section 9.3(d).

"County" means Hardin County, Kentucky.

"CPI Index" shall be defined as the Consumer Price Index U.S. City Average, All Items, Urban Wage Earners and Clerical Workers, published by the Bureau of Labor Statistics of the U.S. Department of Labor or its successor.

"Debt Instruments" has the meaning set forth in Section 7.8.

"Effective Time" means 12:01A.M. Eastern Standard Time on the Closing Date.

"Employee" means individuals employed by Transferor immediately prior to Closing and hired by Transferee at Closing Date.

"Encumbrance" means any claim, charge, easement, encumbrance, encroachment, security interest, mortgage, lien, pledge or restriction, whether imposed by agreement, understanding, Law, equity or otherwise.

"Environmental Condition" means any event, circumstance or conditions related in any manner whatsoever to (i) the current or past presence or spill, emission, discharge, disposal, release or threatened release of any Hazardous Materials into the environment; or (ii) the on-site or off-site treatment, storage, disposal or other handling of any Hazardous Material originating on or from the Real Property; or (iii) the placement of structures or materials into waters of the United States; or (iv) the presence of any Hazardous Materials in any building, structure or workplace or on any portion of the Real Property; or (v) any violation of Environmental Laws at or on any part of the Real Property or arising from the activities of Transferor or any Transferor Entity at the Facilities involving Hazardous Materials.

"Environmental Laws" means all applicable Laws relating to pollution or the environment, including the Comprehensive Environmental Recovery, Compensation, and Liability Act, as amended, 42 U.S.C. § 9601, *et seq.*; the Resource Conservation and Recovery Act, as amended, 42 U.S.C. § 9601, *et seq.*, the Clean Air Act, 42 U.S.C. § 7401, the Clean Water Act, 33 U.S.C. § 307, *et. seq.*, the Occupational Safety and Health Act, 29 U.S.C. § 600, *et seq.* ("OSHA"), and all other laws and regulations relating to emissions, discharges, releases, or threatened releases of pollutants, contaminants, chemicals, pesticides, or industrial, infectious, toxic or hazardous substances or wastes into the environment (including ambient air, surface water, groundwater, land surface or subsurface strata) or otherwise relating to the processing, generation, distribution, use, treatment, storage, disposal, transport, or handling of pollutants, contaminants, chemicals, or industrial, infectious, toxic, or hazardous substances or wastes.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"Escrow Agent" shall mean Branch Banking and Trust Company, a North Carolina banking corporation.

"Escrow Account" has the meaning set forth in Section 10.4.

"Escrow Agreement" has the meaning set forth in Section 10.4.

"Escrow Amount" means an amount estimated as of the Effective Date to be equal to Thirty-Two Million Five Hundred Thousand Dollars (\$32,500,000), to be placed by Transferee into the Escrow Account, which actual amount shall be the amount transferred by Transferor to the Pension Plan on or immediately after the Funding Date for direct funding expenses incurred by Transferor to fully fund the Pension Plan, on a termination basis, as a governmental plan.

"Excluded Assets" has the meaning set forth in Section 2.2.

"Excluded Contracts" means those contracts, agreements and leases, in each case as amended to date, as set forth in Schedule 2.4.

"Excluded Debt" means additional debt or other financial commitments incurred by Transferor after the LOI Date and without the written consent of Transferee that is either (i) individually greater than \$250,000, or (ii) outside Transferor's ordinary course of business.

"Excluded Liabilities" has the meaning set forth in Section 2.4.

"Facilities" means the hospital, medical office buildings, clinics and other health care facilities owned by Transferor and set forth on Schedule 1.1A.

"Financed Purchase Price" has the meaning set forth in Section 2.5.

"First Capital Commitment" has the meaning set forth in Section 10.10.

"First Capital Period" has the meaning set forth in Section 10.10.

"Funding Date" means October 1, 2018 or such other date as mutually agreed by the Transferor and Transferee.

"Furniture and Equipment" means all equipment (including movable equipment), vehicles, furniture or furnishings reflected in the Reference Balance Sheet or acquired since the Balance Sheet Date that are held or used by Transferor or any Transferor Entity in or ancillary to the business or operation of the Facilities (other than Excluded Assets), including all such equipment, vehicles, furniture or furnishings that have been fully depreciated for accounting purposes, together with any warranties, guarantees or other rights of recourse granted by any manufacturer, vendor, supplier, maintenance company or other person or entity with respect to the Furniture and Equipment.

"GAAP" means United States generally accepted accounting principles and practices as in effect from time to time. Transferor is subject to GAAP established by the Government Accounting Standards Board ("GASB"). Transferee is subject to GAAP established by the Financial Accounting Standards Board ("FASB").

"General Bill of Sale and Assignment" means the General Bill of Sale and Assignment attached hereto as Exhibit C.

"Government Patient Receivables" has the meaning set forth in Section 2.1.

"Government Programs" has the meaning set forth in Section 4.10.

"Governmental Entity" means any government or any political subdivision, agency, bureau, board, directorate, commission, council, court, department, official, tribunal or other instrumentality of any government, whether federal, state or local, domestic or foreign.

"Hazardous Materials" means any substances, chemicals, materials or elements in any physical state (liquid, solid, gaseous/vapor, etc.) that are prohibited, limited or regulated by or under the Environmental Laws or any other substances, chemicals, materials or elements that are defined as "hazardous" or "toxic" or otherwise regulated under the Environmental Laws, or that are classified by federal or state regulatory authorities as being harmful, hazardous or injurious to

the health or safety of occupants or users of the Real Property. The term Hazardous Materials shall also include any substance, chemical, material or element in any physical state (liquid, gaseous/vapor, etc.) (i) defined as a "hazardous substance", "regulated substance" or "hazardous" or "toxic" under any Environmental Law, (ii) which is petroleum, petroleum products, ethanol, methyl tertiary butyl ether or derivatives or constituents of or vapors from any of the foregoing; (iii) which is asbestos or asbestos-containing materials; (iv) the presence of which requires notification, investigation or remediation under any Environmental Laws or common law; (v) the presence of which on the Real Property causes or threatens to cause a nuisance upon the Real Property or to adjacent properties or poses or threatens to pose a hazard to the health or safety of persons on or about the Real Property; (vi) the presence of which on adjacent properties would constitute a trespass; (vii) which is urea formaldehyde foam insulation or urea formaldehyde foam insulation-containing materials; (viii) which is lead base paint or lead base paint-containing materials; (ix) which are polychlorinated biphenyls or polychlorinated biphenyl-containing materials; (x) which is radon or radon-containing or producing materials; (xi) which is or contains excessive moisture, mildew, mold, microbial contamination, microbial growth or other fungi or biological agents that can or are known to produce mycotoxins or other bioaerosols, such as antigens, bacteria, amoebae and microbial organic compounds or other similar matter, in each case that poses a risk to human health or the environment, or negatively impacts the value of the Real Property (herein referred to as "toxic mold"); (xii) which is a vapor from volatile chemicals or any other toxic or hazardous materials, including petroleum hydrocarbons, from a subsurface soil, groundwater or other source, or (xiii) which by any laws of any governmental authority requires special handling in its collection, storage, treatment or disposal.

"Historical Financial Information" has the meaning set forth in Section 4.7.

"Health Care Laws" means all applicable federal, state and local laws, statutes, codes, standards, rules, regulations and guidelines related to (a) Government Programs; (b) fraud and abuse (including the following statutes, as amended, modified or supplemented from time to time and any successor statutes thereto and regulations from time to time promulgated thereunder: the Ethics in Patient Referrals Act, as amended, or "Stark Law," 42 U.S.C. § 1395nn; the Anti-Kickback Statute, 42 U.S.C. § 1320a-7b(b); the False Claims Act, as amended, 31 U.S.C. §§ 3729-3733; the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; the Anti-Kickback Act of 1986, 41 U.S.C. §§51-58; the Civil Monetary Penalties Law, 42 U.S.C. §§ 1320a-7a and 1320a-7b; the Exclusion Laws, 42 U.S.C. § 1320a-7) and similar applicable state laws; (c) information privacy and security, including the Health Insurance Portability and Accountability Act of 1996, as amended by the Health Information Technology for Economic and Clinical Health Act, and the regulations promulgated thereunder, including but not limited to, 45 C.F.R. §§ 160, 162, and 164; and (d) the practice of medicine and other health care professions or the organization of medical or professional entities, including corporate practice of medicine and fee-splitting prohibitions affecting health care professionals.

"Hospital" means Hardin Memorial Hospital, an acute care hospital owned and governed by HMH prior to Closing.

"Hospital Administrative Board" has the meaning set forth in Section 10.11.

"Hospital Service Area" means the geographic boundaries of the following counties in Kentucky: Hardin County, Meade County, Larue County, Breckinridge County, Grayson County, Hart County, Greene County, Taylor County, Bullitt County and Nelson County.

"HPS" means Hardin Professional Services, LLC, a Kentucky limited liability company.

"Immaterial Contracts" means Assumed Contracts that are not Material Assumed Contracts.

"Immigration Act" means the Immigration Reform and Control Act of 1986.

"Indemnified Parties" has the meaning set forth in Section 11.3.

"Intellectual Property" means, to the extent held or used in or ancillary to the business or operation of the Facilities, patents, trademarks, trade names, service marks, copyrights and any applications therefor, mask works, net lists, domain names, web sites, email addresses, telephone numbers, schematics, technology, know-how, trade secrets, ideas, algorithms, processes, computer software programs and applications (in both source code and object code form), and tangible or intangible proprietary information or material, except as set forth on Schedule 1.1B.

"Inventory" means all inventory and supplies held or used in the business or operation of the Facilities.

"IRS" means the Internal Revenue Service.

"Law" means and refers to any applicable state, federal or other law, statute, ordinance, bylaw, code, rule, regulation, corporate integrity agreement, reimbursement manual, program memorandum, restriction, order, judgment, writ, injunction, decree, determination, interpretation, award or similar command of any Governmental Entity. "Laws" shall include, but not be limited to, Health Care Laws; Environmental Laws; the WARN Act; the Immigration Act; ERISA; COBRA; the Code; and the Americans With Disabilities Act; as each have been amended or supplemented or may be amended or supplemented in the future.

"Leased Real Property" means all real property leased or subleased by Transferor and described on Schedule 1.1C hereto.

"Leases" means all Owned Real Property Leases and Transferor Occupied Leases.

"Letter" means the side letter of agreement between Transferor and Transferee dated as of the date of this Agreement and referenced in Section 7.9.

"LOI Date" means October 23, 2017, which is the date on which HMH and Baptist entered into a Letter of Intent setting forth preliminary, non-binding understandings concerning the transactions contemplated by this Agreement.

"Losses" has the meaning set forth in Section 11.1.

"Material Adverse Effect" "Material Adverse Effect" shall mean, when used with respect to the Transferor, any change, event, circumstance or effect that, individually, has a materially adverse effect upon the Business, assets, financial condition, or results of operations of the Transferor taken as a whole; provided, however, that no event, occurrence, fact, condition or change, directly or indirectly arising out of or attributable to the following shall be deemed to constitute, and none of the following shall be taken into account in determining whether there has been, a Material Adverse Effect: (a) any adverse change, event, development or effect arising from or relating to (i) general business or economic conditions, including such conditions related to the business of the Transferor, (ii) national or international political or social conditions, including the engagement by the United States in hostilities, whether or not pursuant to the declaration of a national emergency or war or the occurrence of any military or terrorist attack upon the United States, or any of its territories, possessions, or diplomatic or consular offices or upon any military installation, equipment or personnel of the United States, (iii) financial, banking or securities markets (including any disruption thereof and any decline in the price of any security or any market index), (iv) changes in applicable Laws or accounting rules (including GAAP) or the enforcement, implementation or interpretation thereof, (v) changes in law, rules, regulations, orders, or other binding directives issued by any governmental entity, (vi) the taking of any action contemplated by this Agreement and the other agreements contemplated hereby, (vii) any "act of God," including, but not limited to, weather, natural disasters and earthquakes, (viii) any failure by the Transferor to meet its internal financial projections or (ix) changes resulting from the announcement of the execution of this Agreement or the transactions contemplated hereunder including losses or threatened losses of employees, patients, suppliers, distributors or others having relationships with the Transferor; (b) any existing event, occurrence or circumstance with respect to which Transferee or any of its directors, officers, consultants, accountants or legal counsel has knowledge as of the date hereof, and (c) any adverse change in effect on, or development with respect to, the business of the Transferor which is cured by the Transferor prior to the earlier of (x) the Closing and (y) the date on which this Agreement is terminated pursuant to Section 10.2 hereof.

"Material Assumed Contracts" means Assumed Contracts that are (i) those contracts with certain physicians, physician groups and other healthcare providers, as each are set forth on Schedule 1.1D, (ii) contracts with the Hospital's top five Payor Programs that are not Government Programs (that are either assumed or replaced to the reasonable satisfaction of the Transferee), (iii) Government Programs; (iv) contracts for construction in progress, (v) contracts with group purchasing organizations, (vi) marketing contracts, (vii) agreements related to any joint venture, partnership or related to any equity interest in other Person by Transferor, and (viii) contracts, agreements or leases which require an annual expenditure by Transferor in excess of \$100,000, in each case to which Transferor is a party and that require the consent of a third party for the assignment of such Assumed Contracts, to, and the assumption of such Assumed Contracts, by Transferee, and in each case, described on Schedule 1.1D.

"Medicaid" has the meaning set forth in Section 4.10.

"Medicare" has the meaning set forth in Section 4.10.

"New Physician" means a physician who is not an Employee, but becomes employed by Transferee or its Affiliate after Closing to become a member of the Hospital medical staff and practice medicine within the Hospital Service Area.

"Note" has the meaning set forth in Section 2.5.

"OIG" has the meaning set forth in Section 4.11.

"OSHA" has the meaning set forth in the definition of Environmental Laws.

"Owned Real Property" means all real property owned by Transferor and held or used in the business or operation of the Facilities and, in each case, described on Schedule 1.1E.

"Owned Real Property Leases" means all Leases in which Transferor is a lessor.

"Party" means each of HMH and Baptist.

"Payable Tax Items" has the meaning set forth in Section 4.19.

"Payor Programs" has the meaning set forth in Section 4.10.

"Pension Plan" means the Hardin Memorial Hospital Retirement Plan.

"Permit" means any license, permit or certificate of need required to be issued by any Governmental Entity.

"Permitted Encumbrances" means, (i) with respect to Leased Real Property, Encumbrances which encumber the fee interest in such property, (ii) any lien for taxes not yet due and payable, (iii) any lease obligations assumed in writing by Transferee, (iv) any Real Property Encumbrances that do not materially interfere with the operations of the Owned Real Property in a manner consistent with the current use by Transferor or the marketability of the Owned Real Property; (v) any Real Property Encumbrances that do not materially interfere with the operations of the Leased Real Property in a manner consistent with the current use by Transferor, (vi) any Real Property Encumbrances (A) disclosed in any title commitment, title search, title policy, survey, deed, Phase I environmental assessment, zoning certificate and/or applicable zoning regulations or other document relating to the Owned Real Property delivered to or obtained by Transferee and acceptable to Transferee, and (B) that do not materially (y) interfere with the operations of the Transferred Assets in a manner consistent with the current use by Transferor or (z) impair the marketability of the Owned Real Property, (vii) any Real Property Encumbrances that Transferor has indicated will not be cured as provided in Section 6.10 hereof and as to which Transferee has nevertheless elected to proceed to close, (viii) all matters that would be disclosed on an accurate survey that do not prohibit or materially interfere with the operations of the Owned Real Property in a manner consistent with the current use by Transferor and do not impair the marketability of the Owned Real Property, and (ix) all zoning, building and other governmental restrictions and regulations that do not prohibit or materially interfere with the operations of the Owned Real Property in a manner consistent with the current use by Transferor.

"Person" means an association, a corporation, a limited liability company, an individual, partnership, a limited liability partnership, a trust or any other entity or organization, including a Governmental Entity.

"Physician" has the meaning ascribed to it within 42 C.F.R. §411.351 as of the date of this Agreement.

"Physician Organization" has the meaning ascribed to it within 42 C.F.R. §411.351 as of the date of this Agreement.

"Plan of Finance" means the plan undertaken by Transferor and Transferee for Transferee to fund the assignment, defeasance or refinancing of the Debt Instruments before or at Closing.

"Plans" has the meaning set forth in Section 4.16.

"Post-Closing Insurance" has the meaning set forth in Section 6.8.

"Pre-Closing" has the meaning set forth in Section 3.1.

"Prepaid Expenses" has the meaning set forth in Section 2.1.

"Proceeding" has the meaning set forth in Section 11.5.

"PTO" shall mean accrued paid time off or leave for Employees as of the Closing Date.

"Purchase Price" has the meaning set forth in Section 2.5.

"Real Property" means the Owned Real Property and the Leased Real Property.

"Real Property Encumbrances" has the meaning set forth in Section 4.13.

"Reference Balance Sheet" has the meaning set forth in Section 4.7.

"Related Agreements" mean the Escrow Agreement, the Assumption Agreement and the Assignment of Leases and Contracts.

"Repurchase Right" has the meaning set forth in Section 10.14.

"Returns" has the meaning set forth in Section 4.19.

"Sale of Transferred Assets" has the meaning set forth in Section 10.14.

"Second Capital Commitment" has the meaning set forth in Section 10.10.

"Second Capital Period" has the meaning set forth in Section 10.10.

"Subsidiaries" mean HPS, CareFirst and WorkWell.

"Terminated Plans" means the Plans that will be terminated at or prior to Closing, as set forth on Schedule 1.1F, whereby the County will remain the sponsor and administrator.

"Territory" has the meaning set forth in Section 10.8(a).

"Title Company" has the meaning set forth in Section 6.10.

"Total Capital Period" means the combined duration of the First Capital Period and the Second Capital Period.

"Transferee" has the meaning set forth in the Preamble hereto.

"Transferee Indemnified Party" has the meaning set forth in Section 11.1.

"Transferee Indemnitor" has the meaning set forth in Section 11.1.

"Transferee's knowledge" or any other reference to the knowledge of Transferee means (a) the current knowledge of the Baptist Chief Executive Officer, the Baptist Chief Financial Officer, the Baptist Chief Legal and Regulatory Affairs Officer, and the Baptist Chief People and Culture Officer and not to any other persons or entities; and (b) shall mean the actual knowledge of such individual, including such knowledge that should be obtained after reasonable inquiry and investigation of the subject matter in the individual's specific area of responsibility.

"Transferor" has the meaning set forth in the Preamble hereto.

"Transferor Cost Reports" has the meaning set forth in Section 9.2.

"Transferor Indemnified Party" has the meaning set forth in Section 11.3.

"Transferor's knowledge" or any other reference to the knowledge of Transferor means (a) the current knowledge of the HMH President, the HMH Chief Financial Officer, the HMH Chief Medical Officer, HMH Vice President of Operations, the HMH VP of Population Health, the HMH Compliance Officer and HMH Vice President of Human Resources and not to any other persons or entities, and (b) shall mean the actual knowledge of such individual, including such knowledge that should be obtained after reasonable inquiry and investigation of the subject matter in the individual's specific area of responsibility.

"Transferor Occupied Leases" means all Leases of the Leased Real Property where Transferor is the tenant.

"Transferred Assets" has the meaning set forth in Section 2.1.

"Transition Patient" has the meaning set forth in Section 9.1.

"Transition Services" has the meaning set forth in Section 9.1.

"TRICARE" means the health care program of the United States Department of Defense Military Health System.

"Unindemnified Losses" shall mean the aggregate sum of all Losses incurred by a Transferee Indemnified Party pursuant to Article 11, which the Transferor chooses not to pay to the Transferee Indemnified Parties in its sole discretion.

"WARN Act" means the Workers Adjustment and Retraining Notification Act, 29 U.S.C. §§ 2101 *et seq.*

"Western Kentucky ACO" shall mean Western Kentucky Clinical Partners, LLC.

"WorkWell" means WorkWell, LLC, a Kentucky limited liability company.

1.2 Interpretation.

In this Agreement, unless the context otherwise requires: references to "this Agreement" are references to this Agreement and to the Exhibits and Schedules (as hereinafter defined);

- (a) references to Sections are references to sections of this Agreement;
- (b) references to any Party to this Agreement shall include references to its respective successors and permitted assigns;
- (c) references to a judgment shall include references to any order, writ, injunction, decree, determination or award of any court or tribunal;
- (d) the terms "hereof," "herein," "hereby," and derivative or similar words will refer to this entire Agreement;
- (e) references to any document (including this Agreement) are references to that document as amended, consolidated, supplemented, novated or replaced by the Parties from time to time;
- (f) unless the context requires otherwise, references to any Law are references to that Law as of the Closing Date, and shall also refer to all rules and regulations promulgated thereunder;
- (g) the word "including" means including without limitation;
- (h) references to time are references to Eastern Standard or Daylight time (as in effect on the applicable day) unless otherwise specified herein;
- (i) the gender of all words herein include the masculine, feminine and neuter, and the number of all words herein include the singular and plural;
- (j) provisions of this Agreement shall be interpreted in such a manner so as not to inequitably benefit or burden any Party through "double counting" of assets or liabilities or failing to recognize benefits that may result from any matters that impose losses or burdens on any Party, including the calculation of losses on casualty claims; and

(k) the terms "Effective Date," "date hereof," "date of this Agreement" and similar terms mean May 23, 2018.

2. SALE OF ASSETS AND CERTAIN RELATED MATTERS.

2.1 Sale of Transferred Assets.

Subject to the terms and conditions of this Agreement, Transferor agrees to sell, convey, transfer and deliver to Transferee and Transferee agrees to purchase at Closing, all assets of every description, and whether real, personal or mixed, tangible or intangible, other than the Excluded Assets, owned or leased by the Transferor on the Closing Date and held or used in the ownership, business or operation of the Facilities, including the following items (collectively, the "Transferred Assets"): (i) all cash, checking and savings accounts, investments, debt service reserve funds, restricted investments for the benefit of the Facilities, grants and grants receivable, (ii) fee simple title to the Owned Real Property except as described in Section 2.2, (iii) leasehold title to the Leased Real Property, (iv) all Furniture and Equipment, (v) all Inventory, (vi) assumable prepaid expenses, prepaid debts, claims for refunds and rights to offset in respect thereof (collectively, "Prepaid Expenses"), (vii) to the extent assignable under applicable Law, all financial, patient and medical staff records held or used in the business or operation of the Facilities, (viii) all of the interest of the Transferor in all commitments, contracts, leases and agreements outstanding in respect of the Transferred Assets, other than the Excluded Contracts (collectively, the "Assumed Contracts"), (ix) all Permits and Approvals, including national provider identifiers ("NPIs") and provider numbers, issued or granted by Governmental Entities to the extent assignable that relate to the ownership, development and business or operation of the Transferred Assets, (x) all Intellectual Property rights and goodwill in and to the Transferred Assets and operations, (xi) to the extent assignable, all computers and other data processing equipment held or used primarily in the business or operation of the Facilities, (xii) to the extent assignable, all policies of insurance and rights to unpaid insurance proceeds and to premium refunds of policies that are not assignable or are assigned to and cancelled by Transferee, (xiii) notes receivable and accounts receivable generated in connection with the business or operation of the Facilities through the Closing (other than Government Patient Receivables), including any such accounts receivable that have been charged off as bad debts, (xiv) the right to receive, consistent with Section 9.1, an amount equal to the value of all accounts receivable arising from the rendering of services and provision of medicine, drugs and supplies to patients at the Facilities through the Closing and relating to Medicare, Medicaid and other third party patient claims of Transferor due from beneficiaries or governmental third party payors ("Government Patient Receivables"), (xv) rights to settlement and retroactive adjustments, if any, for open cost reporting periods ending on or prior to the Closing Date (whether open or closed) arising from or against the U.S. Government under the terms of the Medicare program, or TRICARE and against any applicable state under its Medicaid program and against any third-party payor programs that settle on a cost report basis ("Agency Receivables"), (xvi) the rights to all refunds that may be received by Transferor or the Hospital subsequent to Closing under the CMS Recovery Audit Program, provider appeals, provider settlements and other third party payor audit or recovery programs, (xvii) all payments due to Transferor under the Disproportionate Share Hospital Program (DSH), (xviii) all payments due to Transferor or the Hospital subsequent to Closing under the Medicare and Medicaid EHR Incentive Programs or similar programs related to the achievement of "meaningful use," (xix) to the extent transferable, all warranties, guarantees, and restrictive covenants directly or indirectly in favor of Transferor,

(xx) the bank accounts listed on Schedule 2.1(xx), (xxi) the claims of Transferor against third Parties related to the Transferred Assets, (xxii) to the extent assignable, copies of the personnel files and employment records of each Employee (as hereinafter defined), (xxiii) except as described in Section 2.2, any rights of Transferor in connection with the assets of any of the Plans or any other amounts held in relation to any of the Plans, whether held by Transferor, a trustee, an insurance company, a third-party administrator, or otherwise, including any participant contributions, (xxiv) the stock, membership interests, partnership interest and any other equity interest in any investment, joint venture, partnership, corporation, subsidiary or Affiliate, including but not limited to the Subsidiaries, and (xxv) to the extent not included in any of the foregoing, (A) any assets reflected on the Reference Balance Sheet, except for assets used, consumed or disposed of in the ordinary course of business since the Balance Sheet Date, and (B) any assets purchased or otherwise acquired since the Balance Sheet Date which are not reflected on the Reference Balance Sheet but which are held or used primarily in the business or operation of the Facilities or other Transferred Assets. Transferor or its designee will need access to records as necessary at no expense. Transferor shall be permitted, at its expense and as permitted under applicable Law, to retain copies of all records that it reasonably determines may be required by Transferor in the future. Transferor shall assign and convey good and marketable title to the Transferred Assets and all parts thereof to Transferee free and clear of all Encumbrances and Real Property Encumbrances, except for Permitted Encumbrances.

2.2 Excluded Assets.

Notwithstanding anything herein to the contrary, the following assets are not intended by the Parties to be a part of the sale and purchase contemplated hereunder and are excluded from the Transferred Assets (the "Excluded Assets"): (i) any records which by Law the Transferor is required to retain in its possession, provided that Transferee may, at its expense, and to the extent permitted by Law, retain copies of such records; (ii) all assets disposed of or exhausted prior to Closing (a) in the ordinary course of business, including Inventory, prepaid expenses and Furniture and Equipment, or (b) otherwise pursuant to one or more covenants or commitments set forth in this Agreement; (iii) copies of all meeting minutes and governance records of Transferor, provided that Transferee may, at its expense, and to the extent permitted by Law, retain copies of any such minutes and records; (iv) the Excluded Liabilities and the Excluded Contracts, if any; (v) Transferor's sponsorship, administration or operation of any Terminated Plans; (vi) Owned Real Property that is included within Schedule 2.2; and (vii) Transferor's rights and obligations pursuant to this Agreement.

2.3 Assumed Liabilities.

As of Closing and except as otherwise provided in Section 2.4, Transferee agrees to assume and agrees to pay, perform and discharge when due, and to hold the Transferor harmless from and against, the future payment and performance, of all liabilities and obligations of Transferor relating to the ownership, business or operation of the Facilities, including the Transferred Assets (collectively, the "Assumed Liabilities"), including, without limitation, the following:

(a) all known and unknown obligations and liabilities accruing after Closing and arising out of or relating to (i) the Assumed Contracts, (ii) the Facilities and (iii) the Transferred Assets;

(b) all current liabilities of the Facilities accruing after Closing, but not including Excluded Contracts or Excluded Liabilities;

(c) all debt of Transferor identified on Schedule 2.3(c) and otherwise incurred by Transferor in the ordinary course of business, provided that the written agreement of Transferee shall be required for additional debt or financial commitments incurred after the LOI Date that are individually greater than \$250,000 or outside the ordinary course of business;

(d) any obligation or liability accruing, arising out of, or relating to acts or omissions prior to Closing, including any acts or omissions in connection with (i) the business or operation of the Transferor Facilities, (ii) the Transferred Assets, or (iii) any Medicare, Medicaid or other third-party payor programs, including recapture or recoupment of previously paid or reimbursed expenses;

(e) those obligations or liabilities for payment to the County that accrue prior to Closing but are payable after Closing, as specifically set forth in Schedule 2.3(e);

(f) any other liability, fixed or contingent, known or unknown, directly attributed to the Transferred Assets arising out of periods prior to the Closing, regardless of when discovered or asserted; and

(g) those liabilities applicable to Employees and COBRA Beneficiaries as specifically set forth in Section 9.3.

2.4 Excluded Liabilities.

Notwithstanding Section 2.3 above, Transferor agrees that Transferee will not assume or otherwise be responsible for, and none of the Transferred Assets shall be or become liable for or subject to, the following liabilities of Transferor or its Affiliates (collectively, the "Excluded Liabilities"):

(a) any claim, liability, debt or obligation of any nature whatsoever that arises from or relates to any of the Excluded Assets or from governmental or municipal operations of the County;

(b) any Excluded Debt;

(c) any claim, liability, debt, obligation or other Loss arising from any of the Terminated Plans; and

(d) any liability attributed to the fraud and/or criminal acts of Transferor or any of its directors.

2.5 Purchase Price.

Subject to the terms and conditions hereof, and as consideration for the conveyance and assignment of the Transferred Assets and Transferee's assumption of the Assumed Liabilities as herein contemplated, Transferee agrees to pay to the Transferor or its designee(s) at Closing (i) an aggregate amount equal to Sixty Million and 00/100 Dollars (\$60,000,000) in immediately

available funds, less the sum of all amounts deposited by or on behalf of Transferee to the Escrow Account (the "Cash Purchase Price"); and (ii) an additional Fifty Million and 00/100 Dollars to be financed in the manner described in this paragraph (the "Financed Purchase Price"). The total aggregate purchase price shall be the sum of the Cash Purchase Price and the Financed Purchase Price (the "Purchase Price"). The Financed Purchase Price shall be paid over time to the County through a promissory note entered into by Transferee at Closing in the form of Exhibit D (the "Note"), with annual payments made each January for twenty-five (25) years beginning January 2019. The first payment is due on or before January 1, 2019 in the amount of Two Million and 00/100 Dollars (\$2,000,000). After the initial annual payment by January 1, 2019, interest shall accrue on the balance of the Note at the fixed rate of 2.5%, compounded annually, with the balance of the Note amortized into twenty-four annual payments of \$2,683,815 each. However, Baptist shall have the right to prepay all or a portion of the balance of the Note with no prepayment penalty, at any time on or after the Closing.

3. PRE-CLOSING AND CLOSING.

3.1 Pre-Closing and Closing.

Subject to the satisfaction or waiver by the appropriate Party of all the conditions precedent to Closing specified in Articles 7 and 8 hereof, the consummation of the sale and purchase of the Transferred Assets and the other transactions contemplated by and described in this Agreement (the "Closing") shall take place at the offices of Transferee's counsel at 10:00 a.m. local time after the conditions set forth in Sections 7 and 8 have been satisfied or waived or at such other date and/or at such other location as the Parties hereto may mutually designate in writing (the "Closing Date"). The Parties shall use commercially reasonable efforts to cause the conditions set forth in Articles 7 and 8 to be satisfied so that the Closing will occur on November 1, 2018, taking effect at the Effective Time. Not less than ten (10) business days prior to the anticipated Closing Date or as otherwise agreed by the Parties, or at another date mutually agreed to by the Parties, the Parties will hold a pre-closing meeting (the "Pre-Closing") at which all deliveries required to be made by the Parties as a condition to Closing under this Agreement that are available as of the date of the Pre-Closing will be made; provided, however, that any and all deliveries made by the Parties at the Pre-Closing will be held in escrow by the Parties, and will not be deemed to have been delivered until the Closing Date.

3.2 Actions of Transferor at Closing.

At the Closing and unless otherwise waived in writing by Transferee or delivered at the Pre-Closing, Transferor shall deliver or cause to be delivered to Transferee the following (all deliveries under this Section 3.2 shall be exclusively treated as covenants with Transferee's sole remedy being as described in Section 7.1 below):

(a) Subject only to the Permitted Encumbrances, (i) deeds containing special warranty of title, duly executed and in recordable form, conveying to Transferee good, marketable and insurable fee simple title to the Owned Real Property on which the Facilities are located, substantially in the form of Exhibit E; (ii) a consolidation plat of Hardin Memorial Hospital, Section 1, Lot 1, Section 2, Lots 4, 5 and 6, Section 3, Lot 7, adjoining residential and commercial properties and closed City of Elizabethtown rights-of-ways, consolidating all such property and

releasing and granting easements with Windstream Communications, Brandenburg Telecom, LLC, Comcast Corporation, Kentucky Utilities Company, Hardin County Water District #2 and City of Elizabethtown, and/or their respective successors and assigns, acceptable in all respects to Transferee, such consolidation plat to contain all requisite approvals and otherwise in recordable form; (iii) minor subdivision plats creating properties to be known as 1360 Rogersville Road and 1111 Ring Road, both such plats to contain all requisite approvals and otherwise in recordable form; (iv) restrictive covenant and right of first refusal agreements and reciprocal easement agreements relative to 1360 Rogersville Road and 1111 Ring Road, on terms acceptable to Transferee, and in recordable form; (v) deeds of release fully executed by the City of Elizabethtown, Kentucky relative to the existing sanitary sewer easements created by the plat of record at Plat File #5839, in the office of the Hardin County Clerk, that encroach in two (2) places onto the Hardin Memorial Hospital improvements at 913 N. Dixie Highway, and in recordable form; (vi) deeds of easement executed on behalf of the City of Elizabethtown, Kentucky, creating sanitary sewer easements as may be required to serve Hardin Memorial Hospital improvements in substitution for those easements released in Section 3.2(a)(v) of this Agreement, and in recordable form; (vii) deed(s) of partial release from Windstream Communications, Brandenburg Telecom, LLC, Comcast Corporation, Kentucky Utilities Company, Hardin County Water District #2 and City of Elizabethtown, and/or their respective successors and assigns, releasing their respective interest in the easement granted by plat of record at Plat File #5840, in the office of the Hardin County Clerk, insofar as such easement encroaches on the improvements to Real Property known as 1002 Woodland Drive, Elizabethtown, Kentucky, and in recordable form; (viii) the final executed opinion referenced in Section 6.5(d); (ix) variances granted by City of Elizabethtown relative to violations of building setbacks and other applicable zoning regulations to which the Real Property is subject; (x) assignments, including any required consents for leases with an annual base rent in excess of \$100,000, duly executed assigning to Transferee leasehold or subleasehold title to any Leased Real Property; (xi) an estoppel certificate substantially in the form of Exhibit F executed by all tenants for each of the Owned Real Property Leases; and (xii) such other documents as are reasonably required in connection with the transfer of the Owned Real Property and related appurtenant rights and the assignment of the Leased Real Property.

(b) The General Bill of Sale and Assignment in the form of General Bill of Sale and Assignment, duly executed by Transferor, conveying to Transferee valid title to all tangible assets which are a part of the Transferred Assets and valid title to all intangible assets which are a part of the Transferred Assets, free and clear of all Encumbrances other than the Assumed Liabilities and Permitted Encumbrances;

(c) The Assignment of Leases and Contracts in the form of Exhibit A, duly executed by Transferor, assigning Transferor's interest in the Leases and Assumed Contracts to Transferee;

(d) One or more duly executed limited powers of attorney for use of the Pharmacy License, Drug Enforcement Administration and other controlled substance registration numbers and DEA order forms;

(e) Certificates of title for each vehicle included in the Transferred Assets;

(f) Such other documents and instruments, duly executed by Transferor, as are reasonably necessary to convey, assign, transfer and deliver the Transferred Assets to Transferee,

including, without limitation, transfer instruments for bank accounts, reserve fund account, lease rental account, retirement plan accounts and all other accounts of Transferor held at financial institutions, and to satisfy the conditions precedent to Transferee's obligations hereunder;

(g) Copies of resolutions duly adopted by each of the Transferor authorizing and approving their performance of the transactions contemplated hereby and the execution and delivery of this Agreement and the documents and transactions described herein, with such resolutions certified as true and in full force as of Closing by an appropriate officer, director, trustee of the respective entity;

(h) A certificate of incumbency for the officers, directors, trustees, council members and authorized representatives of each of the Transferor executing this Agreement and any other agreements or instruments contemplated herein, dated as of the Closing Date;

(i) Certificate of existence of each Subsidiary from the Kentucky Secretary of State dated the most recent practical date prior to Closing;

(j) A certificate of Transferor certifying that the conditions set forth in Section 7.1 have been satisfied, all covenants of Transferor have been satisfied and that all representations and warranties of Transferor made within this Agreement and within the Schedules are accurate and complete in all material respects;

(k) With respect to the Furniture and Equipment, a recent UCC lien search dated no earlier than fifteen (15) days prior to Closing showing no liens on Furniture and Equipment, except for Permitted Encumbrances, Assumed Liabilities and liens which shall be released at or prior to Closing;

(l) The Escrow Agreement in the form of Exhibit G, duly executed by HMM and Escrow Agent;

(m) A flow of funds memorandum or settlement statement identifying the payment to be made at Closing ("Funds Flow Memorandum"), duly executed by HMM;

(n) A non-foreign affidavit in the form of Exhibit G, an owner's affidavit in the form of Exhibit G, Form 1099S and such other documentation reasonably requested by Title Company; and

(o) Such other instruments and documents as Transferee or Title Company reasonably deems necessary to effectuate the transactions contemplated hereby.

3.3 Actions of Transferee at Closing.

At the Closing and unless otherwise waived in writing by Transferor or delivered to the Transferor at the Pre-Closing, Transferee shall deliver or cause to be delivered to Transferor the following (all deliveries under this Section 3.3 shall be exclusively treated as covenants with Transferee's sole remedy being as described in Section 8.1 below):

(a) An Assumption Agreement in the form of Exhibit B, duly executed by Transferee, pursuant to which Transferee shall assume the Assumed Liabilities (including the payment and performance thereof) as herein provided;

(b) Assignments, duly executed, assuming from Transferor all obligations as to any Leased Real Property, effective as of the Closing Date and consideration statements contained in the special warranty deeds to the Owned Real Property, duly executed by Transferee, and such other documents as are reasonably required in connection with the transfer of the Owned Real Property and the assignment of the Leased Real Property;

(c) The Escrow Agreement duly executed by Transferee;

(d) The Note, as described within Section 2.5, duly executed by Transferee;

(e) Copies of resolutions duly adopted by the Board of Directors of Transferee, authorizing and approving Transferee's 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 Closing by an appropriate officer of Transferee;

(f) A certificate of Transferee certifying that the conditions set forth in Section 8.1 have been satisfied, all covenants of Transferee have been satisfied and that all representations and warranties of Transferee made within this Agreement are accurate and complete in all material respects;

(g) A certificate of incumbency for the officers of Transferee executing this Agreement and any other agreements or instruments contemplated herein, dated as of the Closing Date;

(h) Certificates of existence of Transferee from the Secretary of State of the Commonwealth of Kentucky, each dated the most recent practical date prior to Closing;

(i) Such other instruments and documents as Transferor reasonably deems necessary to effectuate the transactions contemplated hereby; and

(j) The Funds Flow Memorandum duly executed by Transferee.

3.4 Additional Acts.

HMH shall execute and deliver such other instruments of conveyance and transfer, and take such other actions as Transferee reasonably may request, to convey and transfer full right, title and interest to, vest in, and place Transferee in legal and actual possession of, any and all of the Transferred Assets. In the case of Material Assumed Contracts and rights which cannot be transferred effectively without the consent of third parties, Transferee and Transferor shall each use commercially reasonable efforts to obtain such consents prior to the Closing and, if not so obtained, then promptly thereafter. Transferor shall also furnish Transferee with such information and documents in its possession or under its control, or which Transferor can execute or cause to be executed, as will enable Transferee to prosecute any and all petitions, applications, claims and demands relating to or constituting a part of the Transferred Assets.

4. REPRESENTATIONS AND WARRANTIES OF TRANSFEROR.

All of the Transferred Assets shall be further subject to normal wear and tear on the land, buildings, improvements and equipment and normal and customary use of the inventory and supplies up to the Closing. As of the date hereof (except to the extent of a Schedule that has not been delivered as of the date hereof, in which case such representation and warranty shall be made as of the date of actual delivery of such Schedule pursuant to Section 12.18 below) and as of the Closing Date (except to the extent any of the following speaks as of a specific date, such as the date hereof), Transferor represents and warrants to Transferee the following:

4.1 Capacity.

HMH is a county hospital owned and operated as a division of the County pursuant to the laws of the Commonwealth of Kentucky. Each of the Subsidiaries is a Kentucky limited liability company that is active and in good standing in Kentucky. The sole member and manager of each of the Subsidiaries is HMH. Transferor is not required to be qualified to transact business in any jurisdiction other than Kentucky. Transferor is duly authorized under all applicable Laws of any Governmental Entity having jurisdiction over the business and operation of the Transferred Assets to own its properties and conduct its business in the place and manner now conducted. The execution and delivery by Transferor of the Agreement and documents described herein, the performance by Transferor of its obligations under the Agreement and documents described herein and the consummation by Transferor of the transactions contemplated by the Agreement and documents described herein have been duly and validly authorized and approved by all necessary actions on the part of Transferor and the County, none of which actions have been modified or rescinded and all of which actions remain in full force and effect.

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

The execution, delivery and performance of the Agreement and documents described herein by Transferor and the consummation by Transferor of the transactions contemplated by the Agreement and documents described herein, as applicable:

- (a) are not in contravention or violation of any law creating or applicable to Transferor;
- (b) except as set forth on Schedule 4.2, do not require any material Approval or Permit of, or filing or registration with, or other action by, any Governmental Entity to be made or sought by Transferor or any of its Affiliates; and
- (c) assuming the Approvals and Permits set forth on Schedule 4.2 are obtained, will not conflict in any material respect with, or result in any violation of or default under (with or without notice or lapse of time or both), or give rise to a right of termination, cancellation, acceleration or augmentation of any obligation or to loss of a material benefit under, or result in the creation of any material Encumbrance (other than Permitted Encumbrances) upon any of the Transferred Assets under (a) any contract, agreement or other instrument to which Transferor or any of its Affiliates is a party applicable to any of the Facilities or Transferred Assets or (b) any Law applicable to any of the Transferred Assets; provided that no representation or warranty is given with respect to consents required to assign any of the Assumed Contracts.

4.3 Third Party and Minority Interests.

Schedule 4.3 sets forth a true and complete list of (i) any interests held by third parties in the Transferred Assets and (ii) any Transferred Assets which represent minority interests held by Transferor.

4.4 No Outstanding Rights.

Except as set forth on Schedule 4.4, there are no outstanding rights (including any right of first refusal or first offer), options, warrants, agreements or other commitments giving any Person any current or future right to require Transferor or any of its Affiliates or, following the Closing Date, Transferee, to sell or transfer to such Person or to any third party any material interest in any of the Transferred Assets.

4.5 Transferred Assets.

The Transferred Assets and the Excluded Assets constitute all assets which are held or used by Transferor or any of its Affiliates and necessary for the conduct of the business and operation of the Facilities in the manner conducted as of the date of this Agreement and are sufficient to permit Transferee to carry on such business as currently conducted by Transferor.

4.6 Binding Agreement.

This Agreement and all Related Agreements have been duly and validly authorized, executed and delivered by Transferor to Transferee, and are and will constitute the valid and legally binding obligations of Transferor and are and will be enforceable against it in accordance with the respective terms hereof or thereof, except as enforceability may be restricted, limited or delayed by applicable bankruptcy or other laws affecting creditors' rights generally and except as enforceability may be subject to general principles of equity.

4.7 Financial Information.

(a) Schedule 4.7 hereto contains the following financial statements and financial information (collectively, the "Historical Financial Information"):

- (i) audited balance sheet of HMH dated as of June 30, 2017 and unaudited balance sheet of HMH as of the end of the month immediately prior to the Closing Date (the "Reference Balance Sheet"); and
- (ii) audited income statement of HMH for the twelve-month period ended on June 30, 2017 and unaudited income statement of HMH for the period beginning immediately after the Balance Sheet Date and ending on the date of the Reference Balance Sheet.

Except as disclosed on Schedule 4.7, the financial statements included in the Historical Financial Information have been prepared in accordance with GAAP, applied on a consistent basis throughout the periods indicated, and Transferor 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 in any

material manner. Except as set forth on Schedule 4.7, the balance sheets contained in the Historical Financial Information present fairly in all material respects the financial condition of the Facilities as of the dates indicated thereon, and the income statements contained in the Historical Financial Information present fairly in all material respects the results of operations of the Facilities for the periods covered (subject, for the unaudited statements, to change resulting from audit and to customary year-end adjustments.)

(b) Except for (i) liabilities that are disclosed in this Agreement and Schedules and Exhibits hereto, and (ii) liabilities that were incurred after the Balance Sheet Date in the ordinary course of business, as of the date hereof, there are no material liabilities of any nature of Transferor relating to the Facilities or the other Transferred Assets and Assumed Liabilities required in accordance with GAAP, and applied consistently by Transferor throughout the periods involved, to be disclosed on the financial statements of Transferor, except as set forth on Schedule 4.7.

4.8 Permits and Approvals.

(a) Set forth on Schedule 4.8 is a true and complete description of all material Permits and Approvals issued or granted by a Governmental Entity and owned or held by or issued to Transferor in connection with the Transferred Assets currently, and such Permits and Approvals constitute all material Permits and Approvals necessary for the conduct of the business and operation of the Facilities as currently conducted and the use of the Transferred Assets by Transferor. Transferor is the duly authorized holder of such Permits and Approvals, all of which are in full force and effect and unimpaired. Each Facility's pharmacies, laboratories and all other material ancillary departments located at such Facility or operated for the benefit of such Facility and included within the Transferred Assets, which are required to be specially licensed, are licensed by the appropriate Governmental Entity, as set forth on Schedule 4.8.

(b) Each Facility is in compliance in all material respects with all Permits and Approvals required by applicable Law. There are no provisions in, or agreements relating to, any such Permits and Approvals which precludes or limits in any material respect Transferor from operating any of the Facilities as they are currently operated. There is not now pending nor, to the knowledge of Transferor, threatened, any action by or before any Governmental Entity to revoke, cancel, rescind, modify or refuse to renew any of the Permits and Approvals.

4.9 Intellectual Property.

(a) Transferor owns or is licensed or otherwise possesses all necessary rights to use, all computer software programs, copyrights, schematics, and trade secrets used in the Facilities, and to the knowledge of Transferor, all other Intellectual Property used in the Facilities.

(b) Transferor has not received written notice of any unauthorized use, disclosure, infringement or misappropriation of any Intellectual Property rights of Transferor, any trade secret material to Transferor, or any Intellectual Property right of any third party to the extent licensed by or through Transferor, by any third party, including any employee or former employee of Transferor, relating in any way to any of the Transferred Assets. Other than in the ordinary course of business or otherwise reflected in the Historical Financial Information, to the knowledge of Transferor there are no royalties, fees or other payments payable by Transferor to any Person by

reason of the ownership, use, sale or disposition of Intellectual Property related to any of the Transferred Assets.

(c) Except as set forth on Schedule 4.9, Transferor is not, nor will be as a result of the execution and delivery of this Agreement or any of the documents described herein or the performance of its obligations under this Agreement or any of the documents described herein, in material breach of any license, sublicense or other agreement relating to the Intellectual Property or, to the knowledge of Transferor, the Intellectual Property rights of any third party related to any of the Transferred Assets.

(d) Except as set forth on Schedule 4.9, Transferor does not have any patents, registered trademarks, telephone numbers, domain names, web sites, registered service marks, registered assumed or fictitious names or registered copyrights related to any of the Transferred Assets. Except as set forth on Schedule 4.18, Transferor has not been served with process in any suit, action or proceeding which involves a claim of infringement of any patents, trademarks, service marks, copyrights or violation of any trade secret or other proprietary right of any third party related to any of the Transferred Assets. To the knowledge of Transferor, the business of the Facilities does not infringe any Intellectual Property or other proprietary right of any third party. Transferor has not brought any action, suit or proceeding for infringement of Intellectual Property or breach of any license or agreement involving Intellectual Property related to any of the Transferred Assets against any third party.

4.10 Participation Agreements.

(a) Hospital is eligible to receive payment without restriction under Title XVIII of the Social Security Act ("Medicare") and Title XIX of the Social Security Act ("Medicaid") and is a "provider" with valid and current provider agreements and with one or more provider numbers with the federal Medicare, Tricare and all applicable state Medicaid or successor programs (the "Government Programs") through intermediaries. Medicare and Medicaid each include Medicare Advantage or Medicaid managed care programs, respectively. Schedule 4.10(a) contains a list of all NPIs and all provider numbers of Transferor and each of the Facilities, as applicable, under the Government Programs and private third-party payor programs, including any insurance company or health care provider (such as a health maintenance organization, preferred provider organization, or any other managed care program), all of which are in full force and effect (collectively with the Government Programs, the "Payor Programs").

(b) Except as set forth on Schedule 4.10(b), there is no pending or, to the knowledge of Transferor, threatened proceeding or investigation under the Payor Programs involving Transferor or any of the Transferred Assets. The cost reports of the Hospital for the Government Programs for the fiscal years through December 31, 2017 required to be filed on or before the date hereof have been properly filed and are complete and correct in all material respects. Except as disclosed on Schedule 4.10(b), Transferor is in material compliance with filing requirements with respect to cost reports of the Hospital and such reports do not claim, and Transferor has received payment or reimbursement in excess of, the amount provided by applicable Law or any applicable agreement, except where excess reimbursement was noted on the cost report. True and correct copies of all such reports for the three (3) most recent fiscal years of Transferor for the Hospital have been made available to Transferee. Except as disclosed on Schedule 4.10(b) and except for

claims, actions and appeals in the ordinary course of business, there are no material claims, actions or appeals pending before any commission, board or agency, including any fiscal intermediary or carrier or Governmental Entity with respect to any Government Program cost reports or claims filed on behalf of Transferor with respect to the Hospital, on or before the date of this Agreement, or any disallowances by any commission, board or agency in connection with any audit of such cost reports. Except as disclosed on Schedule 4.10(b) and except for those in the ordinary course of business, no validation review or program integrity review related to the Hospital, the operation of the Hospital, or the consummation of the transactions contemplated by this Agreement, or related to any of the Transferred Assets has been conducted by any commission, board, agency or Governmental Entity in connection with the Government Programs and, to the knowledge of Transferor, no such reviews are scheduled, pending or threatened against or affecting Transferor with respect to the Hospital or any of the Transferred Assets, or the consummation of the transactions contemplated by this Agreement.

(c) Schedule 4.10(c) includes a complete and accurate list of all accounts from which cash has been taken back or, to the knowledge of Transferor, may be taken back under the CMS Recovery Audit Program.

(d) Transferor has submitted bills for the provision of services materially in accordance with all applicable Laws, guidance issued by applicable Medicare contractors and/or state Medicaid agencies, applicable agreements with Payor Programs and materially in compliance with Transferor's billing policies and procedures.

(e) Except as otherwise disclosed in writing to Transferee, to Transferor's knowledge no physician who has a direct or indirect financial relationship with the Transferor, or who has an immediate family member who has a direct or indirect financial relationship with the Transferor, has made a referral to the Facilities for the furnishing of any Designated Health Service as defined in 42 CFR §411.351 for which payment otherwise may be made under Medicare except as permitted under applicable Law.

4.11 Regulatory Compliance.

(a) To the knowledge of Transferor and except as set forth on Schedule 4.11(a), Transferor is in compliance in all material respects with all applicable Health Care Laws and Transferor has timely filed all material reports, data and other information required to be filed with such Governmental Entities. To the knowledge of Transferor, Transferor has provided to Transferee copies of all written agreements and documentation of all oral understandings, including, but not limited to, all provider contracts, management agreements, leases, and services contracts, which Transferor has with a physician, physician organization, healthcare facility, or other referral source.

(b) None of Transferor or any of its officers, directors, applicable agents, or employees, has been convicted of, charged with or, to Transferor's knowledge, investigated for, or, to Transferor's knowledge, has engaged in conduct that would constitute, a related offense or convicted of, charged with or, to Transferor's knowledge, investigated for, or, to Transferor's knowledge, engaged in conduct that would constitute a violation of any Law related to fraud, theft, embezzlement, breach of fiduciary duty, kickbacks, bribes, other financial misconduct or

obstruction of any investigation involving compliance with the Health Care Laws. None of Transferor or, to Transferor's knowledge, any officer, director, applicable agent, employee, applicable independent contractor, or medical staff member of Transferor (whether an individual or entity), has been excluded from participating in any Government Program, subject to sanction pursuant to 42 U.S.C. § 1320a-7a or § 1320a-8 or been convicted or found liable under any of the Health Care Laws, nor, to Transferor's knowledge, is any such exclusion, sanction or charge threatened or pending.

(c) Transferor has developed a compliance program ("Compliance Program") and has made copies of Compliance Program materials, which include program descriptions, compliance officer and committee minutes and descriptions applicable to Transferee via the diligence data site. Except as otherwise provided on Schedule 4.11(c), Transferor (i) is not a party to a Corporate Integrity Agreement with the Office of the Inspector General of the Department of Health and Human Services (the "OIG"); (ii) has no reporting obligations pursuant to any settlement agreement entered into with any Governmental Entity; (iii) to Transferor's knowledge, has not been the subject of any Government Program investigation conducted by any federal or state enforcement agency; (iv) has not been a defendant in any *qui tam*/False Claims Act litigation (other than by reason of a sealed complaint of which Transferor may have no knowledge except as set forth in Schedule 4.11(c)); (v) has not been served with or received any search warrant, subpoena, civil investigation demand, contact letter, or, to Transferor's knowledge, telephone or personal contact by or from any federal or state enforcement agency (except in connection with medical services provided to third-parties who may be defendants or the subject of investigation into conduct unrelated to the operation of the Facilities); (vi) has not received any complaints through each of Transferor's compliance "hotline" from employees, independent contractors, vendors, physicians or any other person that could reasonably be considered to indicate that any of Transferor has violated any applicable Health Care Law; and (vii) has not identified any overpayment received from any Government Program that has not been refunded to the applicable Government Program.

4.12 Assumed Contracts.

(a) Schedule 4.12(a) lists all commitments, contracts, leases, licenses and other agreements (including agreements for the borrowing of money or the extension of credit), whether written or oral, to which any of Transferor is a party or by which any of Transferor, the Facilities or any of the Transferred Assets are bound including the Payor Program agreements, including any and all amendments and other modifications thereto except for contracts, agreements, commitments, purchase orders and other arrangements not involving a physician or an immediate family member of a physician which individually involves future payments, performance of services or delivery of goods or materials, to or by Transferor of any amount or value less than Twenty Thousand Dollars (\$20,000) (the "Transferor Contracts"). Notwithstanding the foregoing, the term "Transferor Contracts" shall include, whether written or oral, all agreements: (i) pursuant to which any of Transferor has any interest as a lessor, lessee, licensor or licensee of real property; (ii) concerning payment, performance of services or delivery of goods, regardless of amount, with any referral source, including all physicians and other providers or suppliers of healthcare goods or services; (iii) with any labor union or collective bargaining group or organization; (iv) with one (1) or more directors, trustees, stockholders, partners, affiliates or officers of any of Transferor; and (v) that prohibit or restrict competition or the conduct of any lawful business by Transferor or

the Facilities. Transferor has delivered to Transferee true and complete copies of all written Transferor Contracts and a true and accurate description of all oral Transferor Contracts.

- (b) Except as listed on Schedule 4.12(b),
- (i) each of the Transferor Contracts is in full force and effect;
- (ii) each of the Transferor Contracts constitutes valid and legally binding obligations of any of Transferor or the Facilities, as applicable, and, to the knowledge of Transferor, of the other parties thereto and is enforceable in accordance with its terms against any of Transferor, as applicable, and, to the knowledge of Transferor, against the other parties thereto, except as enforceability may be limited, restricted or delayed by applicable bankruptcy or other Law affecting creditor's rights and debtor's relief generally and except as enforceability may be subject to general principles of equity;
- (iii) Transferor is and has been in compliance in all material respects with the terms and requirements of each Transferor Contract;
- (iv) To the knowledge of Transferor, each other party that has or had any obligation or liability under any Transferor Contract is and has been in compliance in all material respects with the terms and requirements of such Transferor Contract over the two (2) year period prior to Closing;
- (v) to the knowledge of Transferor and with the exception of this transaction, no event has occurred or circumstance exists that (with or without notice or lapse of time) may contravene, conflict with, or result in a violation or breach of, or give any party the right to declare a default or exercise any remedy under, or to accelerate the maturity or performance of, or to cancel, terminate or modify, any Transferor Contract;
- (vi) Transferor has not given or received any unresolved notice or other communication (whether oral or written) regarding any actual, alleged, possible or potential violation or breach of, or default under, any Transferor Contract as of Closing;
- (vii) there are no current renegotiations of or outstanding rights to renegotiate any Transferor Contract, and no party has made such written demand for such renegotiation;
- (viii) no purchase commitment by Transferor that is a Transferor Contract is in excess of the ordinary business requirements of the Transferor;
- (ix) the execution, delivery and performance of this Agreement by Transferor (including the assignment of any Assumed Contracts to Transferee) will not contravene, conflict with, or result in a violation or breach of any provision of, or give any party the right to declare a default or exercise any remedy under, or to accelerate the maturity or performance of, or to cancel, terminate or modify, any Transferor Contract.

4.13 Real Property.

(a) Except as set forth on Schedule 4.13(c), Transferor owns good, marketable and insurable fee simple title to the Owned Real Property, together with all buildings, improvements and fixtures thereon and all beneficial interests and appurtenances thereto, which Owned Real Property, to Transferor's knowledge, is properly zoned for use consistent with Transferor's use of the Owned Real Property and subject only to the Permitted Encumbrances. A complete and accurate list of all Owned Real Property is contained on Schedule 1.1E. To Transferor's knowledge, Transferor has valid and enforceable beneficial interests and appurtenant rights in all beneficial easements and appurtenant rights relative to the Owned Real Property (the "Beneficial Rights"). A complete and accurate list of all Beneficial Rights of which Transferor has knowledge, which list separately identifies all Beneficial Rights relative to each of the properties comprising the Owned Real Property is contained on Schedule 4.13(a). A complete and accurate list of all Leased Real Property, which list separately identifies all Owned Real Property Leases and all Transferor Occupied Leases, and describes the parties, date of lease and any amendments and premises leased of all such Leases, is contained in Schedule 1.1C. To Transferor's knowledge, Transferor has valid and enforceable leasehold interests in and under all of the Transferor Occupied Leases. Transferor is not in material default with any of the terms and conditions of any of Leases and, to the best of Transferor's knowledge, the landlord and other parties to the Leases are not in material default with any of the terms and conditions of any of the Leases. There are no agreements or amendments, oral or written, to which Transferor is a party, pertaining to any lease or premises leased other than as set forth in the Leases. The Real Property constitutes all of the real property used by Transferor in the operation of the Facilities. Except for the Permitted Encumbrances, to Transferor's knowledge, there exists no mortgage, lien, restriction, agreement, claim, easement, encroachment, right of way, building use restriction, exception, variance, reservation, pledge, security interest, conditional sales agreement, right of first refusal, option, grant, obligation, liability, Environmental Condition, beneficial interest or appurtenance granted to a third party, charge or limitation of any nature (collectively, the "Real Property Encumbrances") affecting the Owned Real Property, and Transferor is in actual possession of the Owned Real Estate and the premises described under the Leases (subject to the rights of tenants or licensees under Owned Real Property Leases). At the Closing, Transferor will transfer and convey to Transferee or its designated affiliates good, marketable and insurable fee simple title in and to the Owned Real Property, free and clear of any Real Property Encumbrance, except Permitted Encumbrances, and, to Transferor's knowledge, properly zoned for use consistent with Transferor's use of the Owned Real Property. At Closing, Transferor will transfer and convey to Transferee or its designated affiliates a valid and enforceable interest in the Beneficial Rights, subject to the Permitted Encumbrances. At the Closing, Transferor will transfer and convey to Transferee or its designated affiliates valid leasehold interests in the Leased Real Property occupied by Transferor under the Transferor Occupied Leases. Neither Transferor nor any Affiliate of Transferor has created any Real Property Encumbrance (other than Permitted Encumbrances) which will materially interfere with Transferee's use of the Real Property in a manner consistent with the current use by Transferor or which will impair the marketability of the Owned Real Estate.

(b) To Transferor's knowledge, except as set forth in Schedule 4.13(c), Transferor and its Affiliates have not received in the last five (5) years any written notice that any part of the Real Property is currently in violation, which violation has not been cured, of local building codes, ordinances or zoning laws or regulations, nor to the knowledge of Transferor has any such notice

been issued. To Transferor's knowledge, Transferor and its Affiliates have not received any written notice in the last five (5) years, which currently remains uncured that indicates that Transferor or its Affiliates has failed to obtain any Permit or other authorizations required of Transferor or its Affiliates by applicable Laws with respect to the Real Property, nor to the knowledge of Transferor has any such notice been issued. Transferor and its Affiliates have not received any written notice or request, formal or informal, from any insurance company or board of fire underwriters (i) identifying any defects in the Real Property which would materially adversely affect the insurability or marketability of the Real Property, or (ii) requesting the performance of any work or alteration with respect to the Real Property. Except as set forth on Schedule 4.13(c) to Transferor's knowledge, the Owned Real Property is in compliance in all material respects with all applicable Laws, and Transferor has not received any written notice of violation of any applicable Law from any governmental entity in respect of the use, occupancy, or operation of the Owned Real Property, nor to the knowledge of Transferor has any such notice been issued. To Transferor's knowledge, no applicable Law prohibits, limits or conditions the use or operation of the Owned Real Property as currently used or operated. To Transferor's knowledge, all utilities serving the Real Property are adequate to operate the Facilities in the manner they are currently operating. To Transferor's knowledge, Transferor has not received written notice of any action to alter the zoning or zoning classification or to condemn, requisition or otherwise take all or any portion of the Real Property, nor to Transferor's knowledge has any such notice been issued.

(c) Except as set forth on Schedule 4.13(c), to Transferor's knowledge, all of the mechanical and electrical systems, heating and air conditioning systems, plumbing, water and sewer systems, and all other items of mechanical equipment or appliances included in the Owned Real Property are in functional condition and good working order, ordinary wear and tear excepted.

(d) Except as set forth on Schedule 4.13(c), Transferor and its Affiliates have not received any notices of special assessments which affect the Owned Real Property in the last five (5) years other than any special assessments that can be identified by an examination of existing tax records as to the Owned Real Property, and, to the best of Transferor's knowledge, no such assessments are pending or contemplated.

(e) To Transferor's knowledge, no part of the Owned Real Property contains or is located within any tideland, wetland, or marshland or lies in a flood plain.

4.14 Personal Property.

Transferor presently owns and will hold on the Closing Date good, valid and marketable title to and ownership of all personal property, whether tangible or intangible, consisting of any part of the Transferred Assets. Except as set forth in Schedule 4.14, none of the Transferred Assets that constitute personal property owned by Transferor is subject to any Encumbrance, other than Permitted Encumbrances and Assumed Liabilities. At Closing, Transferor will convey to Transferee good, valid and marketable title to the Transferred Assets that constitute personal property, whether tangible or intangible, free and clear of any Encumbrance, other than Permitted Encumbrances and Assumed Liabilities.

4.15 Insurance.

Schedule 4.15 sets forth a true and complete list of all insurance policies or self-insurance funds maintained by Transferor as of the date of this Agreement covering the ownership and operation of the Transferred Assets or any of the Facilities, indicating the types of insurance, policy numbers, terms, premium, identity of insurers and amounts and coverages (including applicable deductibles and self-insured retentions). All of such policies are now and will be until the Closing in full force and effect with no premium arrearages. Except as set forth on Schedule 4.15, (i) there is no outstanding written requirement or recommendation by any insurance company that issued any such policy or by any board of fire underwriters or other similar body (including any Governmental Entity) exercising similar functions which requires or recommends any repairs or other work to be done or with respect to any of the Transferred Assets; (ii) Transferor has given to its insurer in a timely manner all notices required to be given under its insurance policies with respect to all claims and actions covered by insurance within the last five (5) years, and no insurer has denied coverage of any such claims or actions or reserved its rights with respect to or rejected any such claims; and (iii) Transferor has not as of the date of this Agreement and within five (5) years of the date of this Agreement (a) received any notice or other written communication from any such insurance company canceling or materially amending any of said insurance policies with respect to the Transferred Assets, and to the knowledge of Transferor no such cancellation or amendment is threatened, or (b) failed to give any required notice or present any claim which is still outstanding under any of said policies with respect to the Transferred Assets. To the extent assignable, such policies of insurance shall be assigned to Transferee as part of the Transferred Assets, and to the extent such policies are not assignable, such policies will be cancelled as of Closing and the unearned premiums refunded by the insurers will be turned over to Transferee. For any liability insurance policies of Transferor written on a claims-made basis that are not assignable and are cancelled, Transferor will at or prior to Closing obtain appropriate replacement insurance and tail insurance, at Transferee's expense and subject to Section 6.8, to cover all claims based on events occurring prior to Closing in an effort to ensure that there is no gap in insurance coverage.

4.16 Employee Benefit Plans.

(a) Schedule 4.16(a) sets forth a list of all "employee benefit plans" (collectively the "Plans"), as defined in Section 3(3) of ERISA, all specified fringe benefit plans as defined in Section 6039D of the Code, and all other bonus, incentive compensation, deferred compensation, profit sharing, stock option, severance, supplemental unemployment, layoff, salary continuation, retirement, pension, health, life insurance, disability, group insurance, vacation, holiday, sick leave, extended illness, fringe benefit or welfare plan or any other similar plan, agreement, policy or understanding (whether oral or written, qualified or non-qualified) and any trust, escrow or other funding arrangement related thereto, (i) which is currently or has been maintained or contributed to by any of Transferor or any affiliate thereof within the prior six (6) years; (ii) with respect to which any of Transferor or any affiliate thereof has any liability or obligations to any current or former officer, employee or service provider of Transferor or the spouses and dependents of any thereof, regardless of whether funded, and/or in which any current or former officer, employee or service provider of any of Transferor or any spouses and dependents thereof participate, or (iii) which could result in the imposition of liability or any obligation of any kind or nature, whether accrued, absolute, contingent, direct, indirect, known or unknown, perfected or inchoate or

otherwise and whether or not now due or to become due, of any of Transferor, or any affiliate thereof. For purposes of this Section 4.16, the term "affiliate" is any person or entity which, together with Transferor would be treated as a single employer under Section 414(b), (c), (m) or (o) of the Code.

(b) There has been no prohibited transaction or breach of fiduciary duty or other breach or violation of Law applicable to the Plans and related funding arrangements that could subject any of Transferor or any affiliate thereof to any liability. Each Plan intended to be qualified under Section 401(a) of the Code is the subject of a favorable determination letter (or, in the case of a prototype or volume submitter plan, a favorable opinion or notification letter). No event has occurred which could cause any Plan to become disqualified or fail to comply with the respective requirements of Section 401(a), 403(b) or 457 of the Code, as applicable, or that would make a distribution from such Plan to be ineligible to be rolled into an individual retirement account or a plan that is qualified under Section 401(a) of the Code. Each Plan has been operated in compliance in all material respects with all applicable Laws, and operated in accordance with its terms. There is no action, audit, claim, investigation or government enforcement action pending or, to Transferor's knowledge, threatened against any of Transferor, the Plans or any of them, other than routine claims for benefits. There is no outstanding issue with reference to the Plans pending before any governmental agency. All contributions, including salary deferrals, required to be made pursuant to the terms of any of the Plans as of the date of this Agreement have been timely made. Except as set forth on Schedule 4.16(b) and/or as referenced in Section 6.11, the consummation of the transactions contemplated hereby will not accelerate the time of vesting or payment, or increase the amount, of compensation payable to any employee, officer, former employee or former officer of any of Transferor or any affiliate thereof. The Transferred Assets are not, and Transferor does not reasonably expect them to become, subject to a lien imposed under the Code including liens arising by virtue of Transferor considered to be aggregated with another entity pursuant to Section 414 of the Code ("Controlled Group").

(c) Each of Transferor and its affiliates have complied in all material respects with the applicable continuation coverage requirements of COBRA, the applicable requirements of Section 5000 of the Code, and any applicable Kentucky state law equivalent with respect to all current and former employees and their beneficiaries. Schedule 4.16(c) lists all current and former employees of Transferor and their beneficiaries who are eligible for and/or have elected continuation coverage under COBRA and any Kentucky state law equivalent. Except as provided on Schedule 4.16(c), no Plan provides for, and no written or oral agreement has been entered into promising or guaranteeing, the continuation of medical, dental, vision, life or disability insurance coverage (for disabilities incurred after such termination of employment) for any current or former employees of any of Transferor or their beneficiaries for any period of time beyond termination of employment (except to the extent of coverage required under COBRA or any Kentucky state law equivalent).

(d) None of Transferor, the Facilities nor any affiliate thereof has been liable at any time for contributions to (i) a plan that is or has been at any time subject to Section 412 of the Code, Section 302 of ERISA and/or Title IV of ERISA; (ii) a multiemployer plan (as defined in Section 3(37) or Section 4001(a)(3) of ERISA); or (iii) a multiple employer welfare arrangement (as defined in Section 3(40) of ERISA).

(e) Except as set forth on Schedule 4.16(e), there are no actions, audits or claims pending or, to Transferor's knowledge, threatened against Transferor with respect to Transferor's maintenance of the Plans, other than routine claims for benefits and other claims.

(f) All Plans have at all times been "governmental plans" as defined in Code Section 414(d) and Sections 3(32) and 4021(b)(2) of ERISA, and satisfy all requirements necessary to be governmental plans in all material respects.

(g) With respect to the Pension Plan, the funded status is accurately reflected and disclosed on Schedule 4.16(g) in a manner consistent with applicable accounting standards, and determined and disclosed as of the date set forth in Schedule 4.16(g) and as of the Closing Date (in the event that all benefits have not been distributed from the Pension Plan by the Closing Date).

4.17 Employees and Employee Relations.

(a) Except as set forth on Schedule 4.17, no material changes in the basis for remuneration (e.g., compensation, bonuses, incentive programs) of Transferor employees that have been made, promised or authorized by Transferor since the Balance Sheet Date, except in the ordinary and usual course changes. Except as set forth on Schedule 4.17, Transferor has no written employment contracts, and no agreement of any nature that provides for employment for any particular period of time or that provides any restrictions upon Transferor's right to terminate employment without any post-termination payment obligation, with any Person whomsoever relating to the Facilities. Other than in the ordinary course of business and/or as set forth on Schedule 4.17, no binding agreements have been made or entered into between Transferor and any current employee involved in any of the Facilities regarding changes in compensation, promotion or any other change in status.

(b) Except as set forth on Schedule 4.17, as of the date hereof, (i) there is no pending or, to the best of Transferor's knowledge, threatened employee strike, work stoppage or labor dispute, (ii) to the best of Transferor's knowledge, no union representation question exists relating to any employees of Transferor, no demand has been made for recognition by a labor organization by or with respect to any employees of Transferor, no union organizing activities by or with respect to any employees of Transferor are taking place, and none of the employees of Transferor is represented by any labor union or organization, (iii) no collective bargaining agreement exists or is currently being negotiated by Transferor, (iv) there is no unfair practice claim against Transferor before the National Labor Relations Board, or any strike, dispute, slowdown, or stoppage pending or, to the best of Transferor's knowledge, threatened against or involving the Facilities and within five (5) years of the date of this Agreement, none has occurred, (v) Transferor is in compliance in all material respects with all applicable Laws and contracts with respect to employment and employment practices, labor relations, terms and conditions of employment, and wages and hours, (vi) Transferor is not engaged in any unfair labor practices, (vii) there are no pending or, to the best of Transferor's knowledge, threatened complaints or charges before any Governmental Entity regarding employment discrimination, safety or other employment-related charges or complaints, wage and hour claims, unemployment compensation claims, workers' compensation claims or the like and (viii) except as otherwise provided in this Agreement, Transferee will not be subject to any claim or liability for severance pay as a result of the consummation of the transactions contemplated by this Agreement through the Closing.

(c) Transferor is in full compliance with all accreditation standards of the Joint Commission and other applicable accrediting organizations with respect to any pre-employment screenings, background checks, verifications, and credentialing requirements for all Transferor employees as of the Closing. Transferor has not employed any Transferor employees inconsistent with such standards or Transferor's human resources policies.

4.18 Litigation or Proceedings.

(a) Schedule 4.18 contains an accurate list and summary description of all litigation and proceedings with respect to the Facilities and the Transferred Assets to which Transferor is a party, as well as settlements and conciliation agreements under which Transferor has current or future obligations with respect to the Facilities or Transferred Assets. Except to the extent set forth on Schedule 4.18, there are no claims, actions, suits, audits, compliance reports or information requests, proceedings or investigations pending or, to the knowledge of Transferor, threatened against or affecting Transferor or any of its Affiliates with respect to the Facilities.

(b) Other than as set forth on Schedule 4.18, Transferor is not subject to any outstanding judgment, order or decree with respect to the Transferred Assets.

(c) Transferor has not engaged in any transaction that would reasonably be expected to subject Transferor (or any successor in interest) to any avoidance action with respect to the Transferred Assets. Without limiting the generality of the foregoing, Transferor has not with respect to the Transferred Assets within the past twenty-four (24) months (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 reasonably equivalent value or (iii) conducted any business with any debtor-in-possession or bankrupt estate other than in the ordinary and usual course.

4.19 Tax Matters.

Except as set forth on Schedule 4.19:

(a) All tax returns, including employee payroll tax returns, employee unemployment tax returns, Form 1095-C, for applicable periods prior to and in all material respects and including Closing which are required to be filed by Transferor (collectively "Returns") have been filed or will be filed within the time (including any valid extensions thereof) and in the manner provided by applicable Law, and all Returns are or will be true and correct and accurately reflect in all material respects the tax liabilities of Transferor in all material respects, and all amounts shown due, if any, on such Tax Returns have been or will be paid on a timely basis;

(b) All payroll, withholding, and all other taxes, penalties, interest, and any other statutory additions which have become or are due with respect to the Transferred Assets and any assessments received by Transferor (collectively "Payable Tax Items"), have been or by the Closing Date will be paid regarding any period ended on or prior to the Closing Date or adequately reflected on the Closing Balance Sheet, whether shown on such returns or not;

(c) There are no tax liens on any of the Transferred Assets other than liens for real property taxes and special assessments that are not yet due and payable.

(d) Proper and accurate amounts have been withheld by Transferor for all applicable periods prior to the Closing in compliance with the payroll tax and other withholding provisions of all applicable Laws, and all of such amounts have been duly and validly remitted to the proper taxing authority to the extent due (except to the extent any inaccuracy will not have a material impact); and

(e) Within the past five (5) years, no notice of a claim or pending investigation has been received, or to the knowledge of Transferor, has been threatened, by any state, local or other jurisdiction, alleging that Transferor has a duty to file tax returns and pay taxes or is otherwise subject to the taxing authority of any jurisdiction, nor has Transferor received any notice or questionnaire from any jurisdiction which suggests or asserts that Transferor may have a duty to file such returns and pay such taxes, or otherwise is subject to the taxing authority of such jurisdiction.

4.20 Environmental Matters.

Except as set forth on Schedule 4.20 or in any environmental report listed therein:

(a) To Transferor's knowledge, Transferor has materially complied and is in material compliance with, and to Transferor's knowledge, the Owned Real Property and all improvements on the Owned Real Property are in material compliance with, all Environmental Laws.

(b) There are no pending or, to the knowledge of Transferor, threatened actions, suits, orders, claims, legal proceedings or other proceedings based on, and Transferor has not received any formal or informal written notice of any complaint, order, directive, citation, notice of responsibility, notice of potential responsibility, or information request from any Governmental Entity or any other Person or knows or suspects any fact(s) which would reasonably be expected to form the basis for any such actions or notices arising out of or attributable to any Environmental Condition with respect to Transferor.

(c) Transferor currently has and will maintain through the Closing Date, all material Approvals and Permits required under any Environmental Law with respect to any of the Facilities. A true and complete list of such Permits, all of which are valid and in full force and effect as of the date of this Agreement, is set forth in Schedule 4.20. Transferor is in material compliance (with respect to each Facility) with and the Owned Real Property and all improvements on the Owned Real Property are in material compliance with, all Approvals and Permits. Except in accordance with such Approvals and Permits, to Transferor's knowledge, there has been no release by Transferor of material regulated by such Approvals and Permits at, on, under, or from the Real Property in violation of Environmental Laws.

(d) Except as set forth on Schedule 4.20, the Owned Real Property contains no underground improvements, including treatment or storage tanks, or underground piping associated with such tanks, used currently or, to Transferor's knowledge, in the past for the management of Hazardous Materials, and Transferor has not used any portion of the Owned Real Property, and no portion of the Owned Real Property has ever been used by Transferor, as a dump, landfill, gas station, dry cleaner or storage yard.

(e) To Transferor's knowledge, Schedule 4.20 includes a list of all Transferor information in its possession pertaining to the environmental history of the Owned Real Property.

(f) To Transferor's knowledge, no Encumbrance in favor of any Person relating to or in connection with any claim under any Environmental Law has been filed or has attached to the Owned Real Property, other than Permitted Encumbrances.

4.21 Immigration Laws.

Transferor is in compliance in all material respects with the terms and provisions of all applicable immigration Laws, including the Immigration Act with respect to Transferor's employees. Schedule 4.21 contains a complete and accurate list of each employee of Transferor for whom compliance with the Immigration Act by Transferor is required, identifying immigration status, type and duration of visa information. Transferor has obtained and retained a complete and true copy of each such employee's Form I-9 (Employment Eligibility Verification Form) and all other records or documents prepared, procured or retained by Transferor pursuant to the Immigration Act to the extent Transferor is required to do so under the Immigration Act. Transferor has not been cited, fined, served with a Notice of Intent to Fine or with a Cease and Desist Order (as such terms are defined in the Immigration Act), nor, to the knowledge of Transferor, has any action or administrative proceeding been initiated or threatened against Transferor, by reason of any actual or alleged failure to comply with the Immigration Act.

4.22 WARN Act.

Schedule 4.22 lists the full name, job title, job site and unit, date of Employment Loss, and type of Employment Loss (termination, layoff or reduction in work hours) of each employee of Transferor who has experienced an Employment Loss in the 90 days preceding the date of this Agreement. Except as set forth in this Agreement, Transferor does not presently intend to take any action that would result in an Employment Loss by any employee of any of the Transferor Entities between the date of this Agreement and the Closing Date. "Employment Loss" for this purpose means (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 of the preceding twelve (12) months.

4.23 OSHA.

Except as set forth in Schedule 4.23, and within the past five (5) years, Transferor has not received any written notice from any Governmental Entity that past or present conditions of the Facilities or Transferred Assets violate any applicable legal requirements or otherwise will be made the basis of any claim, proceeding, or investigation, based on OSHA violations or otherwise related to employee health and safety.

4.24 Absence of Changes.

Except as set forth in Schedule 4.24, between the Balance Sheet Date and the date hereof, there has not been any transaction or occurrence in which Transferor or any of its Affiliates, in connection with the Transferred Assets, has:

(a) suffered any material damage, destruction or loss with respect to or affecting any of the Transferred Assets;

(b) written down or written up in any material amount the value of any Inventory (including write-downs by reason of shrinkage or markdowns), determined as collectible any material account receivable or any portion thereof which was previously considered uncollectible, or written off as uncollectible any material account receivable or any portion thereof, except for write-downs, write-ups, and write-offs in the ordinary course of business;

(c) disposed of or permitted to lapse any right to the use of any Intellectual Property;

(d) made any unbudgeted material Capital Expenditure or commitment for additions to property, plant, equipment, intangible or capital assets or for any other purpose, other than for emergency repairs or replacement;

(e) sold, transferred or otherwise disposed of any of the Transferred Assets except in the ordinary course of business;

(f) granted or incurred any obligation for any material increase in the compensation of any employee who is employed at the Facilities (including any increase pursuant to any bonus, pension, profit-sharing, retirement, or other plan or commitment) except in the ordinary course of business;

(g) made any material change in any method of accounting or accounting principle, practice, or policy;

(h) initiated, modified or terminated any Plan;

(i) taken any other action neither in the ordinary course of business nor provided for in this Agreement; or

(j) agreed, so as to legally bind Transferee or affect the Transferred Assets, whether in writing or otherwise, to take any of the actions set forth in this Section 4.24 and not otherwise permitted by this Agreement in any case would reasonably be expected to have a Material Adverse Effect.

4.25 Medical Staff Matters.

Schedule 4.25 includes a list of the members of the medical staffs at each the Facilities, including the name, type of membership, type and duration of clinical privileges and any limitations imposed on such privileges. Transferor has provided to Transferee copies of the bylaws and rules and regulations of the medical staffs at the Facilities. With regard to the medical staffs

at the Facilities, there is no (a) pending or, to Transferor's knowledge, threatened, adverse action with respect to any medical staff members of the Facilities or any applicant thereto, or (b) pending or, to Transferor's knowledge, threatened, dispute with applicants, staff members or health professional affiliates and all appeal periods in respect of any medical staff member or applicant against whom an adverse action has been taken have expired. Transferor has provided to Transferee a written disclosure containing a brief general description of all final adverse actions taken in the six (6) months prior to the date hereof against medical staff members or applicants which could result in claims or actions against any of Transferor. Except as set forth in Schedule 4.25, there is no claim, action, suit, proceeding or investigation pending or, to Transferor's knowledge, threatened against or affecting any member of the medical staffs of the Facilities at law or in equity, or before or by any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality wherever located. Except as set forth in Schedule 4.25, no medical staff member of the Facilities has resigned under investigation or had his or her privileges revoked or suspended since January 1, 2015.

4.26 Disclosure.

No representation or warranty made by Transferor or any Affiliate of Transferor in this Agreement contains any untrue statement or omits to state a material fact necessary to make any of them, in light of the circumstances in which it was made, not misleading in a material manner.

5. REPRESENTATIONS AND WARRANTIES OF TRANSFEEE.

As of the date hereof and as of the Closing Date (except to the extent any of the following speaks as of a specific date, such as the date hereof), Transferee represents and warrants to Transferor the following:

5.1 Corporate Capacity.

Baptist is a valid existing nonprofit corporation duly organized under the laws of Kentucky.

5.2 Exempt Status.

Baptist is an organization exempt from federal income taxation under Section 501(c)(3) of the Code. Baptist has received a determination letter of its tax-exempt status from the Internal Revenue Service. The determination has not been revoked, rescinded or modified, and no Proceeding has been instituted or, to the knowledge of Transferee, threatened to challenge the tax-exempt status of Baptist.

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

The execution, delivery and performance of this Agreement by Transferee and all other agreements referenced in or ancillary hereto to which Transferee is a party and the consummation of the transactions contemplated herein by Transferee:

(a) are within its corporate powers and are not in contravention of the terms of Transferee's articles or certificate of incorporation or bylaws and have been approved by all requisite corporate action;

(b) do not require any Approval or Permit of, or filing with, any Governmental Entity or other third party bearing on the validity of this Agreement with respect to Transferee, which is required by applicable Law; and

(c) will neither conflict with nor result in any material breach or contravention of, or the creation of any Encumbrance under, any indenture, agreement, lease, instrument or understanding to which Transferee is a party or by which Transferee is bound.

5.4 Binding Effect.

This Agreement and all other agreements to which Transferee will become a party hereunder are and will constitute the valid and legally binding obligations of Transferee and are and will be enforceable against Transferee in accordance with the respective terms hereof and thereof, except as enforceability against Transferee may be restricted, limited or delayed by applicable bankruptcy or other laws affecting creditors' rights generally and except as enforceability may be subject to general principles of equity.

5.5 Litigation.

There is no claim, action, suit, proceeding or investigation pending or, to the knowledge of Transferee, threatened against or affecting Transferee that has or would reasonably be expected to have a Material Adverse Effect on Transferee's ability to perform this Agreement or any aspect of the transactions contemplated hereby.

5.6 No Adverse Action.

Transferee has not initiated or taken any action that would have a Material Adverse Effect on the transactions contemplated by this Agreement, except to the extent otherwise permitted or otherwise authorized by this Agreement.

6. PRECLOSING COVENANTS OF TRANSFEROR AND TRANSFEE.

6.1 Access and Information.

(a) Between the date of this Agreement and the Closing Date, to the extent permitted by applicable Law, Transferor shall afford to the authorized representatives and agents of Transferee reasonable access, during Transferor's normal business hours, to and the right to interview Transferor employees, inspect the plants, properties, books and records of Transferor relating to the Facilities and the Transferred Assets, and will furnish Transferee with such additional financial and operating data and other information as to the business and properties of Transferor relating to the Transferred Assets as Transferee may from time to time reasonably request, including but not limited to, all items set forth on Schedules under Article 4 of this Agreement. Transferee's right of access and inspection shall be made in such a manner as not to interfere unreasonably with the operation of the Transferred Assets. In this regard, Transferee

agrees that such inspection shall not take place, and no employees or other personnel at any Facility shall be contacted by Transferee's representatives, without first coordinating such contact or inspection with either Dennis Johnson, Transferor's Chief Executive Officer, or Myra Covault, Transferor's Vice President, Human Resources. Notwithstanding the foregoing, Transferee understands that (x) with respect to documents and information deemed by Transferor in good faith to be market sensitive or competitive in nature, if requested by Transferee, Transferor will provide such documents and information to Transferee's outside attorneys and accountants (who will be bound by confidentiality agreements) for their review, and any market sensitive or competitive information will not be made available to Transferee, and (y) Transferor shall not be obligated to generate or produce information in any prescribed format not customarily produced by Transferor. Transferee shall have reasonable access to the Owned Real Property for the performance of non-invasive due diligence activities, which may include but not limited to, environmental studies, topography, engineering and other studies on the Owned Real Property. Such studies would be conducted at Transferee's sole discretion and expense.

(b) Transferor shall self-audit and review Transferor records and documentation with respect to Transferor's representations in Section 4.17(c) and Transferor shall make copies of records and documentation evidencing such compliance to Transferee upon Transferee's reasonable request. Transferor shall take all steps necessary prior to Closing to ensure that the representations and warranties in Section 4.17(c) are and remain true and accurate in all respects at Closing. Prior to the Funding Date, Transferee shall obtain written confirmation from the Joint Commission that Transferee may rely upon Transferor's representations in Section 4.17(c) for Transferee to rely upon the same accreditation standards for Transferee's employment of Transferor employees at or after Closing.

6.2 Operations.

From the date hereof until the Closing Date, except as set forth in Schedule 6.2, Transferor shall with respect to the Transferred Assets:

(a) carry on its business related to the Transferred Assets in substantially the same manner as it has heretofore and not make any material change in personnel, operations, finance, accounting policies, or the Transferred Assets other than in the ordinary course of business consistent with past practice;

(b) maintain the Transferred Assets and all parts thereof in as good working order and condition as at present, ordinary wear and tear excepted;

(c) perform in all material respects all of its obligations under Assumed Contracts relating to or affecting the Transferred Assets and the Facilities' business and operation in the ordinary course of business consistent with past practice;

(d) keep in full force and effect current insurance policies or other comparable insurance on the Transferred Assets in the ordinary course of business consistent with past practice;

(e) maintain and preserve its business organization with respect to the Facilities intact, retain its present employees at the Facilities and maintain its relationship with physicians, medical staff, suppliers, customers and others having business relations with the Facilities in the ordinary course of business consistent with past practice;

(f) permit and allow reasonable access by Transferee to make offers of post-Closing employment to any of Transferor's personnel, which personnel shall be allowed to accept such offers without penalty, competing offer or interference, and to establish relationships with physicians, medical staff and others having business relations with Transferor; provided that Transferee shall comply with the terms of Section 6.1 in connection with such access;

(g) render title to the Transferred Assets free and clear of all Encumbrances and Real Property Encumbrances (except for the Permitted Encumbrances), and to obtain appropriate consents and Approvals from all Persons and Governmental Entities necessary for the assignment to Transferee of the Transferred Assets and consummation of the transactions contemplated by this Agreement;

(h) use its commercially reasonable efforts to promptly cure any deficiencies cited by any Governmental Entity in the most recent surveys conducted by each or develop and timely implement a plan of correction that is acceptable to any Governmental Entity;

(i) use its commercially reasonable efforts to keep available for Transferee the services of the present officers, employees, medical staff, consultants, agents and representatives of the Facilities;

(j) comply in all material respects with all Laws applicable to the conduct of the business and operation of the Facilities consistent with past practice;

(k) maintain the levels and quality of Inventory existing on the date hereof consistent with past practice;

(l) collect accounts receivable and timely pay so as not to incur late fees on accounts payable in the ordinary course of business consistent with past practice;

(m) maintain all Approvals and Permits relating to the Transferred Assets and Assumed Liabilities in good standing; and

(n) promptly notify Transferee of any material and adverse change to the Transferred Assets, the Facilities, the representations made by Transferor in Article 4 and the covenants made to Transferor in this Article 6.

6.3 Negative Covenants.

From the date hereof to the Closing Date, except as set forth in Schedule 6.3, Transferor will not, with respect to the business or operation of the Facilities or otherwise regarding the Transferred Assets, without the prior written consent of Transferee, which will not be unreasonably withheld or delayed:

(a) enter into any new material contract or commitment, or incur or agree to incur any new material liability, except (i) in the ordinary course of business and not exceeding \$250,000 for each new liability, or (ii) for those of the foregoing which are terminable without cause or penalty within thirty (30) days following Closing;

(b) increase compensation payable or to become payable or make a bonus payment to or otherwise enter into one or more bonus or incentive agreements with any employee or agent or under any personal services contract, except in the ordinary course of business in accordance with existing personnel policies or to induce employees to remain through the Closing;

(c) sell, assign or otherwise transfer or dispose of any Transferred Assets, other than inventory and supplies in the ordinary course of business;

(d) (i) materially amend, modify, renew or terminate any Assumed Contract or permit any of the foregoing to occur except in the ordinary course of business; (ii) by action or inaction, abandon, terminate, cancel, forfeit, waive or release Transferor's material rights, in whole or in part, with respect to the Transferred Assets, or encumber any of the Transferred Assets, except for Permitted Encumbrances; or (iii) effect any merger, business combination, reorganization or similar transaction or take any other action, which could reasonably be expected to affect adversely Transferor's ability to perform in accordance with this Agreement; (iv) cancel or permit the cancellation or lapse of insurance coverage on the Transferred Assets or the Facilities which is not replaced with appropriate coverage except in the ordinary course of business; or (v) settle any dispute or threatened dispute with any Governmental Entity or third party regarding the Transferred Assets in a manner that materially and adversely affects Transferee;

(e) enter into, amend, modify or renew any Assumed Contract or new contract that will become an Assumed Contract between (i) a Transferor, and (ii) a Physician, a Physician Organization, or an APC;

(f) except Permitted Encumbrances, (i) create, assume or permit to exist any new Encumbrance upon any of the Transferred Assets except in the ordinary course of business, or (ii) create, assume or permit to exist any new Real Estate Encumbrance upon the Owned Real Property;

(g) initiate, commence, modify or terminate any Plan, except as otherwise contemplated by the terms of this Agreement;

(h) make any unbudgeted Capital Expenditure commitment in excess of \$250,000;

(i) add, modify, terminate or not renew any Payor Program agreement;

(j) take any other action outside the ordinary course of business with regard to the Assumed Contracts, the Assumed Liabilities, the Facilities or the Transferred Assets;

(k) amend the capital budget for the HMH 2017-2018 fiscal year as adopted on or prior to the LOI Date; or

(l) adopt the operating and capital budgets for the HMH 2018-2019 fiscal year that apply to periods up until Closing, provided that any Capital Expenditures in such budgets that exceed the thresholds within Schedule 6.3(l) shall be credited to the Capital Commitments as incurred.

For purposes of this Section, it shall be deemed reasonable if Baptist withholds consent for actions inconsistent with Baptist's post-Closing transition plans and form agreements for Physician employees and contractors.

6.4 Notification of Certain Matters.

(a) At any time from the date of this Agreement to the Closing Date, Transferor shall give prompt written notice to Transferee of (i) the occurrence, or failure to occur, of any event that has caused any representation or warranty of Transferor contained in this Agreement to be untrue in any material respect, (ii) any failure of Transferor to comply with or satisfy, in any material respect, any covenant, condition or agreement to be complied with or satisfied by it under this Agreement, and (iii) any material Environmental Condition of which Transferor is aware as to any of the Real Property or of any actions or notices described in Section 4.20. Such notice shall provide a reasonably detailed description of the relevant circumstances and shall include the amount which Transferor believes, based on facts known to it, would be payable as a result thereof.

(b) At any time from the date of this Agreement to the Closing Date, Transferee shall give prompt notice to Transferor of (i) the occurrence, or failure to occur, of any event that has caused any covenant, representation or warranty of Transferee contained in this Agreement to be untrue in any material respect and (ii) any failure of Transferee to comply with or satisfy, in any material respect, any covenant, condition or agreement to be complied with or satisfied by it under this Agreement. Such notice shall provide a reasonably detailed description of the relevant circumstances and shall include the amount which Transferee believes, based on facts known to it, would be payable as a result thereof.

6.5 Approvals.

(a) Each of Transferee and Transferor will (i) cooperate with each other and take all reasonable and necessary steps to obtain, as promptly as practicable, all Approvals and Permits of any Governmental Entities required of such Party to consummate the transactions contemplated by this Agreement and (ii) provide such other information and communications to any Governmental Entity as may be reasonably requested. Transferor and Transferee shall communicate with each other in a reasonable manner, coordinate and provide each other the opportunity to comment written responses and, subject to any advisable confidentiality restrictions, provide copies of documents and correspondence relating to the transactions contemplated hereby to be submitted to any of the Governmental Entities prior to such submission.

(b) To the extent that any Approval of a third party with respect to any Assumed Contract is required in connection with the transactions contemplated by this Agreement, Transferor shall use commercially reasonable efforts to obtain such Approval prior to the Closing Date and Transferor shall continue to do so after Closing for any Approvals not obtained at Closing. In addition, if any Encumbrance and/or Real Property Encumbrance, other than a

Permitted Encumbrance, is asserted against the Real Property through or under or pursuant to any act or omission of Transferor or any of its Affiliates after the date of this Agreement but prior to Closing, Transferor shall obtain the release of such Encumbrance and/or Real Estate Encumbrance prior to Closing.

(c) Without limiting the provisions of Section 6.4(a) above, Transferor and Transferee shall file, if and to the extent required by applicable law, all reports or other documents required or requested by governmental agencies or under the antitrust laws of the Kentucky and the United States and/or concerning the transactions contemplated by this Agreement, and comply promptly with any requests by the governmental agencies for information concerning such transactions, so that governmental agencies in Kentucky and the United States have been provided all information they have reasonably requested concerning such transactions. Transferor and Transferee shall furnish to the other Party, as applicable, such information as the other Party reasonably requires to perform its obligations pursuant to the laws of Kentucky and the United States and shall exchange drafts of the relevant portions of each other's report forms or other filings or responses prior to filing. Transferor and Transferee hereby acknowledge and agree that the transactions contemplated herein are exempt from the requirements of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, (Section 87A of the Clayton Act), 15 U.S.C. 18a, as a transfer from a political subdivision of a state (pursuant to 15 U.S.C. 18a(c)(4)).

(d) Transferor shall, at its sole expense and its capacity as a governmental entity, comply with the Laws of Kentucky, including but not limited to Ky. Rev. Stat. §§ 67.080 and 67.0802, with respect to notice and the manner of disposition, sale or conveyance of any of the Transferred Assets contemplated pursuant to this Agreement. At or prior to Closing, Transferor shall (i) provide Transferee with a good faith opinion of counsel of the County Attorney reasonably acceptable to Transferee, its counsel and the Title Company confirming such compliance; and (ii) take other steps or actions reasonably requested by Title Company or Transferee or its counsel that are mutually agreed upon to further ensure such compliance.

6.6 Restricted Funds.

Transferor represents and covenants that attached hereto as Schedule 6.6 is a list of all funds received and held by or on behalf of Transferor in the nature of grants, donations, contributions, bequests or trusts, which funds are restricted or conditioned as to their use by or for the benefit of the Hospital or the Transferred Assets ("Restricted Funds"). Schedule 6.6 further indicates the amounts, source and nature of the restrictions or conditions relating to all such Restricted Funds. At Closing, such Restricted Funds shall be assigned and transferred to Transferee in accordance with all applicable Laws and subject to any limitations imposed on any such Restricted Funds; and Transferee agrees to use such Restricted Funds in accordance with the restrictions and conditions imposed thereon, as disclosed on Schedule 6.6; or if such restrictions or conditions cannot be complied with by the Transferee or such restrictions or conditions are not modified by a court so as to permit Transferee's use of such Restricted Funds, then such Restricted Funds shall be returned to donors or otherwise used or disposed of in a manner and for such purposes as are satisfactory to the donors or the court. Transferor will direct and transfer of record (whether by transfer of physical possession or otherwise) all of Transferor's right, title and interest in all bequests, trusts or other donations required to be used at or for the benefit of the Hospital or Transferred Assets of which Transferor becomes aware or receives after Closing to Transferee

("Future Donor Restricted Funds"), and such Future Donor Restricted Funds shall be the sole, exclusive and absolute property of Transferee, subject, however to the restrictions or conditions imposed by the donors.

6.7 Additional Financial Information.

Within thirty (30) days following the end of each calendar month prior to the Closing Date, Transferor will deliver to Transferee, copies of the unaudited balance sheets and the related unaudited income statements of Transferor for each month then ended. Such financial statements shall have been prepared in accordance with GAAP, the balance sheets contained therein shall fairly present in all material respects the financial position of the Transferor at the date of such balance sheet and the income statements contained therein shall present fairly in all material respects the results of operations of the Transferor for the period indicated (subject to audit).

6.8 Transferor Insurance.

(a) Except for directors and officers liability and fiduciary liability insurance, the Parties anticipate that Transferor will terminate its liability insurance at Closing. Subject to further due diligence which the Parties will conduct after the date hereof but prior to the Funding Date, the Parties anticipate that Transferor will acquire the following commercially reasonable liability insurance coverage at Transferee's expense and subject to Transferee's consent (collectively "Post-Closing Insurance"):

(i) Transferor agrees to purchase on behalf of its directors and officers and Transferor, a six (6) year extended reporting period endorsement at consistent limits to its directors and officers liability insurance policy, effective the date of Closing; and

(ii) Transferor will maintain its existing fiduciary liability insurance coverage after Closing, with such coverage terminating and a six (6) year extended reporting endorsement with consistent limits being obtained promptly after County's receipt of a determination letter from the IRS that the Pension Plan has been terminated; and

(iii) Transferee agrees to obtain general, professional and other liability insurance at consistent limits reasonably acceptable to Transferor to cover claims made that arise from all applicable periods prior to Closing, but after the retroactive date in each respective liability policy of the Transferor. Transferor consents to such coverage being obtained through Transferee's liability insurance trust.

(b) Neither party shall unreasonably withhold, condition or delay any consent or approval pursuant to this Section 6.8. Transferor and Transferee shall reasonably cooperate with each other in obtaining such Post-Closing Insurance described in this Section 6.8 and either Transferor or Transferee shall be entitled to terminate this Agreement pursuant to Section 10.2 in the event that such Post-Closing Insurance is not obtained in compliance with this Section 6.8. For purposes of this Section 6.8, references to insurance shall include commercial insurance, insurance trusts, captive arrangements, reciprocal exchanges, risk retention groups and other commercially reasonable insurance or self-insurance arrangements or programs.

6.9 No Discussion.

Transferee has expended and contemplates further expenditures of substantial time and sums of money in connection with legal, accounting and due diligence work to be performed in conjunction with the transactions contemplated pursuant to this Agreement. Until the proper termination of this Agreement, Transferor will not, whether directly or indirectly, initiate, solicit, encourage, or respond to (in any substantial way) any inquiries or proposals or enter into or continue any discussions, negotiations, understandings, arrangements or agreements relating to: (i) any sale, exchange, issuance, transfer, merger or other disposition of any significant portion of the assets which are associated with or used in connection with the operation of the Hospital; (ii) any management, lease or similar arrangement in connection with the business and operation of the Hospital; or (iii) provide any assistance, information or data to, or otherwise cooperate or have discussions with, any other person or entity in connection with any such inquiry, proposal or transaction. Transferor will promptly notify Transferee by telephone and thereafter confirm in writing, if any such discussions or negotiations are sought to be initiated with, or any such proposal or possible proposal is received by, Transferor. In the event such a proposal is received by Transferor, Transferor will promptly notify any such third party of the existence of this exclusivity covenant and of Transferor's unwillingness to discuss any other proposed transaction until this Agreement is terminated.

6.10 Title Insurance and Survey.

Transferee shall have received commitments from a title insurance company reasonably acceptable to Transferee ("Title Company") to issue as of the Closing Date ALTA owner's policies of title insurance, with extended coverage and zoning endorsements, for the Owned Real Property, in each case in amounts equal to the reasonable value assigned to such Owned Real Property by Transferee and in the customary form prescribed for use in Kentucky (collectively, the "Title Policy"). Transferee shall, within twenty (20) business days from the date Transferee receives such commitments, notify Transferor in writing of any title exceptions or defects pertaining to such Owned Real Property to which Transferee objects and provide copies of documentation as to such matter. Not less than thirty (30) days after receiving Transferee's notice, Transferor shall notify Transferee in writing of any such exceptions to title or defects in title which Transferor is unable to (or chooses not to) cause to be removed or insured against prior to or at Closing. With respect to such exceptions or defects and prior to the Funding Date, Transferee shall elect, by giving written notice to Transferor within twenty (20) days thereafter, whether to (x) terminate this Agreement or (y) consummate the Closing with respect to all Transferred Assets and Assumed Liabilities. Transferor agrees to deliver any information and documentation as may be reasonably required by Title Company under the requirements section of the title insurance commitment or otherwise in connection with the issuance of the Title Policy. Transferor also agrees to provide an owner's affidavit of title and/or such other information as Transferee's title insurance company may reasonably require in order for the title insurance company to delete the "standard exceptions" from the Title Policy and to insure over the "gap" (i.e., the period of time between the effective date of the Title Company's last check-down of title to such Owned Real Property and the Closing Date). Transferee shall also have received as-built ALTA surveys of the Owned Real Property (or so much of the Owned Real Property Transferee elects to have surveyed) reasonably acceptable to Transferee reflecting all improvements visible on the Owned Real Property and all easements and rights of way of record on the Owned Real Property and all Owned Real Property subject to the

Beneficial Rights ("Survey"). The Survey shall be certified to Transferee and to the Title Company. The costs of such Title Policy and Survey shall be borne entirely by Transferee.

6.11 Pension Plan.

(a) Transferor represents HMH's actuary calculated the plan liabilities of the Pension Plan on a termination basis, based on reasonable actuarial assumptions and frozen benefits as of February 28, 2018 and projected to July 1, 2018, and the plan assets value for the Pension Plan as of January 31, 2018. Transferor provided such calculations to Transferee.

(b) Transferor represents that: (i) on or before May 22, 2018, the Board of Trustees of HMH shall have adopted resolutions and an amendment to the Pension Plan providing for a permanent "hard" freeze of benefit accruals effective not later than May 31, 2018 and for the termination of the Pension Plan with a termination date that is not later than May 31, 2018; and (ii) on or before August 1, 2018 or such other date that is mutually agreed by the Parties, HMH shall have filed an application with the Internal Revenue Service for a favorable determination letter on the termination of the Pension Plan. In addition, Transferor represents that HMH (the County after Closing) shall respond to requests for information from the Internal Revenue Service relating to the determination letter application and to execute one or more technical amendments to the Pension Plan if required by the Internal Revenue Service as a condition of the Internal Revenue Service for issuance of a favorable determination letter on the termination of the Pension Plan.

(c) Transferor shall take all actions that are necessary or appropriate to terminate the Pension Plan as a "governmental plan" within the meaning of Section 414(d) of the Code and Sections 3(32) and 4021(b)(2) of ERISA, with a Pension Plan termination date that is not later than May 31, 2018. Except as otherwise provided in this Section 6.11(c), HMH shall implement and complete the distribution of all Pension Plan benefits to or on behalf of members (participants), beneficiaries and alternate payees of the Pension Plan not later than the day before the Closing Date, regardless of whether or not HMH has received a favorable determination letter from the Internal Revenue Service on the termination of the Pension Plan. For these purposes, implementing and completing distributions of Pension Plan benefits not later than the day before the Closing Date includes, without limitation, (i) completing a cash or direct rollover of a lump sum distribution to each member, beneficiary or alternate payee who elects a cash or direct rollover of a lump sum distribution; (ii) if permitted by the Pension Plan, completion of an automatic rollover to an IRA selected by Transferor of a lump sum distribution on behalf of a member with a vested account balance of \$5,000 or less and who is not receiving pension benefits at the time of distribution and does not timely return to Transferor a properly completed cash or rollover election, even if such member has not been located by Transferor; (iii) to the extent permitted by the terms of the Pension Plan, making a cash (not a direct rollover) lump sum distribution to each member, beneficiary or alternate payee who does not elect a cash or direct rollover of a lump sum distribution; and (iv) completing the purchase of an annuity from an insurance carrier for each member, beneficiary or alternate payee who (A) is receiving periodic pension benefits and is not given an opportunity to elect a lump sum distribution in lieu of future periodic pension benefits, and (B) has elected to receive, or who has been deemed to have been elected to receive, periodic pension benefits and who has not timely elected a lump sum distribution in lieu of future periodic pension benefits. Transferor agrees to use its best efforts and professional diligence to implement

and complete the distribution of all Pension Plan benefits not later than the day before the Closing Date. The following is the only exception to the timing of distributions covenant in this Section 6.11(c): If, due to unforeseen circumstances and despite the best efforts and professional diligence of Transferor, certain distributions of Pension Plan benefits which have been initiated are not fully completed (not perfected) by the day before the Closing Date, Transferor agrees to cause the County to continue to serve as the sponsor and administrator of the Pension Plan and to undertake the remaining steps necessary to fully complete such distributions of Pension Plan benefits as soon as administratively possible on or after the Closing Date.

(d) In connection with Transferor's obligations under this Section 6.11, Transferee will provide County with reasonable access to the knowledge of individuals in Transferee's employ who assisted in the administration of the Pension Plan prior to the Closing Date and reasonable access to any records relating to the Pension Plan that reside with Transferee after the Closing Date; provided, however, nothing in this Section 6.11 or any other provision of this Agreement, or otherwise, is intended, and shall not be construed, to make the Transferee or Baptist, or any affiliate of Transferee or Baptist, an administrator or sponsor of, or a contributor to, the Pension Plan, or to otherwise obligate Transferee or Baptist, or any affiliate of Transferee or Baptist, to maintain the Pension Plan or fulfill Transferor's obligations hereunder. Transferee's post-Closing obligations with respect to the Pension Plan are addressed in Sections 2.3(h), 2.4(d), 6.8, and this 6.11 and in Article 11.

(e) Transferor shall only use funds within the Escrow Account or Excluded Assets to fulfill any direct funding obligations for the Pension Plan pursuant to this Section 6.11.

6.12 ACO Participation

Transferor represents and warrants that Transferor and certain of Transferor's employed Physicians, as disclosed to Transferee (collectively, the "ACO Participants") are currently participating providers with Western Kentucky ACO in the Medicare Shared Savings Program and potentially other governmental and commercial plans or networks. Transferor shall submit written notifications to Western Kentucky ACO no later than June 1, 2018 that the ACO Participants will no longer participate in any accountable care organizations, plans or networks with Western Kentucky ACO effective at the conclusion of Western Kentucky ACO's current plan year with the Medicare Shared Savings Program. Transferor will promptly, but no later than June 30, 2018, provide Transferee with a copy of such notice(s), confirmation of Western Kentucky ACO's notice to CMS of such participation modifications, and any other related correspondence. Transferor will reasonably cooperate with efforts by Transferee to add some or all of the ACO Participants as participating providers in the Baptist ACO effective after Closing and pursuant to such timeframes as determined by Transferee.

7. CONDITIONS PRECEDENT TO OBLIGATIONS OF TRANSFEE.

The obligations of Transferee hereunder are subject to the satisfaction, on or prior to the Funding Date, of the following conditions unless agreed in writing by Transferee to be completed prior to the Closing Date or waived in writing by Transferee:

7.1 Compliance With Covenants.

Transferor shall have in all material respects performed all obligations and complied with all covenants and conditions required by this Agreement to be performed or complied with by it at or prior to the Funding Date.

7.2 Pre-Closing Confirmations.

Transferee shall have obtained documentation or other evidence reasonably satisfactory to Transferee that Transferee has:

(a) received all required Approvals and Permits from all Governmental Entities whose approval is required to consummate the transactions herein contemplated and for Transferee to lawfully own and operate the Facilities with valid Medicare and Medicaid provider agreements, except for any such Approvals and Permits the failure of which to obtain would not have a Material Adverse Effect on the business, financial condition or results of operations of the Transferred Assets, taken as a whole; and

(b) received all legally or contractually required consents to the assignments and assumptions of the Material Assumed Contracts and estoppel certificates from lessors and lessees of the Transferor confirming that rent has been paid through a current date and that they are unaware of any default under such leases.

7.3 Action/Proceeding.

No court or any other Governmental Entity shall have issued an order restraining or prohibiting the transactions herein contemplated; and no Governmental Entity shall have commenced or threatened in writing to commence any action or suit before any court of competent jurisdiction or other Governmental Entity that seeks to restrain or prohibit the consummation of the transactions herein contemplated or otherwise seeks a remedy which would materially and adversely affect the ability of Transferee to enjoy the full use and enjoyment of the Transferred Assets.

7.4 Title Policies and Survey.

The Title Company shall have agreed to issue the Title Policy insuring Transferee's fee simple title in and to the Owned Real Property and Transferee's interest in the Beneficial Rights, showing no exceptions other than the Permitted Encumbrances together with such endorsements to such Title Policy as Transferee deems necessary in its sole discretion and at its sole cost. Further, the Survey shall not reflect any Real Property Encumbrances other than the Permitted Encumbrances and shall otherwise be acceptable to the Title Company for purposes of providing "survey coverage" in and/or deleting the preprinted survey exception from Schedule B-2 of the Title Policy. Transferor shall have executed and delivered the Title Company's required form of Owner's Affidavit attached as Exhibit I to enable the Title Company to issue an "extended coverage" Title Policy free of the Schedule B-2 pre-printed exceptions, except for matters shown on the Survey acceptable to Transferee.

7.5 Representations and Warranties.

The representations and warranties of Transferor set forth herein shall be true and correct in all material respects on the Funding Date (unless an earlier date is expressly specified herein with respect to any particular representation or warranty).

7.6 Material Adverse Effect.

There shall have been no Material Adverse Effect to the business, operational or financial condition of the Transferor or the Transferred Assets (taken as a whole) from the Balance Sheet Date through the Funding Date.

7.7 Insurance.

Transferee shall have received a true and correct copy of the Post-Closing Insurance policies required pursuant to Section 6.8.

7.8 Bonds.

Each of Transferee and Transferor shall have received evidence satisfactory to each of them, in its sole discretion, that Transferee and, as applicable, Transferor, have performed their respective obligations with regard to the Plan of Finance in Schedule 7.8 for the assumption, refinancing or defeasance of the debt instruments identified in the Plan of Finance (collectively, the "Debt Instruments"); and all conditions and requirements specified in the Plan of Finance have been satisfied.

7.9 Disclosure of Past Practices.

Transferor shall have filed with the CMS, the United States Department of Justice and/or the OIG, as appropriate, one or more disclosures (collectively, the "Self-Disclosure") of matters identified within the Letter, if any, that specifically reference this Section 7.9, provided that such disclosure(s) shall be in a form and substance reasonably acceptable to Transferee.

7.10 Real Estate Matters.

Transferor shall have completed or resolved each of the real estate matters identified on Schedule 7.10 to the reasonable satisfaction of Transferee.

8. CONDITIONS PRECEDENT TO OBLIGATIONS OF TRANSFEROR.

The obligations of Transferor hereunder are subject to the satisfaction, on or prior to the Funding Date, of the following conditions unless agreed in writing by Transferor to be completed prior to the Closing Date or waived in writing by Transferor:

8.1 Compliance With Covenants.

Transferee shall have in all material respects performed all obligations and complied with all covenants and conditions required by this Agreement to be performed or complied with by it at

or prior to the Funding Date.

8.2 Action/Proceeding.

(a) No court or any other Governmental Entity shall have issued an order restraining or prohibiting the transactions herein contemplated; no Governmental Entity shall have commenced or threatened in writing to commence any action or suit before any court of competent jurisdiction or other Governmental Entity that seeks to restrain or prohibit the consummation of the transactions contemplated hereby or impose material damages or penalties in connection therewith.

(b) The Excluded Contracts, if any, shall have been terminated and/or otherwise addressed in a manner reasonably acceptable to Transferor.

8.3 Representations and Warranties.

The representations and warranties of Transferee set forth herein shall be true and correct in all material respects on the Funding Date (unless a different date is expressly specified herein with respect to any particular representation or warranty).

8.4 Pre-Closing Confirmations.

Transferor shall have obtained documentation or other evidence reasonably satisfactory to Transferor that Transferor has received all required Approvals and Permits from all Governmental Entities whose approval is required to consummate the transactions herein contemplated, except for any such Approvals and Permits the failure to obtain would not have a Material Adverse Effect on the business, financial condition or results of operations of the Transferred Assets, taken as a whole.

9. TRANSITIONAL ARRANGEMENTS.

9.1 Collection Procedure for Government Patient Receivables.

Transferor hereby appoints Transferee, and Transferee agrees to act, as Transferor's collection agent with respect to the Government Patient Receivables relating to the rendering of services and provision of medicine, drugs and supplies by Transferor ("Transition Services") to patients admitted to a Facility on or before the Closing Date but from whom payment has not been received ("Transition Patients"). In connection therewith, on or before the Closing Transferee shall establish a "lock box" at a financial institution selected by Transferee, and after the Closing Transferor shall deposit in such lock box cash, checks, drafts or other similar items of payment allocable to Transferor's Government Patient Receivables. Transferor hereby assigns all such amounts deposited by Transferee, as collection agent, into the lock box to Transferee in full satisfaction of Transferor's obligation pursuant to Section 2.1(xiii) hereof to transfer to Transferee an amount equal to the value of Transferor's Government Patient Receivables arising from the rendering by Transferor of Transition Services up to the Closing.

9.2 Transferor's Cost Reports; RAC Communications.

(a) Transferor will timely prepare (or cause to have prepared) all cost reports relating to Transferor for periods ending on or prior to the Closing Date or required as a result of the consummation of the transactions set forth herein, including terminating cost reports for the Medicare, Medicaid and TRICARE programs (the "Transferor Cost Reports"). Transferee shall assist, or shall arrange for assistance to, Transferor for the preparation of the Transferor Cost Reports and shall bear the fees and expenses associated with the preparation of the Transferor Cost Reports. Transferee shall forward to Transferor any and all correspondence relating to Transferor Cost Reports within five (5) business days after receipt by Transferee. Transferee shall be entitled to any funds relating to Transferor Cost Reports and if Transferor receives any such funds, it will promptly forward them to Transferee within five (5) business days after receipt by Transferor; and Transferee shall be responsible for any demands for payment relating to such Transferor Cost Reports and if Transferor receives any such demands for payment, it will forward to Transferee such demand for payments within five (5) business days after receipt by Transferor.

(b) Transferee shall be entitled to any refunds relating to the CMS Recovery Audit Program and if Transferor receives any such funds, it will promptly forward them to Transferee within five (5) business days after receipt by Transferor. Transferee shall be responsible for any demands for payment under the CMS Recovery Audit Program and if Transferor receives any such demands for payment, it will forward to Transferee such demand for payments within five (5) business days after receipt by Transferor. Transferor shall also forward to Transferee within five (5) business days after receipt by Transferor all other communications received by Transferor from either the Recovery Auditor or Medicare Administrative Contractor or otherwise relating to the Recovery Audit Program.

9.3 Employees.

(a) The term "Employee" as used in this Agreement means any employee of the Transferor who accepts employment with Transferee as of the Closing Date. Effective as of the Closing Date, Transferor shall terminate all employees of the Facilities, and (i) in reliance upon Transferor's representations and covenants in Sections 4.17(c) and 6.1(b), and (ii) subject to the applicant complying with Transferee's human resources policies and procedures, Transferee shall offer employment to all non-contracted Facility employees at their existing rates of compensation with Transferor immediately prior to termination, to take effect at Closing. Transferee shall employ a sufficient number of Employees for at least a 90-day period following the Closing Date with the intent as not to constitute a "plant closing" or "mass layoff" (as those terms are used in the Worker Adjustment and Retraining Notification Act, 29 U.S. Stat. § 2101 et. seq.) with respect to any of the Facilities.

(b) Non-contracted Employees shall remain employees-at-will, subject to Transferee's rights as employer under applicable law. Employees that are parties to Assumed Contracts shall be retained subject to the respective terms of such contracts. When determined by Transferee, Transferee shall provide Employees with those employee benefits offered to other similarly situated Baptist employees. Transferee shall recognize the years of service and provide service credit to all Employees consistent with Transferor's past practice for recognizing such service, including calculation of Transferee's service-based formula to determine the applicable tier to be

used in Transferee's retirement accumulation plan, and for purposes of any employee benefit plan or program maintained by Baptist and/or its Affiliates in which such Employee participates or is eligible to participate, including any qualified or non-qualified retirement or savings plan, health and welfare plan, or paid time off, holiday, or severance plan or policy. Transferee shall determine the timing and process for all Employees (and their eligible spouses and dependents) who, given their service credit as defined above, have met the age and service requirements for participation in the respective plan or program maintained by Transferee and/or its Affiliates. Additionally, each Employee may elect (i) to have all of his/her accrued unused paid time off paid out to such Employee when Transferee transitions all Employees to Transferee's human resources information system, or (ii) to carry over or receive credit for his/her accrued unused paid time off for use with respect to such Employee's employment with Transferee. Transferee shall assume Transferor's extended illness bank (EIB) and carry over any accrued hours. Transferee will maintain the Transferor's health and welfare Plans identified on Schedule 9.3(e)(2) through the 2019 Plan year. Notwithstanding anything contained herein to the contrary and except as set forth in Sections 9.3(e) and 9.3(g), nothing contained herein shall be construed to restrict Transferee's future ability after the Closing to amend, modify or terminate future benefit offerings as it sees fit in its sole discretion.

(c) Transferee will maintain the Transferor's health Flexible Spending Account benefit and/or dependent care Flexible Spending Account benefit (collectively, "FSA") under the Transferor's cafeteria plan ("Transferor's FSA") for its 2019 plan year. Transferee may offer Employees the opportunity to become participants in the FSA maintained by Baptist and/or its Affiliates ("Transferee's FSA") for a future plan year. At or prior to Closing, Transferor will provide Transferee with a current list of the Transferor's FSA participants reflecting their effective dates of participation during the 2019 plan year, withholding elections, year to date contributions, year to date claims submitted, year to date claims reimbursed and FSA account balances. As soon as practicable after Closing, but in all events within thirty (30) days following the Closing Date, Transferor will update such information on Transferor's FSA to Transferee as of the Closing Date.

(d) Transferee agrees to provide continuing health benefit coverage under Transferor's continuation of coverage program, and after the termination of Transferor's continuation of coverage program or as otherwise determined by Transferee, then under Transferee's or its Affiliate's continuation of coverage program, to any Continuation of Coverage Beneficiaries with respect to the Transferor's applicable Plans. The term "Continuation of Coverage Beneficiaries" as used in this Agreement means employees or former employees of the Transferor (and their eligible spouses and dependents) identified on Schedule 9.3(d) who are receiving or are entitled to receive COBRA continuation coverage prior to Closing under an applicable Plan or who become entitled to receive COBRA continuation coverage under an applicable Plan with respect to the transactions contemplated by this Agreement. Notwithstanding the foregoing, in the event that Transferor (County or any other entity on behalf of Transferor) (each a "COBRA Indemnatee") shall be obligated to provide COBRA continuation coverage to any Continuation of Coverage Beneficiaries, Transferee shall reimburse each such COBRA Indemnatee for any and all expenses incurred thereby (including, claims incurred under a self-insured group health plan, administrative fees, insurance or reinsurance premiums, etc.) by such COBRA Indemnatee under any group health plans of such COBRA Indemnatee in excess of the premiums collected from the Continuation of Coverage Beneficiaries and any actual reinsurance recoveries to the extent attributable to COBRA continuation coverage provided to the Continuation of Coverage Beneficiaries, and each such COBRA Indemnatee shall invoice Transferee monthly with respect to such expenses and

Transferee shall be obligated to make full payment of each such invoice within thirty (30) days of the date of receipt of such invoice.

(e) Transferee shall maintain, without amendment or any other material change, that certain Retiree Medical Plan Policy of Transferor, a copy of which is attached hereto as Schedule 9.3(e) and incorporated herein by reference, until such time as those participants who are currently participating as of the Closing and those who are eligible for regular or partial coverage as of the Closing have exhausted their benefits thereunder.

(f) Notwithstanding any other provision of this Agreement to the contrary and subject to complying with Transferee's human resources policies and procedures, Transferee will ensure that the members of the Transferor's senior executive team will each continue in their current positions of leadership with the Hospital, which may be modified to be consistent with Transferee's management structure, as either at-will employees or subject to the terms of a contractual arrangement or Transferee's rights as employer under applicable law.

(g) Notwithstanding any other provision in this Agreement to the contrary, during the first twelve (12) months following the Closing Date, the Transferee shall comply with those certain transition plans and policies identified within Schedule 9.3(g), as the same exist as of the date hereof, with respect to Employees.

(h) To the extent HMH has not made bonus payments prior to Closing, Transferee agrees to make payments to Employees consistent with the policies, plans, agreements, limitations, terms and conditions set forth or described in Schedule 9.3(h).

9.4 Hospital Medical Staff.

At Closing, Transferee will (i) adopt the Hospital's medical staff bylaws, rules and regulations subject to confirmation that such bylaws, rules and regulations conform with applicable laws and regulations and national and regional norms (provided that the foregoing shall not prevent Transferee from proposing new bylaws); and (ii) begin working with the medical staff and medical executive committee to review the Hospital's existing bylaws and the medical staff bylaws, rules and regulations of a Baptist hospital Affiliate in an effort to develop a single set of bylaws for the Hospital for medical staff approval, recognizing that there are some material differences in classifications and delineation of privileges. Transferee agrees that the Hospital's medical staff members and other practitioners with clinical privileges in good standing as of the Closing shall maintain such medical staff membership and clinical privileges immediately following the Closing and Transferee will honor the respective terms of appointment of such Members and practitioners. The foregoing will not limit the ability of Transferee to (A) modify the bylaws rules and regulations to comply with applicable laws and regulations, or (B) grant, withhold, or suspend medical staff appointment or clinical privileges in accordance with the terms of the Hospital's medical staff bylaws after the Closing.

10. ADDITIONAL AGREEMENTS.

10.1 Allocation of Purchase Price.

(a) The Purchase Price will be allocated among the Transferred Assets in the manner required by the Code. The fair market values and the allocation will be agreed to by Transferee and Transferor prior to the Closing Date.

(b) Transferee will provide to Transferor copies of Form 8594 and any required exhibits thereto, consistent with the allocations in Section 10.1(a). In this regard, the Parties agree that, to the extent required, all tax returns or other tax information they may file or cause to be filed with any Governmental Entity shall be prepared and filed consistently with such allocation.

10.2 Termination Prior to the Funding Date/Effect of Termination.

(a) Anything herein to the contrary notwithstanding, except as set forth in Section 10.2(c) and subject to Section 10.2(d), this Agreement and the transactions contemplated by this Agreement may be terminated at any time prior to the time of the funding on the Funding Date: (i) by mutual consent in writing of Transferee and Transferor; (ii) by Transferee by written notice to Transferor in the event Transferee has not completed its due diligence activities to Transferee's sole and complete satisfaction; (iii) by either Transferor or Transferee pursuant to Section 6.8 or Section 12.18; (iv) by Transferee pursuant to Section 6.10; (v) by Transferee by written notice to Transferor if any event occurs or condition exists which causes one or more conditions to the obligations of Transferee to consummate the transactions contemplated by this Agreement as set forth in Article 7 to not be satisfied prior to the Funding Date; (vi) by Transferee if Transferor is in breach of any provision of this Agreement that has not been cured within thirty (30) days after written notice is provided to Transferor of such breach; (vii) by Transferee if HMH is suspended or excluded from participation in Medicare, Medicaid or Tricare; (viii) by Transferor if Transferee or any of its Affiliates is suspended or excluded from participation in Medicare, Medicaid or Tricare; or (ix) by Transferor if Transferee is in breach of any material provision of this Agreement that has not been cured within thirty (30) days after written notice is provided to Transferee of such breach.

(b) In the event that this Agreement shall be terminated pursuant to Section 10.2(a), all further obligations of the Parties under this Agreement shall terminate without further liability of any Party to another, with the exception of provisions that expressly survive termination and Section 10.2(d), Section 12.2, Section 12.3, Section 12.4, Section 12.6, Section 12.7, Section 12.8, Section 12.10 and Section 12.14.

(c) Anything herein to the contrary notwithstanding, the Transferor and Transferee hereby acknowledge and agree that this Agreement may not be terminated at any time by either Party after the time of funding on the Funding Date or after the Funding Date, except by Transferee (i) pursuant to Section 10.3, or (ii) for any of the reasons specified in Section 10.2(a)(ii)-(iii) and subject to Section 10.4.

(d) In the event that this Agreement is terminated by Transferee after the Funding Date for any reason except as otherwise specified in Section 10.3, or the Closing does not occur after the Funding Date for any reason not specified in Section 10.3, the Transferor shall be immediately entitled to the Escrow Amount and such Escrow Amount shall be released by the Escrow Agent to the Transferor immediately upon wire transfer to Transferor in accordance with the Escrow Agreement. At Closing, Transferor shall be immediately entitled to the Escrow Amount and such

Escrow Amount together with accrued interest shall be released from the Escrow Agent to the Transferor immediately upon wire transfer to Transferor in accordance with the Escrow Agreement.

(e) In the event that the Closing does not occur by December 31, 2019, then Transferor shall have the right to terminate this Agreement at any time; provided, that such termination shall not impact Transferor's right to receive the Escrow Amount if the Transferor has fulfilled all of its obligations pursuant to Article 7 on the Funding Date and is prepared to deliver all items described in Section 3.2.

10.3 Termination Prior to the Closing Date/Effect of Termination.

In the event this Agreement is terminated after the Funding Date and prior to the Closing Date by Transferee pursuant to Section 10.2(a)(v) (if and to the extent Transferee and Transferor agree in writing that one or more Article 7 conditions may be satisfied after the Funding Date but on or prior to Closing), Section 10.2(a)(vi), or Section 10.2(a)(vii), then (i) Escrow Agent shall promptly remit the entire principal and all accrued interest in the Escrow Account to Transferee and Transferor shall have no right or claim to the Escrow Amount; and (ii) Transferor shall, within thirty (30) days of such termination, pay Transferee the difference in the sum of all prior deposits made by Transferee to the Escrow Account and the total amount paid by Escrow Agent to Transferee pursuant to this Section 10.3. Interest shall accrue at the rate of six percent (6%) per annum of any unpaid sums pursuant to this paragraph and Transferee shall be entitled to reasonable costs of collection.

10.4 Escrow Account.

The Escrow Account shall be established and funded by Transferee with the Escrow Amount and held by the Escrow Agent on the business day prior to the Funding Date pursuant to a mutually agreed upon escrow agreement ("Escrow Agreement") to secure the obligations of the Transferee pursuant to this Agreement. The Escrow Amount and Escrow Account are integral and material parts of this Agreement, and the Parties would not have entered into the Agreement without the certainty of both. The Escrow Amount is calculated based only on the direct funding expenses of the Pension Plan as a governmental plan and the Escrow Account will serve as the sole source of funding for Transferor to fully fund the Pension Plan for purposes of carrying out Transferor's obligations pursuant to Section 6.11. The Escrow Amount will be released to Transferor on the Funding Date for the sole purpose of funding the Pension Plan pursuant to Section 6.11(e).

10.5 Post-Closing Access to Information.

Transferee and Transferor acknowledge that, subsequent to Closing, Transferee and Transferor may each need access to information, documents or computer data in the control or possession of the other, and Transferor may need access to the Transferred Assets or the Facilities for the purpose of concluding the transactions contemplated herein and for audits, investigations, compliance with governmental requirements, regulations and requests, and the prosecution or defense of third party claims. Accordingly, Transferee agrees that it will make available to Transferor and its agents, independent auditors and or Governmental Entities such documents and

information as may be available relating to the Transferred Assets and Facilities in respect of periods prior to Closing and will permit Transferor to make copies of such documents and information. Transferor agrees that it will make available to Transferee and its agents, independent auditors and or Governmental Entities such documents and information as may be available relating to the Transferred Assets and Facilities in respect of periods prior to Closing and will permit Transferee to make copies of such documents and information.

10.6 Reproduction of Documents.

This Agreement and all documents relating hereto may be copied or reproduced by Transferor and by Transferee, and Transferor and Transferee may destroy any original documents so reproduced. Transferor and Transferee agree and stipulate that any such reproduction shall be admissible in evidence as the original itself in any judicial, arbitral or administrative proceeding (whether or not the original is in existence and whether or not such reproduction was made by Transferor or Transferee in the regular course of business) and that any facsimile or further reproduction of such reproduction shall likewise be admissible in evidence.

10.7 Consented Assignment.

Prior to Closing, Transferor shall use best efforts to obtain consents to assignment to those Assumed Contracts for which consent to assignment is contractually required, and Transferee will use its commercially reasonable efforts to assist Transferor. It shall be a condition precedent to Transferee's obligations pursuant to Section 7.2 that such consents to the assignment of each Material Assumed Contract shall have been obtained prior to the Funding Date. If such consent to assignment of a Material Assumed Contract is not obtained but Transferee nonetheless elects to proceed with funding the Escrow Account, then the condition precedent that the consent to the assignment of such Material Assumed Contract be obtained shall be deemed to have been modified by Transferee so that Transferor shall assign such Material Assumed Contract to Transferee at Closing.

10.8 Non-Competition.

(a) In partial consideration of Transferee's agreement to assume and agree to pay the Purchase Price and pay, perform and discharge when due, and hold the County harmless from and against the Assumed Liabilities, including, without limitation all known and unknown obligations and liabilities accruing under or arising out of the Assumed Contracts, the Facilities and the Transferred Assets, the County agrees that without the Transferee's prior written consent, during the period commencing on the Closing Date and ending on the tenth (10th) anniversary of the Closing Date (the "Non-Compete Period") and so long as Transferee continues to operate a general acute care hospital in the County during the Non-Compete Period, the County shall not (i) engage in the operation of any Competing Business within the geographic boundaries of County (the "Territory"), or (ii) acquire, lease, own or be a shareholder, partner, member or equity holder of, exercise management control over, provide consulting services for, or acquire or maintain a controlling interest in, any Competing Business that is located in the Territory. For purposes of this Section, the term "Competing Business" means the business of hospitals, ambulatory surgical centers, medical clinics, imaging facilities, clinical labs, diagnostic clinics, nursing facilities, home

health agencies, hospices, physician practices, behavioral health centers and any and all other healthcare facilities and services.

(b) Notwithstanding the foregoing, the County may (i) sponsor or conduct public health and preventative health programs to promote the health and well-being of the County community, such as health fairs and vaccination and immunization programs, provided that during the Non-Compete Period Transferee will have a reasonable first opportunity to provide such services sponsored or conducted by the County if a third party is involved to do so; (ii) operate a public health department for the benefit of County residents, and the engaging in such noncompetitive community welfare programs is not prohibited under this Agreement; (iii) continue to operate an emergency medical service for the benefit of County residents; and (iv) provide employee health clinics to County employees, provided that during the Non-Compete Period Transferee will have a reasonable first opportunity to provide such services sponsored or conducted by the County if a third party is involved to do so. Moreover, this Section 10.8 shall not apply in the event that Baptist defaults on any payment due under the Note (as set forth in Section 2.5 of this Agreement) or fails to meet either of its Capital Commitments (as set forth in Section 10.10 of this Agreement).

(c) Transferor recognizes that the covenants in this Section 10.8, and the territorial, time and other limitations with respect thereto, are reasonable and properly required for the adequate protection of the acquisition of the Transferred Assets by Transferee, and agree that such limitations are reasonable with respect to its activities, business and public purpose. Transferor agrees and acknowledges that the violation of the covenants or agreements in this Section 10.8 would cause irreparable injury to Transferee and that the remedy at law for any violation or threatened violation thereof would be inadequate and that, in addition to whatever other remedies may be available at law or in equity, Transferee shall be entitled to temporary and permanent injunctive or other equitable relief without the necessity of proving actual damages or posting bond. The Parties hereto also waive any requirement of proving actual damages in connection with the obtaining of any such injunctive or other equitable relief. In addition to any injunctive relief or specific performance, Transferee may pursue such other remedies to which it may be entitled under applicable Law.

(d) It is the intention of each Party hereto that the provisions of this Section 10.8 shall be enforced to the fullest extent permissible under the Laws and the public policies of the Commonwealth of Kentucky, but that the unenforceability (or the modification to conform with such Laws or public policies) of any provisions hereof shall not render unenforceable or impair the remainder of this Agreement. Accordingly, if any term or provision of this Section 10.8 shall be determined to be illegal, invalid or unenforceable, either in whole or in part, this Agreement shall be deemed amended to delete or modify, as necessary, the offending provisions and to alter the balance of this Agreement in order to render the same valid and enforceable to the fullest extent permissible as aforesaid. If any provision of this Section 10.8 (or any element thereof) shall be determined to be overbroad as to geographical area, activity, or time covered, then the said geographical area, activity, or time covered may be either stricken or reduced by a court of competent jurisdiction to the extent such court deems reasonable, and this Section 10.8 may then be enforced as to such remaining portions and such reduced geographic area, activity, or time.

10.9 Hospital Name.

The name of the Hospital after the Closing shall be "Baptist Health Hardin" or such other name as selected by Transferee.

10.10 Capital Commitments.

(a) During the five (5) year period immediately following the Closing of the Transaction ("First Capital Period"), Baptist will spend or Commit to spend not less than \$150,000,000 in Capital Expenditures benefiting the Hospital and other Hospital-acquired facilities within the Hospital Service Area in a manner consistent with the strategic plan for the Central Kentucky Market, Transferee to provide a draft of such strategic planning process to Transferor within a reasonable period after the Effective Date (the "First Capital Commitment").

(b) During the five (5) year period immediately following the end of the First Capital Period ("Second Capital Period"), Baptist will spend or Commit to spend not less than \$85,000,000 in Capital Expenditures benefiting the Hospital and other Hospital-acquired facilities within the Hospital Service Area in a manner consistent with the strategic plan for the Central Kentucky Market (the "Second Capital Commitment" and, together with the First Capital Commitment, the "Capital Commitments"). Notwithstanding anything herein to the contrary, in the event Baptist's actual Capital Expenditures spent during the First Capital Period exceed the First Capital Commitment, such excess Capital Expenditures shall be credited to the Second Capital Commitment.

(c) Until the Capital Commitments have been satisfied, Baptist shall provide the Hardin County Judge Executive with an annual report (each a "Capital Commitment Report") reasonably describing Baptist's Capital Expenditures for the prior fiscal year, the Capital Expenditures planned for the current fiscal year, and the cumulative progress to date towards satisfying the Capital Commitments. Each Capital Commitment Report shall be delivered to the Hardin County Judge Executive no later than November 15th of each year. Baptist shall comply with any requests for information from the Hardin County Judge Executive that are reasonably necessary to confirm the accuracy of each Capital Commitment Report.

(d) If Baptist fails to satisfy the Capital Commitments by the end of the Second Capital Period, then: (i) the limitations on the County set forth in Section 10.8 shall terminate; and (ii) any difference between the Capital Commitments and the actual Capital Expenditures during the Total Capital Period shall be paid to the County no later than March 1, 2029.

(e) The Capital Commitments shall be reduced if and to the extent (i) after the date of this Agreement and prior to Closing, a material part or portion of the Transferred Assets is or has been damaged, condemned, lost or destroyed and such damage, condemnation, loss or destruction is uninsured and exceeds an aggregate amount of Ten Million and 00/100 Dollars (\$10,000,000); and/or (ii) Transferor incurs Capital Expenditures after the LOI Date that are in excess of the Capital Expenditures in the budget approved by Transferor on or prior to such date.

10.11 Hospital Administrative Board.

(a) After Closing, Baptist will appoint a Hospital Administrative Board ("Hospital Administrative Board") consisting of approximately eleven (11) members appointed by Baptist. In addition, the Baptist Chief Executive Officer or his designee will be an *ex-officio*, non-voting member of the Hospital Administrative Board. The President of the Hospital Medical Staff shall serve as one of the eleven (11) voting members of the Hospital Administrative Board. Physicians may be appointed to the Hospital Administrative Board. Baptist shall fill eight (8) of the eleven (11) initial Hospital Administrative Board seats with individuals nominated by Transferor and identified on Schedule 10.11. At least two Hospital Administrative Board members will include Baptist executives and/or current or former Baptist governing board members. Until the later of (i) such time that Baptist has paid the full Purchase Price (including any principal and interest due under the Note), (ii) such time that Baptist has completed each of its Capital Commitments, or (iii) ten (10) years, at least a majority (6 of 11) of the Hospital Administrative Board members shall be residents of the County.

(b) The initial Hospital Administrative Board will be identified on Schedule 10.11 at least ninety (90) days prior to the Closing Date and shall be staggered for one (1), two (2), three (3), and four (4) year terms. Members of the Hospital Administrative Board, other than members of the initial Board, shall serve four (4) year terms ("Term"). Members of the Hospital Administrative Board may serve two (2) consecutive Terms (the "Term Limit"). Board members shall be eligible for additional Terms beyond the Term Limit after one (1) year off the Hospital Administrative Board. Staggered terms shall be treated as full terms for purposes of calculating the Term Limit.

(c) In addition to those specific responsibilities of the Hospital Administrative Board required by The Joint Commission, the Hospital Administrative Board will be delegated the following by Baptist, as consistent with other Baptist Affiliate hospitals: (i) any duty or responsibility delegated by the Baptist Board of Directors; (ii) develop and monitor implementation of the Hospital Service Area strategic plan as part of Baptist's strategic plan for the Central Kentucky Market; (iii) participate in the review of the Hospital's capital and operating budgets and monitor the financial performance of the Hospital; (iv) implement major capital expenditures and monitor compliance with the Capital Commitments identified in Section 10.10; (v) credential members of the medical staff and other individuals providing patient care services including appointment, reappointment and granting and terminating medical staff clinical privileges; (vi) oversee the implementation of quality, risk management, patient safety, patient experience, and patient care activities consistent with goals established by the Baptist Board of Directors and by the Hospital Administrative Board; (vii) oversee community benefit activities, public relations, and community involvement; (viii) review and monitor the Hospital's community health needs assessment; (ix) support philanthropic efforts and planned giving; (x) monitor accreditation and licensing requirements for the Hospital; and (xi) monitor implementation of Baptist's compliance program at the Hospital.

10.12 Inmate Services.

Transferee shall provide medical services to uninsured County inmates at the County jail for twenty-five (25) years following the Closing. Such medical services will be provided at no

charge to the County, except that the total annual amount will be capped at \$150,000 in unreimbursed costs to the Transferee and Hospital, which cap shall be adjusted annually in direct proportion to the percent change in the CPI Index as measured from December to December of the immediately preceding year. For calculation purposes, the prior year's cap amount shall be the amount subject to adjustment. The costs of care will be determined using the overall Medicare cost to charge ratio from the Hospital's Medicare cost report. Any costs of care to such inmates exceeding the cap will be reimbursed by the County to Transferee. Any medical services provided to County inmates that are reimbursed in whole or in part by governmental and non-governmental payors or programs shall not be considered unreimbursed costs and shall not count against the annual cap.

10.13 New Baptist Market.

After Closing, Baptist will create a new "Central Kentucky Market" for Baptist comprised primarily of the Hospital Service Area and will operate the Central Kentucky Market with the goal of growing the services at Hospital and enhancing Hospital's position and reputation as a regional referral center.

10.14 Future Sale of Hospital.

The Parties intend for the transactions contemplated by this Agreement to establish a permanent relationship between the Hospital and Baptist, while acknowledging that the County is entering into such transactions on the basis of certain expectations regarding the continuing provision of services in the County and enhancing Hospital's position and reputation as a regional referral center pursuant to Section 10.13. Until the later of (i) such time that Baptist has paid the full Purchase Price (including any principal and interest due under the Note), or (ii) such time that Baptist has completed each of its Capital Commitments, neither Baptist nor any Affiliate shall sell the Hospital or substantially all of the Transferred Assets to a non-Baptist Affiliate ("Sale of Transferred Assets") without first offering the County the right to acquire such Transferred Assets on the same terms as set forth in the proposed bona fide offer that Baptist or its Affiliate intends to accept for such Transferred Assets (the "Repurchase Right"). The Repurchase Right shall be exercisable by County in writing to Baptist for a period of sixty (60) days following receipt by the County of notice regarding the proposed Sale of Transferred Assets. In the event that the County takes action to exercise the Repurchase Right, the parties shall work together in good faith to transition such Transferred Assets to control and operation by the County or its designee. In the event the County fails to provide notice to Baptist that County is exercising the Repurchase Right within sixty (60) days following County's receipt of any notice regarding the Proposed Sale of Transferred Assets, County shall have irrevocably waived such Repurchase Right and this Section shall no longer have any force or effect. A Sale of Transferred Assets shall not include any merger, change in control or member substitution of Transferee and its Affiliates, or a sale of substantially all of the assets of Transferee or any of its Affiliates where the Transferred Assets are only a part of a larger transaction.

11. INDEMNIFICATION AND REMEDIES.

11.1 Indemnification by Transferor.

Subject to and to the extent provided in this Article 11, Transferor shall indemnify and hold harmless Transferee and its respective members, shareholders, partners, directors, officers, employees, agents and affiliates (each, a "Transferee Indemnified Party") from, against and for any damages, claims, costs, losses, liabilities, expenses or obligations (including reasonable attorneys' fees and associated expenses) whether or not involving a third-party claim (collectively, "Losses") incurred or suffered by a Transferee Indemnified Party as a result of or arising from:

(a) any Losses attributed to the ownership, use and/or operation of the Transferred Assets by Transferor prior to the Effective Time to the extent that such Losses are not Assumed Liabilities;

(b) any breach of or inaccuracy in any representation or warranty made by Transferor in this Agreement;

(c) any breach of a covenant, obligation or agreement of Transferor in this Agreement;

(d) the Excluded Liabilities, the Excluded Contracts and the Excluded Assets;

(e) an Environmental Condition that existed prior to the Effective Time;

(f) any violation of any Law to the extent arising from acts or omissions prior to the Effective Time;

(g) any Transferor Cost Report, including terminating cost reports, or third-party payor programs, with respect to periods ending prior to the Effective Time, whether arising in connection with a "self-report" or otherwise; and

(h) items specified in Schedule 4.11(c).

Provided, however, that any and all of Transferor's obligations under this Article 11 with respect to such Losses shall be limited to having such Losses treated as Unindemnified Losses and therefore Capital Expenditures (as set forth in Section 1.1) and applied to the Capital Commitments (as set forth in Section 10.10).

11.2 Deductible for Transferee Losses.

Notwithstanding Section 11.1, Unindemnified Losses shall not include any Losses arising pursuant to Section 11.1 unless and until the aggregate amount of such Losses exceeds Fifty Thousand and 00/100 Dollars (\$50,000) (the "Basket"), at which time, Losses shall be treated as Unindemnified Losses from the first dollar.

11.3 Indemnification by Transferee.

Subject to and to the extent provided in this Article 11, Transferee ("Transferee Indemnitor") shall indemnify and hold harmless Transferor and its members, directors, officers, trustees and agents (each, a "Transferor Indemnified Party" and, together with the Transferee Indemnified Parties, the "Indemnified Parties") from, against and for any Losses incurred or

suffered by a Transferor Indemnified Party as a result of or arising from: (a) any breach of or inaccuracy in any representation or warranty made by Transferee in this Agreement; (b) any breach of a covenant, obligation or agreement made by Transferee in this Agreement; (c) the Assumed Liabilities; (d) the Assumed Contracts for events arising after Closing; and (e) any Losses attributed to the Transferee's ownership and operation of the Transferred Assets.

11.4 Deductible for Transferor Losses.

Transferee shall have no liability with respect to Losses arising pursuant to Section 11.2 unless and until the aggregate amount of such Losses exceeds the Basket, at which time, Transferee shall be responsible for all aggregate Losses arising from Section 11.2 from the first dollar.

11.5 Procedure for Indemnification – Non Third-Party Claims.

The Transferee Indemnified Parties or Transferor Indemnified Parties shall each be referred to as an "Indemnified Party." Whenever any claim shall arise for indemnification hereunder not involving a demand, claim, action or proceeding made or brought by a third party, including without limitation a government agency (a "Proceeding"), the Indemnified Party shall notify the indemnifying party promptly after such Indemnified Party has actual knowledge of the facts constituting the basis for such claim. The notice to the indemnifying party shall specify, if known, the amount or an estimate of the amount of the liability arising therefrom.

11.6 Procedure for Indemnification – Third-Party Claims.

(a) Promptly after receipt by an Indemnified Party of notice of the commencement of any Proceeding, such Indemnified Party will, if a claim is to be made against an indemnifying party pursuant to this Article 11, give notice to the indemnifying party of the commencement of the Proceeding, but the failure to notify the indemnifying party will not relieve the indemnifying party of any liability that it may have to the Indemnified Party, except to the extent that the indemnifying party demonstrates that the defense of such action is prejudiced by the Indemnified Party's failure to provide such notice.

(b) If any Proceeding is brought against an Indemnified Party and such Indemnified Party gives notice to the indemnifying party ("Claims Notice") of the commencement of such Proceeding, the indemnifying party will, unless the Proceeding involves Taxes, be entitled to participate in such Proceeding and, to the extent that it wishes (unless (i) the indemnifying party is also a party to such Proceeding and the Indemnified Party determines in good faith that joint representation would be inappropriate, or (ii) the indemnifying party fails to provide reasonable assurances to the Indemnified Party of its financial capacity to defend such Proceeding and provide indemnification with respect to such Proceeding), to assume the defense of such Proceeding with counsel satisfactory to the Indemnified Party and, after notice from the indemnifying party to the Indemnified Party of its election to assume the defense of such Proceeding, the indemnifying party will not, as long as it diligently conducts such defense, be liable to the Indemnified Party under this Section 11.6 for any fees of other counsel or any other expenses with respect to the defense of such Proceeding, in each case subsequently incurred by the Indemnified Party in connection with the defense of such Proceeding, other than reasonable costs of investigation. If the indemnifying party assumes the defense of a proceeding, (A) it will be conclusively established for purposes of

this Agreement that the claims made in the Proceeding are within the scope of and subject to indemnification in accordance with this Article 11; and (B) no compromise or settlement of such claims may be effected by the indemnifying party without the Indemnified Party's consent unless (I) there is no finding or admission of any violation of legal requirements or any violation of the rights of any person and no effect on any other claims that may be made against the Indemnified Party; (II) the sole relief provided is monetary damages that are paid in full by the indemnifying party; and (III) the Indemnified Party will have no liability with respect to any compromise or settlement of such claims effected without its consent. If notice is given to an indemnifying party of the commencement of any Proceeding and the indemnifying party does not, within ten (10) days after the Indemnified Party's notice is provided, give notice to the Indemnified Party of its election to assume the defense of such Proceeding, the indemnifying party will be bound by any determination made in such Proceeding or any compromise or settlement effected by the Indemnified Party.

(c) Notwithstanding the foregoing, if an Indemnified Party determines in good faith that there is a reasonable probability that a Proceeding may adversely affect it or its affiliates other than as a result of monetary damages for which it would be entitled to indemnification under this Agreement, the Indemnified Party may, by notice to the indemnifying party, assume the exclusive right to defend, compromise or settle such Proceeding, but the indemnifying party will not be bound by the determination of a Proceeding so defended or any compromise or settlement effected without its consent (which may not be unreasonably withheld). If the indemnifying party does not assume the defense of any claim or litigation, any Indemnified Party may defend against such claim or litigation in such manner as it may deem appropriate, including the settlement of such claim or litigation, after giving notice of the same to the indemnifying party, on such terms as the Indemnified Party may deem appropriate. The indemnifying party will promptly reimburse the Indemnified Party in accordance with the provisions hereof.

11.7 Payment.

All indemnification hereunder by Transferee shall be effected by payment of cash or delivery of immediately available funds to an account designated by the Indemnified Party in the amount of the indemnification liability. Any undisputed indemnification payments owing to Transferor shall be made within ten (10) days of the date on which the amount of a Loss is identified in writing to Transferee. All indemnification hereunder by Transferor shall be effected by treating such amounts as "Unindemnified Losses," as set forth in Section 11.1 above.

11.8 Survival.

Subject to Transferor's indemnification obligations being exclusively limited to being treated as "Unindemnified Losses" pursuant to Section 11.1 above: (a) the covenants and agreements of the Parties set forth herein shall continue to be fully effective and enforceable and survive Closing for the greater of (i) the period of time associated with such covenant, agreement or underlying representation, (ii) thirty (30) days after the applicable statute of limitations period, or (iii) six (6) years; (b) the representations and warranties of Transferor and Transferee contained within Sections 4.1-4.7 and Sections 5.1-5.4 shall survive Closing indefinitely; (c) the representations and warranties of Transferor and Transferee contained within Sections 4.11, 4.16, 4.18, 4.19, 4.20 and 4.21 shall survive Closing for thirty (30) days after the applicable statute of

limitations period; (d) all additional representations and warranties of Transferor and Transferee shall survive and continue to be fully effective and enforceable following the Closing for thirty-six (36) months and shall thereafter be of no further force and effect; and (e) if there is an outstanding Claims Notice at the end of a survival period, such applicable period shall not end in respect of such claim until such claim is resolved.

12. GENERAL.

12.1 Consents, Approvals and Discretion.

Except as herein expressly provided to the contrary, whenever this Agreement requires any consent or approval to be given by either Party or either 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.

12.2 Legal Fees and Costs.

In the event either Party elects to incur legal expenses to enforce or interpret any provision of this Agreement, the prevailing Party will be entitled to recover such legal expenses, including reasonable attorney's fees, costs and necessary disbursements, in addition to any other relief to which such Party shall be entitled.

12.3 Choice of Law.

(a) To the extent permitted by applicable law, the Parties agree that this Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky, without giving effect to any choice or conflict of law provision or rule thereof.

(b) In the event of a breach of any Party's obligation to consummate this Agreement or breach of any covenant by any Party to this Agreement, the non-breaching Party shall be entitled to enforce this Agreement as to such matters by injunctive relief and by specific performance, such relief to be without the necessity of posting a bond, cash or otherwise (unless required by applicable law).

12.4 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 Party, which consent shall not be unreasonably withheld; provided, however, that a Party hereto may assign its interest in this Agreement to an Affiliate, but in such event, the assignor shall be required to remain obligated hereunder in the same manner as if such assignment had not been effected.

12.5 Accounting Date.

The transactions contemplated hereby shall be effective for accounting purposes as of the Effective Time, unless otherwise agreed in writing by Transferor and Transferee. The Parties will use commercially reasonable efforts to cause the Closing to be effective as of a month end.

12.6 No Brokerage.

Except as to Transferor's relationship with Huron Transaction Advisory LLC, for which Transferor is solely liable, Transferor and Transferee represent to each other that no broker has in any way been contracted in connection with the transactions contemplated hereby. Each of Transferor and Transferee agrees to indemnify the other Party from and against all loss, cost, damage or expense arising out of claims for fees or commissions of brokers employed or alleged to have been employed by such indemnifying party.

12.7 Cost of Transaction.

Whether or not the transactions contemplated hereby shall be consummated and except as otherwise provided herein, the Parties agree as follows:

(a) Except as provided otherwise elsewhere herein, Transferor will pay the fees, expenses and disbursements of Transferor and its agents, representatives, accountants, and counsel incurred in connection with the subject matter hereof and any amendments hereto; and

(b) Except as provided otherwise elsewhere herein, Transferee shall pay the fees, expenses and disbursements of Transferee and its agents, representatives, accountants, and counsel incurred in connection with the subject matter hereof and any amendments hereto.

12.8 Public Announcements; Confidentiality.

It is understood by the Parties hereto that subject to applicable Law, the information, documents and instruments delivered to Transferee by Transferor or Transferor's agents and the information, documents and instruments delivered to Transferor by Transferee or Transferee's agents are of a confidential and proprietary nature. Each of the Parties hereto agrees that both prior and subsequent to Closing they will maintain the confidentiality of all such confidential information, documents or instruments delivered to them 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 only disclose such information, documents and instruments to their duly authorized officers, directors, representatives and agents. Each of the Parties hereto further agrees that if the transactions contemplated hereby are not consummated, they will return all such documents and instruments and all copies thereof in their possession to the other Party to this Agreement. Each of the Parties hereto recognizes that any breach of this Section would result in irreparable harm to the other Parties to this Agreement and their Affiliates and that therefore either Transferor or Transferee 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 their other legal and equitable remedies. Nothing in this Section, however, shall prohibit the use of such confidential information, documents or information for such governmental filings as are (i) required by Law or (ii) in the mutual opinion of Transferee's counsel and Transferor's counsel otherwise appropriate.

12.9 Waiver of Breach.

The waiver by either Party of 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 other provision hereof.

12.10 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 telegraphic or other electronic means (including telecopy and telex) or overnight courier, 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:

Transferor: Hardin County, Kentucky d/b/a Hardin Memorial Hospital
P.O. Box 568
Elizabethtown, KY 42702
Attn: Judge Executive

with copies to: Hall, Render, Killian, Health & Lyman, P.C.
500 N. Meridian Street
Indianapolis, IN 46204-1293
Attn: Charles P. Sukurs

Transferee: Baptist Healthcare System, Inc.
2701 Eastpoint Parkway
Louisville, KY 40223
Attn: President

with copies to: Baptist Healthcare System, Inc.
2701 Eastpoint Parkway
Louisville, KY 40223
Attn: Vice President and Chief Legal Counsel

or to such other address, and to the attention of such other person or officer as any Party may designate.

12.11 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, unless doing so would result in an interpretation of this Agreement that is manifestly unjust.

12.12 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.

12.13 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 No Third-Party Beneficiaries.

Except as otherwise provided herein, the terms and provisions of this Agreement are intended solely for the benefit of Transferee and Transferor 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.

12.15 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 representing 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 statement 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 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. Facsimile and portable document format (pdf) signatures shall be treated as original signatures for purposes of this Agreement.

12.16 Knowledge.

Whenever any statement herein or in any schedule, exhibit, certificate or other documents delivered to any Party pursuant to this Agreement is made "to [its] knowledge" or words of similar intent or effect of any Party or its representative, such person shall make such statement only if such facts and other information which, as of the date the representation is given, are actually known to the Party making such statement, which, with respect to Persons that are corporations, means the knowledge of its executive officers, after reasonable inquiry and investigation. With respect to Transferor, the list of such persons, is set forth above under the definition of "Transferor's knowledge." With respect to Transferee, the list of such persons, is set forth above under the definition of "Transferee's knowledge."

12.17 Specific Performance.

The Parties recognize that irreparable injury will result from a material breach of this Agreement and that money damages may be inadequate to remedy the injury. Accordingly, in the event of a material breach of one or more provisions of this Agreement, any Party to this Agreement injured where money damages are inadequate to remedy such injury (in addition to any other rights and remedies that may be available to such person under this Agreement, any other agreement or under any law) shall be entitled (without posting a bond or other security) to one or more preliminary or permanent orders (i) restraining and enjoining any act constituting a material breach or (ii) compelling the performance of any obligation which, if not performed, would constitute a material breach of this Agreement.

12.18 Schedules.

The information set forth in the Schedules with respect to any section of this Agreement shall also be deemed to qualify each other section of this Agreement to which such information is applicable (regardless of whether or not such other section is qualified by referenced to a Schedule). The Parties anticipate that the Schedules will not be completed until a reasonable period of time following the Effective Date of this Agreement, but not less than thirty (30) days prior to the Funding Date. At any time prior to thirty (30) days prior to the Funding Date, Transferor shall be entitled to deliver to the Transferee updates to the Schedules, provided that (i) such updates are clearly marked as such, and (ii) any changes to the Schedules are clearly identified. The delivery by Transferor of updated or substitute Schedules shall not prejudice any rights of the Transferee or any other Transferee Indemnified Party under this Agreement, including the right to claim that the representations and warranties of Transferor were or are untrue as of the applicable date. Transferee shall have the option to terminate the Agreement prior to the Funding Date in accordance with the provisions of Article 10 to the extent that the Schedules provided by Transferor are not reasonably acceptable to Transferee. Transferor shall have the option to terminate the Agreement prior to the Funding Date in accordance with the provisions of Article 10 to the extent that Schedule 1.1D, Schedule 2.4, and Schedule 7.10 are not acceptable to Transferor. Transferor shall not unreasonably withhold, condition or delay such acceptance. Except as otherwise set forth above, in the event Transferee elects not to terminate this Agreement as a result of an update to the Schedules and elects to consummate the transactions contemplated hereby, the updated or substitute Schedules shall replace, in whole or in part as the case may be, the Schedules previously delivered hereunder for all purposes.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their authorized officers or representatives, all as of the date and year first above written.

HARDIN COUNTY, KENTUCKY d/b/a HARDIN MEMORIAL HOSPITAL	BAPTIST HEALTHCARE SYSTEM, INC.
By: _____	By: _____
Title: _____	Title: _____

FORM EXHIBITS TO

**ASSET PURCHASE AGREEMENT
BY AND AMONG
HARDIN COUNTY, KENTUCKY D/B/A HARDIN MEMORIAL HOSPITAL
AND
BAPTIST HEALTHCARE SYSTEM, INC.**

DATED AS OF MAY 23, 2018

LIST OF EXHIBITS

Assignment of Leases and Contracts	<u>Exhibit A</u>
Assumption Agreement	<u>Exhibit B</u>
General Bill of Sale and Assignment	<u>Exhibit C</u>
Promissory Note	<u>Exhibit D</u>
Form of Special Warranty Deed	<u>Exhibit E</u>
Estoppel Certificate	<u>Exhibit F</u>
Escrow Agreement	<u>Exhibit G</u>
Non-Foreign Affidavit	<u>Exhibit H</u>
Owner's Affidavit	<u>Exhibit I</u>

EXHIBIT A

ASSIGNMENT OF LEASES AND CONTRACTS

ASSIGNMENT OF LEASES AND CONTRACTS

THIS ASSIGNMENT OF LEASES AND CONTRACTS (this "Assignment Agreement") is made as of _____, 2018 and effective as of 12:01 a.m. on _____, 2018 (the "Effective Date") by and among Hardin County, Kentucky d/b/a Hardin Memorial Hospital ("HMH" or the "Assignor"), and Baptist Healthcare System, Inc., a Kentucky non-profit corporation ("Baptist" or the "Assignee").

WHEREAS, the Assignor and Assignee are parties to that certain Asset Purchase Agreement dated May 23, 2018 (the "APA"), pursuant to which the Assignor agreed to sell, transfer, convey and deliver to Assignee all of its right, title and interest in and to the Transferred Assets owned or leased by the Assignor or its affiliates, and the Assignee agreed to assume certain Assumed Liabilities of the Assignor;

WHEREAS, the Assignor is a party to the Assumed Contracts and the Leases; and

WHEREAS, the Assignor desires to assign to Assignee all of the Assignor's right, title and interest in, to and under, and Assignee desires to assume from the Assignor all of the Assignor's right, title and interest in and under the Assumed Contracts and Leases.

NOW, THEREFORE, for and in consideration of the premises, and the agreements and covenants contained herein and the APA, and for other good and valuable consideration, the receipt and sufficiency of which are forever acknowledged and confessed, the parties hereby agree as follows:

1. **Definitions.** Capitalized terms used herein and not otherwise defined herein shall have the meanings given to them in the APA.
2. **Assignment.** The Assignor hereby assigns, transfers, conveys and delivers to Assignee, effective as of the Effective Date, all of the Assignor's right, title and interest in, to and under the Assumed Contracts and Leases.
3. **Assumption of Obligations.** Assignee hereby accepts the assignment from the Assignor of the Assumed Contracts and Leases, and Assignee assumes and agrees to pay, perform and/or discharge in accordance with their terms all obligations arising under or resulting from the Assumed Contracts and Leases first arising or accruing on or after the Effective Date (except for liabilities or obligations arising out of any breach of any such Assumed Contract or Lease on or prior to the date hereof). The Assignor retains and agrees to pay, perform and/or discharge in accordance with their terms, all obligations arising or resulting from the Assumed Contracts and Leases arising or accruing prior to the Effective Date.
4. **No Ratification, Extension or Renewal.** This Assignment Agreement is not intended to, and does not, in any way ratify, extend or renew any of the Assumed Contracts or Leases or any obligation thereunder that has terminated or expired pursuant to its terms or otherwise.
5. **Further Assurances.** To the extent consistent with the terms and conditions of the APA, the parties hereby agree to take such additional actions and to execute, acknowledge and deliver any and all other acts, deeds, assignments, instruments or other documents as may reasonably be required to effect the intent and purposes of this Assignment Agreement and the transactions contemplated hereby and/or by the APA.
6. **Remedies.** The parties' remedies with respect to any claim arising from a breach of this Assignment Agreement shall be as set forth in the APA.

7. **Entire Agreement/Amendment.** This Assignment Agreement supersedes all prior agreements, whether written or oral, between the parties with respect to its subject matter and constitutes a complete and exclusive statement of the terms of the agreement between the parties with respect to its subject matter. As between or among the parties, no oral statement or prior written material not specifically incorporated herein shall be of any force and effect. This Assignment Agreement may not be amended, supplemented, or otherwise modified except by a written agreement executed by the party to be charged with the amendment.

8. **No Third-Party Beneficiaries.** The terms and provisions of this Assignment Agreement are intended solely for the benefit of Assignor and Assignee and their respective permitted successors or assigns, and it is not the intention of the parties to confer, and this Assignment Agreement shall not confer, third-party beneficiary rights upon any other Person.

9. **Binding Effect.** The rights and obligations of this Assignment Agreement shall bind and inure to the benefit of the parties and their respective successors in interest and permitted assigns.

10. **Governing Law.** This Assignment Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky, without giving effect to any choice or conflict of law principles or rules.

11. **Inconsistencies with the APA.** Notwithstanding anything to the contrary contained herein, the terms of this Assignment Agreement are subject to the terms, provisions, conditions and limitations set forth in the APA, and this Assignment Agreement is not intended to alter the obligations of the parties to the APA. In the event of any inconsistencies between the terms of this Assignment Agreement and the terms of the APA, the parties hereto agree that the terms of the APA shall control.

12. **Severability.** In the event any provision of this Assignment 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 Assignment Agreement, unless doing so would result in an interpretation of this Assignment Agreement that is manifestly unjust.

13. **Divisions and Headings.** The division of this Assignment 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 Assignment Agreement.

14. **Counterparts.** This Assignment Agreement may be executed in one 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. Facsimile and portable document format (pdf) signatures shall be treated as original signatures for purposes of this Assignment Agreement.

[Signature page follows]

IN WITNESS WHEREOF, the parties have caused this Assignment Agreement to be executed by their authorized officers, all as of the Effective Date.

ASSIGNOR:

**HARDIN COUNTY, KENTUCKY d/b/a HARDIN
MEMORIAL HOSPITAL**

By: _____

Title: _____

ASSIGNEE / BAPTIST:

BAPTIST HEALTHCARE SYSTEM, INC.

By: _____

Title: _____

EXHIBIT B

ASSUMPTION AGREEMENT

ASSUMPTION AGREEMENT

THIS ASSUMPTION AGREEMENT (this "Assumption Agreement") is made as of _____, 2018 and effective as of 12:01 a.m. on _____, 2018 (the "Effective Date") by and among Hardin County, Kentucky d/b/a Hardin Memorial Hospital ("HMH" or the Assignor"), and Baptist Healthcare System, Inc., a Kentucky non-profit corporation ("Baptist" or the "Assignee").

WHEREAS, the Assignor and Assignee are parties to that certain Asset Purchase Agreement dated May 23, 2018 (the "APA"), pursuant to which the Assignor agreed to sell, transfer, convey and deliver to Assignee all of its right, title and interest in and to the Transferred Assets owned or leased by the Assignor or its affiliates, and the Assignee agreed to assume certain Assumed Liabilities of the Assignor;

WHEREAS, in connection with the APA, (i) the Assignor desires to assign to Assignee all of its respective right, title and interest in, to and under, and (ii) the Assignee desires to assume from the Assignor certain liabilities and certain other obligations constituting Assumed Liabilities pursuant to the APA.

NOW, THEREFORE, for and in consideration of the premises, and the agreements and covenants contained herein and the APA, and for other good and valuable consideration, the receipt and sufficiency of which are forever acknowledged and confessed, the parties hereby agree as follows:

1. **Definitions.** Capitalized terms used herein and not otherwise defined herein shall have the meanings given to them in the APA.

2. **Assignment.** The Assignor hereby assigns, transfers and conveys to Assignee all of the Assignor's interest in and to the Assumed Liabilities.

3. **Assumption of Obligations.** Assignee hereby accepts the assignment from the Assignor of the Assumed Liabilities (except for Excluded Liabilities), and Assignee assumes and agrees to pay, perform and/or discharge in accordance with their terms the Assumed Liabilities.

4. **No Ratification, Extension or Renewal.** This Assumption Agreement is not intended to, and does not, in any way ratify, extend or renew any Assumed Liabilities or other liability that has terminated or expired pursuant to its terms or otherwise.

5. **Further Assurances.** To the extent consistent with the terms and conditions of the APA, the parties hereby agree to take such additional actions and to execute, acknowledge and deliver any and all other acts, instruments or other documents as may reasonably be required to effect the intent and purposes of this Assumption Agreement and the transactions contemplated hereby and/or by the APA.

6. **Remedies.** The parties' remedies with respect to any claim arising from a breach of this Assumption Agreement shall be as set forth in the APA.

7. **Entire Agreement/Amendment.** This Assumption Agreement supersedes all prior agreements, whether written or oral, between the parties with respect to its subject matter and constitutes the entire agreement of whatsoever kind or nature existing between or among the parties representing 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 statement or prior written material not specifically incorporated herein shall be of any force and effect. This Assumption Agreement may not be amended, supplemented, or otherwise modified except by a written agreement executed by the party to be charged with the amendment.

8. **No Third-Party Beneficiaries.** The terms and provisions of this Assumption Agreement are intended solely for the benefit of Assignor and Assignee and their respective permitted successors or assigns, and it is not the intention of the parties to confer, and this Assumption Agreement shall not confer, third-party beneficiary rights upon any other Person.

9. **Binding Effect.** The rights and obligations of this Assumption Agreement shall bind and inure to the benefit of the parties and their respective successors in interest and permitted assigns.

10. **Governing Law.** This Assumption Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky, without giving effect to any choice or conflict of law provision or rule thereof.

11. **Inconsistencies with the APA.** Notwithstanding anything to the contrary contained herein, the terms of this Assumption Agreement are subject to the terms, provisions, conditions and limitations set forth in the APA, and this Assumption Agreement is not intended to alter the obligations of the parties to the APA. In the event of any inconsistencies between the terms of this Assumption Agreement and the terms of the APA, the parties hereto agree that the terms of the APA shall control.

12. **Severability.** In the event any provision of this Assumption 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 Assumption Agreement, unless doing so would result in an interpretation of this Assumption Agreement that is manifestly unjust.

13. **Divisions and Headings.** The division of this Assumption 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 Assumption Agreement.

14. **Counterparts.** This Assumption 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. Facsimile and portable document format (pdf) signatures shall be treated as original signatures for purposes of this Assumption Agreement.

[Signature page follows]

IN WITNESS WHEREOF, the parties have caused this Assumption Agreement to be executed by their authorized officers, all as of the Effective Date.

ASSIGNOR:

**HARDIN COUNTY, KENTUCKY d/b/a HARDIN
MEMORIAL HOSPITAL**

By: _____

Title: _____

ASSIGNEE / BAPTIST:

BAPTIST HEALTHCARE SYSTEM, INC.

By: _____

Title: _____

EXHIBIT C

GENERAL BILL OF SALE AND ASSIGNMENT

GENERAL BILL OF SALE AND ASSIGNMENT

THIS GENERAL BILL OF SALE AND ASSIGNMENT (this "Bill of Sale") is made as of _____, 2018 and effective as of 12:01 a.m. on _____, 2018 (the "Effective Date") by and among Hardin County, Kentucky d/b/a Hardin Memorial Hospital ("HMH" or the "Assignor"), and Baptist Healthcare System, Inc., a Kentucky non-profit corporation ("Baptist" or the "Assignee").

WHEREAS, the Assignor and Assignee are parties to that certain Asset Purchase Agreement dated May 23, 2018 (the "APA"), pursuant to which the Assignor agreed to sell, transfer, convey and deliver to Assignee all of its right, title and interest in and to the Transferred Assets owned or leased by the Assignor or its affiliates, and the Assignee agreed to assume certain Assumed Liabilities of the Assignor; and

WHEREAS, pursuant to the APA, the Assignor and Assignee have agreed to enter into this Bill of Sale pursuant to which certain of the Transferred Assets will be granted, conveyed, sold, assigned, transferred, and delivered to the Assignee.

NOW, THEREFORE, for and in consideration of the premises, and the agreements and covenants contained herein and the APA, and for other good and valuable consideration, the receipt and sufficiency of which are forever acknowledged and confessed, the parties hereby agree as follows:

1. Definitions. Capitalized terms used herein and not otherwise defined herein shall have the meanings given to them in the APA.

2. Assignment. The Assignor does hereby irrevocably and unconditionally contribute, assign, transfer, convey and deliver to the Assignee, its successors and assigns forever, all of their respective right, title and interest in and to the Transferred Assets specifically owned or leased by the Assignor on the Closing Date and held or used in the ownership, business or operation of the Facilities (other than the Assumed Contracts and Leased Real Property), free and clear of any Encumbrances (other than the Assumed Liabilities) to have and to hold the same and each and all thereof unto the Assignee, its successors and assigns forever, to its and their own use and benefit forever.

3. Further Assurances. To the extent consistent with the terms and conditions of the APA, the parties hereby agree to take such additional actions and to execute, acknowledge and deliver any and all other acts, deeds, assignments, instruments or other documents as may reasonably be required to effect the intent and purposes of this Bill of Sale and the transactions contemplated hereby and by the APA.

4. Remedies. The parties' respective remedies with respect to any claim arising from a breach of this Bill of Sale shall be as set forth in the APA.

5. Power of Attorney. The Assignor hereby constitutes and appoints the Assignee its true and lawful attorney, with full power of substitution, in the name of the Assignor or otherwise, and on behalf and for the benefit of the Assignee, to demand and receive from time to time any and all of the Transferred Assets; to institute and prosecute, from time to time, in the name of the Assignor or otherwise, any and all actions, suits and proceedings which the Assignee deems proper to assert or enforce any claim, title, right, debt, note or actions, suits or proceedings in respect to the Transferred Assets; and to execute such other documents and take such other action as may be necessary from time to time to carry out this Bill of Sale. The Assignor hereby declares that the foregoing powers are coupled with an interest and shall be irrevocable.

6. Entire Agreement/Amendment. This Bill of Sale supersedes all prior agreements, whether written or oral, between the parties with respect to its subject matter and constitutes

the entire agreement of whatsoever kind or nature existing between or among the parties representing 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 statement or prior written material not specifically incorporated herein shall be of any force and effect. This Bill of Sale may not be amended, supplemented, or otherwise modified except by a written agreement executed by the party to be charged with the amendment.

7. **No Third-Party Beneficiaries.** The terms and provisions of this Bill of Sale are intended solely for the benefit of Assignor and Assignee and their respective permitted successors or assigns, and it is not the intention of the parties to confer, and this Bill of Sale shall not confer, third-party beneficiary rights upon any other Person.

8. **Binding Effect.** The rights and obligations of this Bill of Sale shall bind and inure to the benefit of the parties and their respective successors in interest and permitted assigns.

9. **Governing Law.** This Bill of Sale shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky, without giving effect to any choice or conflict of law provision or rule thereof.

10. **Inconsistencies with the APA.** Notwithstanding anything to the contrary contained herein, the terms of this Bill of Sale are subject to the terms, provisions, conditions and limitations set forth in the APA, and this Bill of Sale is not intended to alter the obligations of the parties to the APA. In the event of any inconsistencies between the terms of this Bill of Sale and the terms of the APA, the parties hereto agree that the terms of the APA shall control.

11. **Severability.** In the event any provision of this Bill of Sale 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 Bill of Sale, unless doing so would result in an interpretation of this Bill of Sale that is manifestly unjust.

12. **Divisions and Headings.** The division of this Bill of Sale 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 Bill of Sale.

13. **Counterparts.** This Bill of Sale 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. Facsimile and portable document format (pdf) signatures shall be treated as original signatures for purposes of this Bill of Sale.

[Signature page follows]

IN WITNESS WHEREOF, the parties have caused this Bill of Sale to be executed by their authorized officers, all as of the Effective Date.

ASSIGNOR:

**HARDIN COUNTY, KENTUCKY d/b/a HARDIN
MEMORIAL HOSPITAL**

By: _____

Title: _____

ASSIGNEE / BAPTIST:

BAPTIST HEALTHCARE SYSTEM, INC.

By: _____

Title: _____

EXHIBIT D

PROMISSORY NOTE

[FORM OF PROMISSORY NOTE]

BAPTIST HEALTHCARE SYSTEM, INC.

No. [_____]
 \$50,000,000

Date: May 23, 2018
 Maturity Date: January 1, 2044

FOR VALUE RECEIVED, the undersigned, Baptist Healthcare System, Inc. (the “**Maker**”), promises unconditionally to pay to the order of Hardin County, Kentucky or its successors or permitted assigns (the “**County**”), at such place as County may from time to time designate, the principal amount of Fifty Million and 00/100 Dollars (\$50,000,000) (the “**Principal Amount**”), together with interest on the unpaid Principal Amount outstanding from time to time at the rate or rates hereafter specified and any and all other sums which may be owing to County by Maker pursuant to this Promissory Note (this “**Note**”). The following terms shall apply to this Note:

1. Interest Rate. After the initial annual payment by January 1, 2019, interest shall accrue and be payable on the outstanding Principal Amount at a fixed rate of interest of 2.5%, compounded annually (the "Note Rate"). For the purposes of this Note, interest shall be calculated on the basis of an actual/three hundred sixty five (365) day year, as follows: multiply the Note Rate by the unpaid Principal Amount of the Note; divide such sum by 365; and then multiply such quotient by the actual number of days outstanding.

2. Payment Terms. The first payment is due on or before January 1, 2019 in the amount of Two Million and 00/100 Dollars (\$2,000,000). Beginning on January 1, 2020 and continuing on the 1st day of each consecutive calendar year thereafter through and including January 1, 2044 (the “**Maturity Date**”), the Maker shall make equal annual amortized payments equal to Two Million Six Hundred Eighty Three Thousand Eight Hundred Fifteen and 00/100 Dollars (\$2,683,815). On the Maturity Date, the entire amount of the unpaid Principal Amount as well as all accrued and unpaid interest and all other sums due under this Note that remain unpaid shall be due.

3. Repayment Extension. If any payment of principal or interest shall be due on a Saturday, Sunday, or any other day on which banking institutions in the Commonwealth of Kentucky are required or permitted to be closed, such payment shall be made on the next succeeding business day, and such extension of time shall be included in computing interest under this Note.

4. Manner and Application of Payments. All payments due hereunder shall be paid in lawful money of the United States of America which shall be legal tender in payment of all debts and dues, public and private, by wire transfer in immediately available funds, without offset, deduction or recoupment. Each payment shall be applied, first, to accrued and unpaid interest; second, to the payment of the unpaid Principal Amount; and third, to the payment of any and all costs, fees, expenses and Late Charges incurred by or payable to County in connection with the collection or enforcement of this Note; or in any other manner which County may, in its sole discretion, elect from time to time.

5. Prepayment. Maker may at any time on or after Closing prepay the entire outstanding amount of principal in whole or in part without paying any prepayment penalty. In the event of any prepayment, there will be no changes in the due date or amount of monthly payment, but such prepayments shall be applied to future payments in reverse order of maturity.

6. Enforcement. The happening of any of the following events by Borrower shall constitute an “Event of Default”:

(a) Failure to pay any amount due pursuant to this Note within ten (10) days after the Maker's receipt of written notice from the County of any failure to pay any undisputed amount due and payable hereunder;

(b) Failure to pay any undisputed amount due pursuant to this Note within thirty (30) days after the original due date of such amount;

(c) The filing of a petition under any provision of the Bankruptcy Code by or against the Maker that is not dismissed within ninety (90) calendar days thereafter, or any assignment by the Maker for the benefit of lenders, or the appointment of a receiver or trustee on behalf of the Maker; or

(d) The Maker becoming insolvent or generally unable to pay its debts as they become due, or a notice of lien, levy or assessment is filed of record with respect to any of the Maker's assets.

Upon the occurrence of any Event of Default, and following the expiration of any applicable cure period set forth in this Note, the holder hereof may declare by written notice to Maker that the entire unpaid balance on this Note immediately due and payable.

7. No Recourse to Individuals. No recourse shall be had for the payment of the principal of or interest on this Note or for any claim based thereon or upon any obligation, covenant or agreement, against any past, present or future officer, trustee, director, member, employee or agent of Maker, or any incorporator, officer, director, member, employee or agent of any successor corporation, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such incorporators, officers, directors, members, employees or agents, as such, is hereby expressly waived and released as a condition of and in consideration for the execution and the issuance of this Note.

8. Choice of Law; Forum Selection; Consent to Jurisdiction. This Note shall be governed by and construed and interpreted in accordance with the laws of the Commonwealth of Kentucky (excluding the choice of law rules thereof).

9. No Transfer. County may not sell, assign, transfer or grant any participations in any portion of the obligations evidenced by this Note without the prior written consent of the Maker.

10. Representations and Warranties of Maker. Maker hereby represents and warrants as follows. Maker is a validly existing nonprofit Kentucky corporation duly organized under the laws of the Commonwealth of Kentucky. As of the date of this Note there exists no Event of Default nor has any action or omission occurred which, with the giving of notice or the passage of time, would constitute a default under the provisions of this Note or any agreement relating thereto or any other agreement or instrument with County to which Maker is a party. To the best of Maker's information, knowledge, and belief, all conditions, acts and things required to exist, happen and be performed as a condition precedent to and in the issuance of this Note, exist, have happened and have been performed and the issuance, authentication and delivery of this Note have been duly authorized by Maker.

11. Invalidity of Any Part. If any provision or part of any provision of this Note shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision (or any remaining part of any provision) of this Note, and this Note shall

be construed as if such invalid, illegal or unenforceable provision (or part thereof) had never been contained in this Note, but only to the extent of its invalidity, illegality or unenforceability.

12. WAIVER OF JURY TRIAL. EACH OF COUNTY (BY ITS ACCEPTANCE HEREOF) AND MAKER HEREBY (a) COVENANTS AND AGREES NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT BY A JURY, AND (b) WAIVES TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO WHICH COUNTY AND MAKER MAY BE PARTIES ARISING OUT OF, IN CONNECTION WITH OR IN ANY WAY PERTAINING TO THIS NOTE, AND/OR ANY TRANSACTIONS, OCCURRENCES, COMMUNICATIONS OR UNDERSTANDINGS (OR THE LACK OF ANY OF THE FOREGOING) RELATING IN ANY WAY TO THE DEBTOR-LENDER RELATIONSHIP BETWEEN THE PARTIES. IT IS UNDERSTOOD AND AGREED THAT THIS WAIVER CONSTITUTES A WAIVER OF TRIAL BY JURY OF ALL CLAIMS, WHETHER INITIATED BY MAKER AGAINST COUNTY OR INITIATED BY COUNTY AGAINST MAKER. THIS WAIVER OF JURY TRIAL IS SEPARATELY GIVEN, KNOWINGLY, WILLINGLY AND VOLUNTARILY MADE BY EACH OF MAKER AND COUNTY AND EACH HEREBY AGREES THAT NO REPRESENTATIONS OF FACT OR OPINION HAVE BEEN MADE BY ANY INDIVIDUAL TO INDUCE THIS WAIVER OF TRIAL BY JURY OR TO IN ANY WAY MODIFY OR NULLIFY ITS EFFECT. EACH OF COUNTY AND MAKER IS HEREBY AUTHORIZED TO SUBMIT THIS NOTE TO ANY COURT HAVING JURISDICTION OVER THE SUBJECT MATTER AND MAKER SO AS TO SERVE AS CONCLUSIVE EVIDENCE OF SUCH WAIVER OF RIGHT TO TRIAL BY JURY. EACH OF COUNTY AND MAKER REPRESENTS AND WARRANTS THAT WHETHER OR NOT IT HAS ACTUALLY CONSULTED WITH COUNSEL, EACH OF COUNTY AND MAKER HAS BEEN GIVEN THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH COUNSEL OF ITS CHOOSING.

13. Waivers. Maker hereby waives any right to require County: (a) to continue lending money or to extend other credit to Maker; or (b) unless as otherwise provided for herein, to make any presentment, protest, demand, or notice of any kind to demand for any nonpayment of the obligations due under this Note. If any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted by law or public policy. The Maker shall not by any act or omission, or through failure or delay by the Maker to insist upon the strict performance of any term, condition, covenant, or agreement of this Note, or by the exercise of any right, power, or remedy consequent upon a breach thereof, be deemed to waive any of the Maker's rights or remedies hereunder at law or in equity, or as provided by statute, unless such waiver be in writing, signed by the Maker, and then only to the extent specifically set forth therein. A waiver of one event shall not be construed as a continuing waiver, or preclude the Maker from exercising any such right, power, or remedy at a later time or times. No course of dealing or conduct shall be effective to amend, modify, waive, release, or change any provisions of this Note.

14. Miscellaneous. Time is of the essence under this Note. The paragraph headings of this Note are for convenience only, and shall not limit or otherwise affect any of the terms hereof. This Note constitutes the entire agreement between the parties with respect to its subject matter and supersedes all prior letters, representations or agreements, oral or written, with respect thereto. No modification, release or waiver of this Note or any provision hereof shall be deemed to be made unless made in writing signed by both the County and the Maker. No course of dealing or conduct shall be effective to modify, release or waive any provisions of this Note. This Note shall apply to and bind each party's successors and permitted assigns and shall inure to the benefit of and be enforceable by County and County's successors and permitted assigns. Whenever used herein, the singular number shall include the plural, the plural the singular, and the use of the masculine, feminine or neuter gender shall include all genders.

The remainder of this page is intentionally left blank

IN WITNESS WHEREOF, Maker has duly executed this Note as of the day and year first hereinabove set forth.

“MAKER”

BAPTIST HEALTHCARE SYSTEM, INC.,

By: _____

Gerard Colman, Chief Executive Officer

EXHIBIT E

FORM OF SPECIAL WARRANTY DEED

SPECIAL WARRANTY DEED

THIS DEED, made and entered into effective as of the ____ day of _____, 2018, by and between **HARDIN COUNTY, COMMONWEALTH OF KENTUCKY, d/b/a HARDIN MEMORIAL HOSPITAL**, a County of the Commonwealth of Kentucky (hereinafter “Grantor”), whose address is P.O. Box 568, Elizabethtown, Kentucky 42702, and **BAPTIST HEALTHCARE SYSTEM, INC.**, a Kentucky non-profit corporation (hereinafter “Grantee”), whose address is 2701 Eastpoint Parkway, Louisville, Kentucky 40223, which is also the in-care-of address to which the property tax bill for 2018 may be sent;

WITNESSETH:

That for a good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Grantor, by, through and under the direction of Hardin Fiscal Court, does hereby convey unto Grantee, with covenant of Special Warranty, in fee simple, the real estate situated in Elizabethtown, Hardin County, Kentucky, more particularly described on Exhibit A, attached hereto and incorporated herein by reference.

To have and to hold, in fee simple, all of the Property, together with all the rights, privileges, appurtenances and improvements thereunto belonging, unto Grantee, its successors and assigns, forever.

Grantor further covenants that it is lawfully seized of the estate hereby conveyed, has full right and power to convey same to the extent of its warranty, and state, county and city taxes falling due in 2018 and years thereafter, which Grantee hereby assumes and agrees to pay.

Grantor is a County of the Commonwealth of Kentucky and no tax is due on the transfer set forth in this Deed in accordance with K.R.S. 142.050(7)(b).

As required by KRS 382.135, Grantor hereby certifies, and Grantee appears herein solely for the purpose of certifying, that the transfer set forth in this deed is for no cash consideration. The estimated fair cash value of the Property herein conveyed is \$_____.

(SIGNATURES ON FOLLOWING PAGE)

EXHIBIT A

[Legal Description]

Being the same property conveyed to Hardin County, Commonwealth of Kentucky, d/b/a Hardin Memorial Hospital, by deed dated _____, of record at Deed Book ____ at Page ____, in the office of the Hardin County Clerk, Hardin County, Kentucky.

EXHIBIT F

ESTOPPEL CERTIFICATE

TENANT ESTOPPEL CERTIFICATE

Dated: _____, 2018

Hardin County, Kentucky, d/b/a Hardin Memorial Hospital, a Kentucky county hospital and body corporate and politic ("Landlord"), and _____, a Kentucky, _____ ("Tenant"), are parties to that certain lease dated _____ (the "Lease"), with respect to Tenant's occupancy of approximately _____ square feet of space situated in the building located at _____ (the "Leased Premises").

Landlord has entered into an Asset Purchase Agreement (the "APA") pursuant to which Landlord and its affiliates will sell to Baptist Healthcare System, Inc., a Kentucky nonprofit corporation ("Baptist") and its affiliates substantially all of the assets used in connection with the operations of Hardin Memorial Hospital, including but not limited to the real property in which the Leased Premises is located. In connection with and subject to the Closing (as defined in the APA), Landlord will assign all of its rights and interests under the Lease to Baptist or one of its affiliates (referred to herein as "Assignee"), and Assignee will assume all of the rights and obligations of Landlord under the Lease arising after the date of the assignment. Landlord will remain responsible for all obligations arising under the Lease prior to the date of the assignment.

Tenant, with full knowledge that Assignee is relying upon the truth, accuracy and completeness of the statements made by Tenant herein, hereby certifies, represents and warrants to Assignee that:

1. The Lease is in full force and effect, constitutes the entire agreement between Landlord and Tenant with respect to the Leased Premises, and there are no other agreements between Landlord and Tenant, either oral or written, with respect to the Leased Premises.

2. The effective date of the original lease is _____. The current term of the Lease expires on _____.

3. To Tenant's actual knowledge with no duty to investigate: (a) As of the date hereof, neither Tenant nor Landlord are in default under the Lease, (b) nor does any condition exist which could give either Tenant or Landlord the right to claim default under the Lease, (c) nor has any event occurred which, with the passage of time or the giving of notice, or both, would constitute a default or breach by Landlord. To Tenant's actual knowledge with no duty to investigate, Tenant has no claim of offset or defense against the payment of rent and other charges due pursuant to the Lease.

4. All payments due Landlord pursuant to the Lease through and including the date hereof have been paid in full and the current monthly payment under the Lease is \$_____, and no payment due pursuant to the Lease has been paid more than one month in advance of its due date. To Tenant's actual knowledge with no duty to investigate, there is no dispute between the Landlord and Tenant regarding the rental payments required in the Lease.

5. Landlord is not holding a security deposit.

6. No notice of termination has been given by Landlord or Tenant with respect to the Lease.

7. The Lease, including all amendments and assignments, if any, copies of which are attached hereto and incorporated by reference herein and marked as Exhibit A, constitutes the entire rental agreement and remains in full force and effect, unmodified and unchanged.

8. Tenant has not filed, and is not the subject of any filing, for bankruptcy or reorganization under federal bankruptcy laws.

9. Tenant is not receiving free rent or other concessions or inducements in connection with its tenancy under the Lease not expressly set forth in the Lease.

10. The Leased Premises and improvements (if any) thereto required to be furnished by Landlord according to the Lease have been duly delivered by Landlord in accordance with the Lease.

11. Neither Tenant, nor any principal of Tenant, has entered into any sublease, assignment, contract of sale, or any other contractual agreement, written or oral, agreeing to transfer or acquire any of Tenant's interest in the Lease, or the premises leased by Tenant under the Lease.

12. Tenant hereby consents to the assignment of the Lease by Landlord to Assignee.

13. Upon Baptist's acquisition of the Property, Tenant will attorn to Assignee and recognize Assignee as the landlord under the Lease and agree to pay all payments due pursuant to the Lease to Assignee.

14. The above statements are made upon the understanding that Assignee and its successors and assigns will rely on them in connection with the acceptance of the contemplated assignment of the Lease from Landlord and that these statements are true to the best of Tenant's actual knowledge and belief.

15. The undersigned is a duly authorized officer of Tenant, with full power and authority to execute this letter on behalf thereof.

[Signature page follows]

IN WITNESS WHEREOF, Tenant has executed this Estoppel Certificate as of the date first written above.

TENANT:

By: _____

Name: _____

Title: _____

EXHIBIT A

COPY OF LEASE

EXHIBIT G

ESCROW AGREEMENT

ESCROW AGREEMENT

THIS ESCROW AGREEMENT, dated as of _____, 2018 (“*Escrow Agreement*”), is made by and between Hardin County, Kentucky d/b/a Hardin Memorial Hospital (“*Transferor*”) and Baptist Healthcare System, Inc., (“*Transferee*”, and with Transferor the “*Parties*” and individually a “*Party*”), and Branch Banking and Trust Company, a North Carolina banking corporation organized under the laws of the United States, as Escrow Agent hereunder (“*Escrow Agent*”).

RECITALS:

WHEREAS, Transferee, Transferor and certain of Transferor’s affiliates have entered into an Asset Purchase Agreement dated May 23, 2018 (the “*Purchase Agreement*”), pursuant to which Transferee agreed to buy and Transferor agreed to sell certain assets of Transferor identified in the Purchase Agreement on the terms and conditions set forth therein;

WHEREAS, pursuant to Section 10.4 of the Purchase Agreement, as of the date hereof, Transferee has deposited into escrow _____ Dollars (\$ _____) (the “*Escrow Amount*”) to secure the obligations of the Transferee pursuant to Section 10.4 of the Purchase Agreement;

WHEREAS, Transferee and Transferor desire to appoint the Escrow Agent to act as escrow agent on the terms and conditions set forth in this Escrow Agreement and the Escrow Agent desires to accept such appointment and to accept, hold, and disburse the Escrow Amount in accordance with the terms of this Escrow Agreement;

WHEREAS, in order to establish the escrow of the Escrow Amount and to effect the provisions of the Purchase Agreement, the Parties hereto have entered into this Escrow Agreement; and

WHEREAS, the Parties acknowledge that the Escrow Agent is not a party to, is not bound by, and has no duties or obligations under, the Purchase Agreement, that all references in this Escrow Agreement to the Purchase Agreement are for convenience, and that the Escrow Agent shall have no implied duties beyond the express duties set forth in this Escrow Agreement.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto, for themselves, their successors and permitted assigns, hereby agree as follows:

1. **Definitions.** Capitalized terms used and not otherwise defined herein shall have the meanings given to them in the Purchase Agreement. The following terms shall have the following meanings when used herein:

“**Authorized Signer**” means an authorized signatory of Transferee as designated in Part I of Exhibit A-1 hereof, or an authorized signatory of Transferor as designated in Part I of Exhibit A-2 hereof, as applicable.

“**Joint Written Direction**” means a written direction executed by an Authorized Signer of Transferee and an Authorized Signer of Transferor and directing Escrow Agent to disburse all or a portion of the Escrow Funds or to take or refrain from taking any other action pursuant to this Agreement.

Unless the context of this Escrow Agreement otherwise requires, (i) words of any gender include each other gender; (ii) words using the singular or plural number also include the plural or singular number, respectively; (iii) the terms “hereof,” “herein,” “hereby” and derivative or similar words refer to

this entire Escrow Agreement; and (iv) the term “Section” refers to the specified section in this Escrow Agreement.

2. Appointment of and Acceptance by Escrow Agent. The Parties hereby appoint Escrow Agent to serve as escrow agent hereunder. Escrow Agent hereby accepts such appointment and agrees to hold and disburse amounts held from time to time in the Escrow Accounts in accordance with this Escrow Agreement.

3. Deposit of Escrow Amounts. As of the date hereof, the Escrow Amount has been deposited into the Escrow Account. The Escrow Agent shall hold and safeguard the Escrow Account, shall treat the Escrow Account in accordance with the terms of this Escrow Agreement, and shall hold and disburse amounts held from time to time in each such Escrow Account only in accordance with the terms hereof.

4. Investment of Escrow Amounts / Income. Except as the Parties may from time to time jointly instruct the Escrow Agent in writing, the Escrow Agent is hereby authorized and directed to invest all cash received by it under this Escrow Agreement as set forth in Exhibit B. Written investment instructions from both of the Parties, if any, shall specify the type and identity of the investments to be purchased and/or sold. The Escrow Agent is authorized to liquidate in accordance with its customary procedures any portion of any Escrow Account consisting of investments to provide for payments required to be made under this Escrow Agreement. The Parties recognize and agree that the Escrow Agent will not provide supervision, recommendations or advice relating to either the investment of moneys held in the Escrow Accounts or the purchase, sale, retention or other disposition of any investment described herein. The Escrow Agent shall not have any liability for any loss sustained as a result of any investment made pursuant to the terms of this Escrow Agreement or as a result of any liquidation of any such investment. Although the Parties recognize that they may obtain a broker confirmation or written statement containing comparable information at no additional cost, the Parties hereby agree that confirmations of permitted investments are not required to be issued by the Escrow Agent for each month in which a monthly statement is rendered.

5. No Challenge. Each Party waives the right to and agrees that it will not challenge and/or otherwise resist the Escrow Amount, including that the Escrow Amount as an improper penalty or disproportionate to the loss likely to be incurred as the result of a failure of the Closing to occur and/or attempting to enjoin the release of the Escrow Amount in accordance with the term of this Escrow Agreement.

6. Disbursements from Escrow Accounts. The Escrow Agent shall hold the Escrow Amount in the Escrow Account in escrow in accordance with this Escrow Agreement and shall make disbursements from the Escrow Account only upon receipt of, and in accordance with, a Joint Written Direction. Such Joint Written Direction shall contain complete payment instructions, including wiring instructions or an address to which a check shall be sent. The Escrow Agent shall confirm each funds transfer instruction received in the name of a Party by means of the security procedure selected by such Party and communicated to the Escrow Agent through a Joint Written Direction, which upon receipt by the Escrow Agent shall become a part of this Escrow Agreement. Once delivered to the Escrow Agent, a Joint Written Direction may not be revised or rescinded, unless it is in a writing signed by an Authorized Signer of both Parties. Such revisions or rescissions shall be effective only after actual receipt and following such period of time as may be necessary to afford the Escrow Agent a reasonable opportunity to act on it. If a revised Joint Written Direction or a rescission of an existing Joint Written Direction is delivered to the Escrow Agent by an entity that is a successor-in-interest to such Party, such document shall be accompanied by additional documentation satisfactory to the Escrow Agent showing that such entity has succeeded to the rights and responsibilities of the Party under this Escrow Agreement. The Parties understand that the Escrow Agent’s inability to receive or confirm funds transfer instructions pursuant to the security procedure

selected by such Party may result in a delay in accomplishing such funds transfer, and agree that the Escrow Agent shall not be liable for any loss caused by any such delay.

7. Resignation and Removal of Escrow Agent. Escrow Agent may resign from the performance of its duties hereunder at any time by giving thirty (30) days' prior written notice to Transferee and Transferor or may be removed, with or without cause, by the Transferee and Transferor, acting jointly, at any time by the giving of ten (10) days' prior written notice to Escrow Agent. Such resignation or removal shall take effect upon the appointment of a successor Escrow Agent as provided herein. Upon any such notice of resignation or removal, the Transferee and Transferor jointly shall appoint a successor Escrow Agent hereunder, which shall be a commercial bank, trust company or other financial institution with assets in excess of \$1,000,000,000. Upon the acceptance in writing of any appointment as the Escrow Agent hereunder by a successor Escrow Agent, such successor Escrow Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Escrow Agent, and the retiring Escrow Agent shall be discharged from its duties and obligations under this Escrow Agreement, but shall not be discharged from any liability for actions taken as Escrow Agent hereunder prior to such succession. After any retiring Escrow Agent's resignation or removal, the provisions of this Escrow Agreement shall inure to its benefit as to any actions taken or omitted to be taken by it while it was the Escrow Agent under this Escrow Agreement. If Transferee and Transferor have failed to appoint a successor escrow agent prior to the expiration of thirty (30) days following receipt of the notice of resignation or removal, the Escrow Agent may appoint a successor or petition any court of competent jurisdiction for the appointment of a successor escrow agent or for other appropriate relief, and any such resulting appointment shall be binding upon all of the parties hereto.

8. Limited Liability of Escrow Agent.

(a) Scope of Responsibility. Notwithstanding any provision to the contrary, the Escrow Agent is obligated only to perform the duties specifically set forth in this Escrow Agreement, which shall be deemed purely ministerial in nature. Under no circumstances will the Escrow Agent be deemed to be a fiduciary to any Party or any other person under this Escrow Agreement. The Escrow Agent will not be responsible or liable for the failure of any Party to perform in accordance with this Escrow Agreement. The Escrow Agent shall neither be responsible for, nor chargeable with, knowledge of the terms and conditions of any other agreement, instrument, or document other than this Escrow Agreement, whether or not an original or a copy of such agreement has been provided to the Escrow Agent; and the Escrow Agent shall have no duty to know or inquire as to the performance or nonperformance of any provision of any such agreement, instrument, or document. References in this Escrow Agreement to any other agreement, instrument, or document are for the convenience of the Parties, and the Escrow Agent has no duties or obligations with respect thereto. This Escrow Agreement sets forth all matters pertinent to the escrow contemplated hereunder, and no additional obligations of the Escrow Agent shall be inferred or implied from the terms of this Escrow Agreement or any other agreement.

(b) Attorneys and Agents. The Escrow Agent shall be entitled to rely on and shall not be liable for any action taken or omitted to be taken by the Escrow Agent in accordance with the advice of counsel or other professionals retained or consulted by the Escrow Agent. The Escrow Agent shall be reimbursed as set forth in Section 8(h) for any and all compensation (fees, expenses and other costs) paid and/or reimbursed to such counsel and/or professionals. The Escrow Agent may perform any and all of its duties through its agents, representatives, attorneys, custodians, and/or nominees.

(c) Reliance. The Escrow Agent shall not be liable for acting or refraining from acting upon any notice, request, consent, direction, requisition, certificate, order, affidavit, letter, or other paper or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons, without further inquiry into the person's or persons' authority. Concurrent with the execution of

this Escrow Agreement, the Parties shall deliver to the Escrow Agent authorized signers' forms attached to Exhibit A-1 and Exhibit A-2, which contain Authorized Signer designations in Part I thereof.

(d) Right Not Duty Undertaken. The permissive rights of the Escrow Agent to do things enumerated in this Escrow Agreement shall not be construed as duties.

(e) No Financial Obligation. No provision of this Escrow Agreement shall require the Escrow Agent to risk or advance its own funds or otherwise incur any financial liability or potential financial liability in the performance of its duties or the exercise of its rights under this Escrow Agreement.

(f) Indemnification. The Parties, jointly and severally, shall indemnify, defend and hold harmless the Escrow Agent from and against any and all loss, liability, cost, damage and expense, including, without limitation, attorneys' fees and expenses or other professional fees and expenses which the Escrow Agent may suffer or incur by reason of any action, claim or proceeding brought against the Escrow Agent, arising out of or relating in any way to this Escrow Agreement or any transaction to which this Escrow Agreement relates, unless such loss, liability, cost, damage or expense shall have been finally adjudicated to have been directly caused by (i) the willful misconduct or gross negligence of the Escrow Agent or (ii) a material breach of the obligations of the Escrow Agent hereunder. The provisions of this subsection (f) shall survive the resignation or removal of the Escrow Agent and the termination of this Escrow Agreement.

(g) Limitation of Liability. THE ESCROW AGENT SHALL NOT BE LIABLE, DIRECTLY OR INDIRECTLY, FOR ANY (I) DAMAGES, LOSSES OR EXPENSES ARISING OUT OF THE SERVICES PROVIDED HEREUNDER, OTHER THAN DAMAGES, LOSSES OR EXPENSES WHICH HAVE BEEN FINALLY ADJUDICATED TO HAVE DIRECTLY RESULTED FROM THE ESCROW AGENT'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OR A MATERIAL BREACH OF THE OBLIGATIONS OF THE ESCROW AGENT HEREUNDER, OR (II) SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES OR LOSSES OF ANY KIND WHATSOEVER (INCLUDING WITHOUT LIMITATION LOST PROFITS), EVEN IF THE ESCROW AGENT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSSES OR DAMAGES AND REGARDLESS OF THE FORM OF ACTION.

(h) Compensation. The Escrow Agent shall be entitled to compensation for its services as stated in the fee schedule attached hereto as Exhibit C, which compensation shall be paid one-half by Transferee and one-half by Transferor. The fee agreed upon for the services rendered hereunder is intended as full compensation for the Escrow Agent's services as contemplated by this Escrow Agreement; *provided, however,* that in the event that the conditions for the disbursement of funds under this Escrow Agreement are not fulfilled, or the Escrow Agent renders any service not contemplated in this Escrow Agreement, or there is any assignment of interest in the subject matter of this Escrow Agreement, or any material modification hereof, or if any material controversy arises hereunder, or the Escrow Agent is made a party to any litigation pertaining to this Escrow Agreement or the subject matter hereof, then the Escrow Agent shall be compensated for such extraordinary services and reimbursed for all costs and expenses, including reasonable attorneys' fees and expenses, occasioned by any such delay, controversy, litigation or event. If any amount due to the Escrow Agent hereunder is not paid within thirty (30) days of the date due, the Escrow Agent in its sole discretion may charge interest on such amount up to the highest rate permitted by applicable law. The Escrow Agent shall have, and is hereby granted, a prior lien upon the Escrow Accounts with respect to its unpaid fees, non-reimbursed expenses and unsatisfied indemnification rights, superior to the interests of any other persons or entities and is hereby granted the right to set off and deduct any unpaid fees, non-reimbursed expenses and unsatisfied indemnification rights from the Escrow Accounts.

(i) Merger or Consolidation. Any corporation or association into which the Escrow Agent may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer all

or substantially all of its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which the Escrow Agent is a party, shall be and become the successor escrow agent under this Escrow Agreement and shall have and succeed to the rights, powers, duties, immunities and privileges as its predecessor, without the execution or filing of any instrument or paper or the performance of any further act.

(j) Attachment of Escrow Accounts; Compliance with Legal Orders. In the event that any Escrow Accounts shall be attached, garnished or levied upon by any court order, or the delivery thereof shall be stayed or enjoined by an order of a court, or any order, judgment or decree shall be made or entered by any court order affecting the Escrow Accounts, the Escrow Agent is hereby expressly authorized, in its sole discretion, to respond as it deems appropriate or to comply with all writs, orders or decrees so entered or issued, or which it is advised by legal counsel of its own choosing is binding upon it, whether with or without jurisdiction. In the event that the Escrow Agent obeys or complies with any such writ, order or decree it shall not be liable to any of the Parties or to any other person, firm or corporation, should, by reason of such compliance notwithstanding, such writ, order or decree be subsequently reversed, modified, annulled, set aside or vacated.

(k) Force Majeure. The Escrow Agent shall not be responsible or liable for any failure or delay in the performance of its obligations under this Escrow Agreement arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes; fire; flood; wars; acts of terrorism; civil or military disturbances; sabotage; epidemic; riots; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications services; accidents; labor disputes; acts of civil or military authority or governmental action; it being understood that the Escrow Agent shall use commercially reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances.

9. Escheat. The Parties are aware that under applicable state law, property which is presumed abandoned may under certain circumstances escheat to the applicable state. The Escrow Agent shall have no liability to the Parties, their respective heirs, legal representatives, successors and assigns, or any other party, should any or all of the Escrow Accounts escheat by operation of law.

10. Choice of Law / Consent to Jurisdiction. To the extent permitted by applicable law, the parties agree that this Escrow Agreement shall be construed and interpreted in accordance with the laws of the Commonwealth of Kentucky without giving effect to any choice or conflict of law provision or rule thereof. The Parties hereby waive any right to a trial by jury with respect to any lawsuit or judicial proceeding arising or relating to this Escrow Agreement.

11. Assignment. No Party may assign any of its rights or obligations under this Escrow Agreement without the prior written consent of the other Party and the Escrow Agent (such consent not to be unreasonably withheld); *provided, however*, that (a) Transferee shall have the right to assign any of its rights under this Escrow Agreement to any of its Affiliates or to any Transferee of a material portion of its assets, and (b) Transferee may assign its rights hereunder for collateral security purposes to any lender or lenders (including any agent for any such lender or lenders) providing financing to Transferee or its Affiliates or to any assignee or assignees of any such lender, lenders or agent. It is agreed and understood by the parties hereto that prior to the Escrow Agent acknowledging the assignment and being obligated to honor any written instruction from any such assignee or assignees, each assignee or assignees shall have first executed a written agreement which binds them as a full party to this Escrow Agreement, in a form reasonably satisfactory to the Escrow Agent, with such assignee or assignees agreeing to be bound by the terms, conditions and obligations of this Escrow Agreement to the same extent as Transferee or Transferor,

as applicable, and any assignee or assignees must provide such Patriot Act information reasonably requested by the Escrow Agent and the Escrow Agent must be satisfied with all the required Patriot Act information received from or related to such assignee or assignees.

12. Notice. All notices requests, consents and other communications hereunder (each, a “**Notice**”) shall be in writing and shall be deemed to have been given (a) if mailed, the date of receipt or refusal of such Notice when sent via first class United States certified mail, return receipt requested, postage prepaid to the address listed below for the party to whom the Notice is being sent (the “**Notice Party**”); (b) if hand delivered or delivered by courier, upon actual delivery or refusal of such Notice to the Notice Party at the address listed below for such Notice Party; or (c) if sent by facsimile, on the first Business Day after the date of the sender's receipt of a confirmed transmission of such Notice to the Notice Party at the facsimile number, if any, listed below for such Notice Party provided the party giving such Notice delivers by courier or hand delivery a copy of such Notice within two days after the transmission of such Notice by facsimile to the Notice Party. The addresses and facsimile numbers for each party to this Escrow Agreement, as of the date hereof, are:

If to Transferor, to:

Hardin County, Kentucky d/b/a Hardin Memorial Hospital
P.O. Box 568
Elizabethtown, Kentucky 42702
Attn: Judge Executive

with a copy (which shall not constitute notice) to:

Hall, Render, Killian, Health & Lyman, P.C.
500 N. Meridian Street, Suite 400
Indianapolis, Indiana 46204-1293
Attn: Charles P. Sukurs

If to Transferee, to:

Baptist Healthcare System, Inc.
2701 Eastpoint Parkway
Louisville, KY 40223
Facsimile No.: (502) 896-5097
Attention: Vice President and Chief Financial Officer

with a copy (which shall not constitute notice) to:

Baptist Healthcare System, Inc.
2701 Eastpoint Parkway
Louisville, KY 40223
Facsimile No.: (502) 896-5080
Attn: Vice President and Chief Legal Counsel

If to the Escrow Agent, to:

Branch Banking and Trust Company
Corporate Trust Services
223 West Nash Street
Wilson, NC 27893
Attn: Pam McGee
Telephone: 252 246-4974
E-mail: pmcgee@bbandt.com
Facsimile: 252 230-4303

Notwithstanding the above, in the case of communications delivered to the Escrow Agent whereby the Escrow Agent must act based on a specified number of days upon its receipt of such communication, if applicable, such communications shall be deemed to have been given on the date received by the Escrow Agent.

13. No Third Party Beneficiary. This Escrow Agreement is solely between and for the benefit of the parties hereto. This Escrow Agreement is in no way intended to confer any rights, benefits or obligations to or on any third party. This Escrow Agreement does not serve to alter, amend, modify or increase the applicable standards of care, under the laws of the Commonwealth of Kentucky, for the services provided under or contemplated by this Escrow Agreement.

14. Amendment or Waiver. This Escrow Agreement may be amended only by a writing signed by all of the parties hereto. No waiver of any right or remedy shall be binding unless it is in writing and is signed the party granting such waiver. No delay or omission by any party in exercising any right with respect hereto shall operate as a waiver. A waiver on any one occasion shall not be construed as a bar to, or waiver of, any right or remedy on any future occasion.

15. Severability. To the extent any provision of this Escrow Agreement is prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Escrow Agreement.

16. Entire Agreement. This Escrow Agreement and the Purchase Agreement constitute the entire agreement between the parties (except in the case of the Escrow Agent, the Escrow Agent shall neither be responsible for, nor chargeable with, knowledge of the terms and conditions of the Purchase Agreement), relating to the holding and disbursement of the Escrow Accounts and sets forth in their entirety the obligations and duties of Escrow Agent with respect to the Escrow Accounts.

17. Binding Effect. All of the terms of this Escrow Agreement, as amended from time to time, shall be binding upon, inure to the benefit of and be enforceable by the respective heirs, successors and permitted assigns of the parties hereto.

18. Execution in Counterparts. This Escrow Agreement or other direction given hereunder may be executed in two or more counterparts, which when so executed shall constitute one and the same agreement or direction.

19. Termination. Upon the disbursement of all amounts in the Escrow Account pursuant to Section 6 or the mutual written consent of Transferee and Transferor (written notice of which shall be given pursuant to a Joint Written Direction), this Escrow Agreement shall terminate and the Escrow Agent shall

have no further obligation or liability whatsoever with respect to this Escrow Agreement or the Escrow Accounts.

20. Miscellaneous. All references in this Escrow Agreement to days shall mean calendar days. All actions required to be performed by the Escrow Agent under this Escrow Agreement on a day which is not a Business Day shall be performed on the next Business Day. "Business Day" shall mean any day, excluding Saturday, Sunday and any day on which banking institutions are authorized by law or other governmental action to be closed.

21. Taxes. Prior to the date hereof, the Parties shall provide the Escrow Agent with certified tax identification numbers by furnishing appropriate forms W-9 or W-8 and such other forms and documents that the Escrow Agent may request. The Parties understand that if such tax reporting documentation is not provided and certified to the Escrow Agent, the Escrow Agent may be required by the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, to withhold a portion of any interest or other income earned on the investment of the Escrow Accounts. The Escrow Agent shall report to the Internal Revenue Service, as of each calendar year-end, all income earned from the investment of any sum held in each Escrow Account as income of Transferee, whether or not said income has been distributed during such year, as and to the extent required by law. The Escrow Agent shall withhold any taxes it deems appropriate and shall remit such taxes to the appropriate authorities. Any tax returns required to be prepared and filed will be prepared and filed by Transferor with the Internal Revenue Service in all years income is earned, whether or not income is received or distributed in any particular tax year, and the Escrow Agent shall have no responsibility for the preparation and/or filing of any tax return or any applicable FIRPTA reporting or withholding with respect to any income earned by the Escrow Accounts. Any taxes payable on income earned from the investment of any sums held in the Escrow Accounts shall be paid by Transferee, whether or not the income was distributed by the Escrow Agent during any particular year.

IN WITNESS WHEREOF, the parties hereto have caused this Escrow Agreement to be executed as of the date first above written.

TRANSFeree

Baptist Healthcare System, Inc.

By:

Name: _____

Title: _____

TRANSFEROR

Hardin County, Kentucky d/b/a Hardin Memorial
Hospital

By:

Name: _____

Title: _____

ESCROW AGENT

Branch Banking and Trust Company, as Escrow Agent

By:

Name: _____

Title: _____

EXHIBIT A-1

Transferee certifies that the names, titles, telephone numbers, e-mail addresses and specimen signatures set forth in Parts I and II of this Exhibit A-1 identify the persons authorized to provide direction and initiate or confirm transactions, including funds transfer instructions, on behalf of Transferee, and that the option checked in Part III of this Exhibit A-1 is the security procedure selected by Transferee for use in verifying that a funds transfer instruction received by the Escrow Agent is that of Transferee.

Transferee has reviewed each of the security procedures and has determined that the option checked in Part III of this Exhibit A-1 best meets its requirements; given the size, type and frequency of the instructions it will issue to the Escrow Agent. By selecting the security procedure specified in Part III of this Exhibit A-1, Transferee acknowledges that it has elected to not use the other security procedures described and agrees to be bound by any funds transfer instruction, whether or not authorized, issued in its name and accepted by the Escrow Agent in compliance with the particular security procedure chosen by Transferee.

NOTICE: The security procedure selected by Transferee will not be used to detect errors in the funds transfer instructions given by Transferee. If a funds transfer instruction describes the beneficiary of the payment inconsistently by name and account number, payment may be made on the basis of the account number even if it identifies a person different from the named beneficiary. If a funds transfer instruction describes a participating financial institution inconsistently by name and identification number, the identification number may be relied upon as the proper identification of the financial institution. Therefore, it is important that Transferee take such steps as it deems prudent to ensure that there are no such inconsistencies in the funds transfer instructions it sends to the Escrow Agent.

Part I

Name, Title, Telephone Number, Electronic Mail (“e-mail”) Address and Specimen Signature for person(s) designated to provide direction, including but not limited to funds transfer instructions, and to otherwise act on behalf of Transferee

<u>Name</u>	<u>Title</u>	<u>Telephone Number</u>	<u>E-mail Address</u>	<u>Specimen Signature</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Part II
Name, Title, Telephone Number and E-mail Address for
person(s) designated to confirm funds transfer instructions

<u>Name</u>	<u>Title</u>	<u>Telephone Number</u>	<u>E-mail Address</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Part III

Means for delivery of instructions and/or confirmations

The security procedure to be used with respect to funds transfer instructions is checked below:

- Option 1. Confirmation by telephone call-back. The Escrow Agent shall confirm funds transfer instructions by telephone call-back to a person at the telephone number designated on Part II above. The person confirming the funds transfer instruction shall be a person other than the person from whom the funds transfer instruction was received, unless only one person is designated in both Parts I and II of this Exhibit A-1.

CHECK box, if applicable:

If the Escrow Agent is unable to obtain confirmation by telephone call-back, the Escrow Agent may, at its discretion, confirm by e-mail, as described in Option 2.

- Option 2. Confirmation by e-mail. The Escrow Agent shall confirm funds transfer instructions by e-mail to a person at the e-mail address specified for such person in Part II of this Exhibit A-1. The person confirming the funds transfer instruction shall be a person other than the person from whom the funds transfer instruction was received, unless only one person is designated in both Parts I and II of this Exhibit A-1. Transferee understands the risks associated with communicating sensitive matters, including time sensitive matters, by e-mail. Transferee further acknowledges that instructions and data sent by e-mail may be less confidential or secure than instructions or data transmitted by other methods. The Escrow Agent shall not be liable for any loss of the confidentiality of instructions and data prior to receipt by the Escrow Agent.

CHECK box, if applicable:

If the Escrow Agent is unable to obtain confirmation by e-mail, the Escrow Agent may, at its discretion, confirm by telephone call-back, as described in Option 1.

- *Option 3. Delivery of funds transfer instructions by password protected file transfer system only - no confirmation. The Escrow Agent offers the option to deliver funds transfer instructions through a password protected file transfer system. If Transferee wishes to use the password protected file transfer system, further instructions will be provided by the Escrow Agent. If Transferee chooses this Option 3, it agrees that no further confirmation of funds transfer instructions will be performed by the Escrow Agent.

- *Option 4. Delivery of funds transfer instructions by password protected file transfer system with confirmation. Same as Option 3 above, but the Escrow Agent shall confirm funds transfer instructions by telephone call-back or e-mail (must check at least one, may check both) to a person at the telephone number or e-mail address designated on Part II above. By checking a box in the prior sentence, the party shall be deemed to have agreed to the terms of such confirmation option as more fully described in Option 1 and Option 2 above.

**The password protected file system has a password that expires every 60 days. If you anticipate having infrequent activity on this account, please consult with your Escrow Agent before selecting this option.*

Dated this ____ day of _____, 2018.

By _____

EXHIBIT A-2

Transferor certifies that the names, titles, telephone numbers, e-mail addresses and specimen signatures set forth in Parts I and II of this Exhibit A-2 identify the persons authorized to provide direction and initiate or confirm transactions, including funds transfer instructions, on behalf of Transferor, and that the option checked in Part III of this Exhibit A-2 is the security procedure selected by Transferor for use in verifying that a funds transfer instruction received by the Escrow Agent is that of Transferor.

Transferor has reviewed each of the security procedures and has determined that the option checked in Part III of this Exhibit A-2 best meets its requirements; given the size, type and frequency of the instructions it will issue to the Escrow Agent. By selecting the security procedure specified in Part III of this Exhibit A-2, Transferor acknowledges that it has elected to not use the other security procedures described and agrees to be bound by any funds transfer instruction, whether or not authorized, issued in its name and accepted by the Escrow Agent in compliance with the particular security procedure chosen by Transferor.

NOTICE: The security procedure selected by Transferor will not be used to detect errors in the funds transfer instructions given by Transferor. If a funds transfer instruction describes the beneficiary of the payment inconsistently by name and account number, payment may be made on the basis of the account number even if it identifies a person different from the named beneficiary. If a funds transfer instruction describes a participating financial institution inconsistently by name and identification number, the identification number may be relied upon as the proper identification of the financial institution. Therefore, it is important that Transferor take such steps as it deems prudent to ensure that there are no such inconsistencies in the funds transfer instructions it sends to the Escrow Agent.

Part I

Name, Title, Telephone Number, Electronic Mail (“e-mail”) Address and Specimen Signature for person(s) designated to provide direction, including but not limited to funds transfer instructions, and to otherwise act on behalf of Transferor

<u>Name</u>	<u>Title</u>	<u>Telephone Number</u>	<u>E-mail Address</u>	<u>Specimen Signature</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Part II

Name, Title, Telephone Number and E-mail Address for person(s) designated to confirm funds transfer instructions

<u>Name</u>	<u>Title</u>	<u>Telephone Number</u>	<u>E-mail Address</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Part III

Means for delivery of instructions and/or confirmations

The security procedure to be used with respect to funds transfer instructions is checked below:

- Option 1. Confirmation by telephone call-back.* The Escrow Agent shall confirm funds transfer instructions by telephone call-back to a person at the telephone number designated on Part II above. The person confirming the funds transfer instruction shall be a person other than the person from whom the funds transfer instruction was received, unless only one person is designated in both Parts I and II of this Exhibit A-2.

CHECK box, if applicable:

If the Escrow Agent is unable to obtain confirmation by telephone call-back, the Escrow Agent may, at its discretion, confirm by e-mail, as described in Option 2.

- Option 2. Confirmation by e-mail.* The Escrow Agent shall confirm funds transfer instructions by e-mail to a person at the e-mail address specified for such person in Part II of this Exhibit A-2. The person confirming the funds transfer instruction shall be a person other than the person from whom the funds transfer instruction was received, unless only one person is designated in both Parts I and II of this Exhibit A-2. Transferor understands the risks associated with communicating sensitive matters, including time sensitive matters, by e-mail. Transferor further acknowledges that instructions and data sent by e-mail may be less confidential or secure than instructions or data transmitted by other methods. The Escrow Agent shall not be liable for any loss of the confidentiality of instructions and data prior to receipt by the Escrow Agent.

CHECK box, if applicable:

If the Escrow Agent is unable to obtain confirmation by e-mail, the Escrow Agent may, at its discretion, confirm by telephone call-back, as described in Option 1.

*Option 3. Delivery of funds transfer instructions by password protected file transfer system only - no confirmation. The Escrow Agent offers the option to deliver funds transfer instructions through a password protected file transfer system. If Transferor wishes to use the password protected file transfer system, further instructions will be provided by the Escrow Agent. If Transferor chooses this Option 3, it agrees that no further confirmation of funds transfer instructions will be performed by the Escrow Agent.

*Option 4. Delivery of funds transfer instructions by password protected file transfer system with confirmation. Same as Option 3 above, but the Escrow Agent shall confirm funds transfer instructions by telephone call-back or e-mail (must check at least one, may check both) to a person at the telephone number or e-mail address designated on Part II above. By checking a box in the prior sentence, the party shall be deemed to have agreed to the terms of such confirmation option as more fully described in Option 1 and Option 2 above.

**The password protected file system has a password that expires every 60 days. If you anticipate having infrequent activity on this account, please consult with your Escrow Agent before selecting this option.*

Dated this ____ day of _____, 2018.

By _____

EXHIBIT B

Agency and Custody Account Direction For Cash Balances

Direction to use the following BB&T Trust Deposit Program for Cash Balances for the escrow account or accounts (the “*Account*”) established under the Escrow Agreement to which this Exhibit B is attached.

You are hereby directed to deposit, as indicated below, or as the Parties shall direct further in writing from time to time, all cash in the Account in the following money market deposit account of BB&T Trust Deposit Program:

[NTD: to be completed]

We understand that amounts on deposit in **[NTD: account]** are insured, subject to the applicable rules and regulations of the Federal Deposit Insurance Corporation (FDIC), in the basic FDIC insurance amount of \$250,000 per depositor, per insured bank. This includes principal and accrued interest up to a total of \$250,000.

We acknowledge that the Parties have full power to direct investments of the Account.

We understand that the Parties may change this direction at any time and that it shall continue in effect until revoked or modified by the Parties by written notice to you.

Exhibit B to Escrow Agreement

EXHIBIT C

Fees of Escrow Agent

[NTD: to be completed]

EXHIBIT H

NON-FOREIGN
AFFIDAVIT

File/Case No.: [NTD: insert no.]

**NON-FOREIGN AFFIDAVIT
(CORPORATE)**

Property: [NTD: insert address]

Settlement Date: [____], 2018

Section 1445 of the Internal Revenue code provides that a transferee (buyer) of a U.S. real property interest must withhold tax if the transferor (seller) is a foreign corporation. To inform the transferee (buyer) that the withholding of tax is not required upon disposition of a U.S. real property interest by Hardin County, Kentucky d/b/a Hardin Memorial Hospital, the undersigned hereby certifies the following on behalf of the seller:

1. It is not a foreign corporation, foreign partnership, foreign trust or foreign estate (as those terms are defined in the Internal Revenue code and Income Tax regulations).
2. Its U.S. employer identification number is [_____]
3. Its office address is:
[NTD: insert address]

The undersigned understands that this certification may be disclosed to the Internal Revenue Service by the transferee and that any false statement made here could be punished by fine, imprisonment, or both.

Under penalties of perjury, I declare that I have examined this certification and, to the best of my knowledge and belief, it is true, correct and complete, and I further declare that I have authority to sign this certification on behalf of Hardin County, Kentucky d/b/a Hardin Memorial Hospital.

FURTHER AFFIANT SAYETH NAUGHT.

Hardin County, Kentucky d/b/a Hardin Memorial Hospital

By: [NTD: insert name and title] (SEAL)

State of Kentucky

Sworn to and subscribed before me this ____ day of _____, 2018 by [NTD: insert name and title] of Hardin County, Kentucky d/b/a Hardin Memorial Hospital, on behalf of the corporation, who is/are personally known to me or who has/have produced as identification.

NOTARY PUBLIC

NOTORIAL SEAL

My commission expires the ____ day of _____, _____
Registration Number __

EXHIBIT I

OWNER'S AFFIDAVIT

below), the Owner will provide mechanics' and materialmen's waivers from those providing labor and materials on the Property.

8. Owner has no actual knowledge of any unrecorded options or contracts to purchase, rights of first refusal, contracts for deed or mortgage commitments, or unrecorded deeds, easements or rights-of-way for users or adverse interest with respect to the Property.
9. There is no action or proceeding, including, but not limited to, bankruptcy, which is now pending against Owner in any state or federal court, nor is there any attachment, judgment, or other encumbrance which may now constitute a lien on the Property, nor are there any claims or pending claims against Owner which may be satisfied through a lien or attachment against the Property, except for such lawsuits, liens, judgments or encumbrances that are available in the public records, and except for the following additional matters: [none, or if applicable, insert pending lawsuit information].
10. Owner has not received written notice of any officially proposed or pending special assessment or any pending taking by eminent domain of any portion of the Property by any governmental body.
11. Affiant hereby certifies that the Property is improved real property and may be used by Tenant for the purposes set forth in the applicable zoning ordinance, as the same may be restricted by nature of the Lease or other agreements affecting the Property.
12. Affiant hereby certifies that there are no encroachments of improvements on adjoining property onto the Property other than those which may be discovered by a title search and accurate survey of the Property, and that Affiant has made no assertion against any adjoining property owner, and has no actual knowledge of an assertion being made by any adjoining property owner against Owner, as to the location of boundary lines or disputes as to occupancy of any portions of the Property or any adjoining property.
13. Owner has no actual knowledge that any liens, mortgages or other encumbrances affect the Property, except for those of record.
14. [Address any additional factual issue required to be addressed relative to the Property]
15. This Affidavit is made for the benefit of Old Republic National Title Insurance Company (the "Company") and its agent, Morgan & Pottinger, P.S.C. ("Agent"), to issue an owner's policy of title insurance without exceptions for rights of parties in possession, mechanics' or materialmen's liens, or other liens or encumbrances which are the subject of the factual statements set out in this Affidavit.

Dated effective as of the ____ day of _____, 2018.

(SIGNATURE PAGE FOLLOWS)

EXHIBIT A

PROPERTY DESCRIPTION

[insert Property description and source of title]