EXECUTION VERSION

STOCK PURCHASE AGREEMENT

BY AND AMONG

SOUNDPATH HEALTH, INC.

NORTHWEST PHYSICIANS NETWORK OF WASHINGTON, LLC

PHYSICIANS OF SOUTHWEST WASHINGTON, L.L.C.

AND

COLLABHEALTH PLAN SERVICES, INC.

DATED AS OF

October 18, 2012

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STOCK PURCHASE AGREEMENT

This STOCK PURCHASE AGREEMENT (this "Agreement") is entered into as of October 18, 2012 (the "Effective Date"), by and among NORTHWEST PHYSICIANS NETWORK OF WASHINGTON, LLC, a Washington limited liability company ("NPN"), PHYSICIANS OF SOUTHWEST WASHINGTON, L.L.C., a Washington limited liability company ("PSW," together with NPN, are collectively "Sellers"), SOUNDPATH HEALTH, INC., a Washington corporation (the "Company"), and COLLABHEALTH PLAN SERVICES, INC., a Colorado corporation ("Buyer").

RECITALS

WHEREAS, capitalized terms used herein have the meanings ascribed to such terms in **Exhibit A** attached hereto;

WHEREAS, the Company is a licensed Washington domestic health care service contractor that is a Medicare Advantage health insurance carrier (the "Business");

WHEREAS, PSW owns five hundred thirty-six thousand nine hundred (536,900) shares of the Class A Stock of the Company, which constitutes fifty-nine percent (59%) of the outstanding capital stock of the Company (the "PSW Proportionate Percentage Interest"), and NPN owns three hundred seventy three thousand one hundred (373,100) shares of the Class A Stock of the Company, which constitutes forty-one percent (41%) of the outstanding capital stock of the Company (the "NPN Proportionate Percentage Interest"), all of which collectively constitutes all of the issued and outstanding capital stock of the Company (the "Shares");

WHEREAS, PSW desires to sell to Buyer, and Buyer desires to purchase from PSW, one hundred ninety-six thousand five hundred sixty (196,560) Shares (the "PSW Purchased Shares"), and NPN desires to sell, and Buyer desires to purchase from NPN, three hundred nine thousand four hundred (309,400) (the "NPN Purchased Shares," together with the PSW Purchased Shares, the "Purchased Shares"), at a price of $23.92 per share and on the terms and subject to the conditions set forth in this Agreement;

WHEREAS, the Purchased Shares constitute fifty-five and 6/10 percent (55.60%) of the Shares;

WHEREAS, PSW has existing reserves in the amount of Two Million Three Hundred Seventy-One Thousand Two Hundred Seven Dollars ($2,371,207) (the "PSW Existing Reserves"), which are subject to that certain Security Reserve Amendment dated as of February 1, 2011 (the "PSW Security Reserve Amendment") to that certain Contractor and Participant Medicare Advantage Agreement by and between the Company and PSW dated March 1, 2007, and which such PSW Security Reserve Amendment will be further amended effective as of the Closing Date;

WHEREAS, NPN has no existing reserves as required by that certain Security Reserve Amendment dated as of February 1, 2011 (the "NPN Security Reserve Amendment"), to that certain Contractor and Participant Medicare Advantage Agreement by and between the Company

and NPN dated March 1, 2007, and which such NPN Security Reserve Amendment will be further amended effective as of the Closing Date;

WHEREAS, contemporaneously with the execution of this Agreement, the Sellers, the Company and the Buyer entered into that certain Asset Purchase Agreement dated as of the date hereof (the "Asset Purchase Agreement"), whereby Buyer has agreed to purchase, and the Company has agreed to sell, substantially all of the Company's assets related to the administration of the Business (the "Purchased Assets"), subject to the terms and conditions of the Asset Purchase Agreement; and

WHEREAS, contemporaneously with the execution of this Agreement, the Sellers, the Company and the Buyer entered into that certain Class R Preferred Stock Purchase Agreement (the "R Shares SPA") dated as of the date hereof, pursuant to which the Company has agreed to issue and sell series R preferred shares of the Company ("Class R Shares") to the Buyer, subject to the terms and conditions of the R Shares SPA.

NOW, THEREFORE, in consideration of and premised upon the various representations, warranties, covenants and other agreements and undertakings of the Parties contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE I
PURCHASE AND SALE; CLOSING; RELATED MATTERS

Section 1.1 The Closing. The Closing shall take place on a mutually agreeable date that is ten (10) Business Days after the last of the conditions set forth in Article V hereof have either been fully satisfied and completed or waived in writing in accordance herewith (other than those conditions that can only be fulfilled at the Closing) (the "Closing Date"). The Closing shall begin at 9:00 a.m. Pacific Time, on the Closing Date, at which time the Parties will exchange copies of the Other Transaction Documents and signature pages thereto by facsimile or other appropriate electronic means, the receipt of which will be confirmed by telephone or electronic mail. The Parties agree to use their commercially reasonable efforts to cause the Closing to occur as soon as practicable. Following the Closing, and unless otherwise mutually agreed in writing by the Parties, the Closing will be deemed for all purposes to have occurred at 12:01 a.m., Pacific Time, on the Closing Date (the "Effective Time of Closing").

Section 1.2 Purchase and Sale. Upon the terms and subject to the conditions of this Agreement, at the Closing, Sellers shall sell, transfer and deliver the Purchased Shares to Buyer and Buyer shall purchase the Purchased Shares from Sellers, free and clear of all Encumbrances.

Section 1.3 Purchase Price. Subject to adjustment as set forth in Sections 1.4 and 1.5, the purchase price to be paid to the Sellers for the Purchased Shares by the Buyer shall be Twelve Million One Hundred Two Thousand Five Hundred Sixty Three and 20/100 Dollars ($12,102,563.20, (the "Purchase Price"). The Purchase Price shall be allocated as follows: (a) $7,400,848.00 for the NPN Purchased Shares (the "NPN Purchase Price"); and (b) $4,701,715.20 for the PSW Purchased Shares (the "PSW Purchase Price").

Section 1.4 Payment of Purchase Price. Buyer shall pay the Purchase Price as follows:

(a) At the Closing, (i) Buyer shall deliver Three Hundred Twelve Thousand Two Hundred Eighty-Three Dollars ($312,283) to the account designated in the PSW Security Reserve Amendment, which is equal to PSW's Closing Reserve Amount *less* the PSW Existing Reserves, and (ii) Buyer shall deliver Four Million Four Hundred Fifty-One Thousand Eight Hundred Eight Dollars ($4,451,808) to the account designated in the NPN Security Reserve Amendment, which is equal to NPN's Closing Reserve Amount, both in immediately available funds to be held in each of PSW's and NPN's respective accounts pursuant to each of PSW's and NPN's Security Reserve Amendments, as amended.

(b) At the Closing, (i) Buyer shall deliver to Bank of America, National Association (the "Escrow Agent") Seven Hundred Fifty Thousand Dollars ($750,000) in immediately available funds to an account designated in writing by the Escrow Agent to Buyer to be held pursuant to the terms of an escrow agreement by and among PSW, Buyer and the Escrow Agent, in substantially the form as set forth on Exhibit 1.4(b)(i) attached hereto (the "PSW Escrow Agreement"), and (ii) Buyer shall deliver to the Escrow Agent Seven Hundred Seventeen Thousand Five Hundred Dollars ($717,500) in immediately available funds to an account designated in writing by the Escrow Agent to Buyer to be held pursuant to the terms of an escrow agreement by and between NPN, Buyer and the Escrow Agent, in substantially the form as set forth on Exhibit 1.4(b)(ii) attached hereto (the "NPN Escrow Agreement")

(c) At the Closing and in addition to the payments identified in Sections 1.4(a) and (b), Buyer shall pay the Purchase Price in accordance with the closing statement (the "Closing Statement"), in form and substance agreed to by the Parties, which Closing Statement will provide that any and all amounts loaned to NPN from Buyer will reduce the NPN Purchase Price payable to NPN at the Closing Date.

Section 1.5 Working Capital Adjustment.

(a) Definitions.

(i) The "Working Capital Difference Amount" will be equal to (A) the Working Capital as of the Closing Date, *minus* (B) $4,700,000.

(ii) The "Working Capital Adjustment Amount" (which may be a positive or negative number) is either (A), if the Working Capital Difference Amount is a positive number and greater than Two Hundred Thousand Dollars ($200,000), then the Working Capital Adjustment Amount is equal to (1) the Working Capital Difference Amount, *minus* (2) Two Hundred Thousand Dollars ($200,000), or (B), if the Working Capital Difference Amount is a negative number and less than negative Two Hundred Thousand Dollars (-$200,000), then the Working Capital Adjustment Amount is equal to (1) the Working Capital Difference Amount, *plus* (2) Two Hundred Thousand Dollars ($200,000).

(b) Sellers will prepare and will cause Moss Adams, LLP, the Company's certified public accountants, to review and analyze the consolidated financial statements ("Closing Financial Statements") of the Company as of the Closing Date and for the period from June 30, 2012 through the Closing Date, including a computation of the Working Capital as of the Closing Date. Sellers will deliver the Closing Financial Statements to Buyer within forty-five (45) days after the Closing Date.

(c) If within thirty (30) days following delivery of the Closing Financial Statements, Buyer has either (i) given Sellers written notice that it does not object to the Closing Financial Statements, or (ii) not given Sellers notice of its objection to the Closing Financial Statements (such notice must contain a statement of the basis of Buyer's objection), then the Working Capital amount reflected in the Closing Financial Statements will be used in computing the Working Capital Adjustment Amount. If Buyer timely gives notice of objection to the Closing Financial Statements, then the issues in dispute will be submitted to the Seattle office of Deloitte LLP, certified public accountants (the "Accounting Arbitrator"), for resolution. If issues in dispute are submitted to the Accounting Arbitrator for resolution:

(i) Each party will furnish to the Accounting Arbitrator such workpapers and other documents and information relating to the disputed issues as the Accounting Arbitrator may request and are available to that party (or its independent public accountants), and will be afforded the opportunity to present to the Accounting Arbitrator any material relating to the determination and to discuss the determination with the Accounting Arbitrator;

(ii) The final determination by the Accounting Arbitrator, as set forth in a notice delivered to both parties by the Accounting Arbitrator, will be binding and conclusive on the parties; and

(iii) The fees and expenses of the Accounting Arbitrator shall be allocated for payment by Buyer, on the one hand, and/or the Sellers, on the other hand, based on the percentages which the portion of the total amount contested but not awarded to such party(ies) bears to the total amount contested by such party(ies), as determined by the Accounting Arbitrator.

(d) On the tenth (10th) Business Day following the final determination of the Working Capital Adjustment Amount, if (i) the Working Capital Adjustment Amount is a positive dollar amount, then the Buyer will pay the Working Capital Adjustment Amount to the Sellers, and (ii) if the Working Capital Adjustment Amount is a negative dollar amount, then the Sellers will pay the Working Capital Adjustment Amount to Buyer in accordance with their respective Proportionate Percentage Interest.

Section 1.6 Payments and Computations. Each Party will make each payment due to any other Party pursuant to this Agreement no later than 3:00 p.m., Pacific Time, on the day when due. All payments shall be paid by wire transfer of immediately available funds to the account or accounts designated in writing by the Party receiving such payment. All computations of interest shall be made on the basis of a year of 365 days, in each case for the

actual number of days (including the first day but excluding the last day) occurring in the period for which such interest is payable. Whenever any payment under this Agreement shall be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall be included in the computation of payment of interest.

Section 1.7 Deliveries at the Closing. At the Closing:

(a) Sellers shall deliver to Buyer or cause the Company to deliver to Buyer:

(i) Stock certificates representing the Purchased Shares, together with stock powers duly executed in blank;

(ii) The written resignation of all or some of the Directors of the Company, effective as of the Closing Date;

(iii) A certificate from each Seller dated as of the Closing Date, confirming the satisfaction of the conditions contained in Sections 5.1;

(iv) A copy of each Seller's resolutions adopted by their Managers and Members and a copy of the Company's resolutions adopted by its Board of Directors approving this Agreement and the Contemplated Transactions;

(v) A counterpart to the PSW Escrow Agreement, duly executed by the Escrow Agent and PSW;

(vi) A counterpart to the NPN Escrow Agreement, duly executed by the Escrow Agent and NPN;

(vii) Amended and restated Bylaws of the Company ("Bylaws"), in form and substance mutually agreeable to the Parties;

(viii) Amended and restated Articles of Incorporation of the Company ("Articles"), in form and substance mutually agreeable to the Parties;

(ix) Amended and restated Shareholder Agreement of the Company ("Shareholder Agreement"), in substantially the form set forth on Exhibit 1.7(a)(ix) attached hereto, executed by Sellers and the Company;

(x) Copies of the Company Required Consents;

(xi) A certificate from each Seller complying with the Code and the Treasury Regulations, in form and substance reasonably satisfactory to Buyer, certifying that each Seller is not a "foreign person" as defined in Section 1445 of the Code;

(xii) An amendment to that certain Contractor and Participant Medicare Advantage Agreement by and between the Company and NPN dated March 1, 2007, extending the term of such agreement for ninety (90) days from the Closing

Date, duly executed by NPN and the Company, in form and substance mutually agreeable to the Parties;

(xiii) An amendment to that certain Contractor and Participant Medicare Advantage Agreement by and between the Company and PSW dated March 1, 2007, extending the term of such agreement for five (5) years from the Closing Date and to provide for certain terms related to withholding funds from the capitation payment to maintain adequate reserves, duly executed by PSW and the Company, in form and substance mutually agreeable to the Parties;

(xiv) An amendment to that certain Contractor and Participant Medicare Advantage Agreement (the "FHS Provider Agreement") by and between the Company and Franciscan Health System, a Washington public benefit corporation ("FHS"), extending the term of the FHS Provider Agreement for five (5) years from the Closing Date, duly executed by the Company, in form and substance mutually agreeable to the Parties;

(xv) An insurance administrative services agreement (the "Insurance Services Agreement") whereby the Buyer would provide insurance administrative services to the Company, in substantially the form set forth on Exhibit 1.7(a)(xv) attached hereto, duly executed by the Company;

(xvi) A non-competition agreement (the "PSW Non-Competition Agreement") whereby PSW would agree not to compete against the Company or the Buyer or own an interest in a Person that competes with the Company or the Buyer, in substantially the form set forth on Exhibit 1.7(a)(xvi) attached hereto, duly executed by the Company and PSW;

(xvii) A non-competition agreement (the "NPN Non-Competition Agreement") whereby NPN would agree not to compete against the Company or the Buyer or own an interest in a Person that competes with the Company or the Buyer, in substantially the form set forth on Exhibit 1.7(a)(xvii) attached hereto, duly executed by the Company and NPN;

(xviii) An amendment to the PSW Security Reserve Amendment, in substantially the form set forth on Exhibit 1.7(a)(xviii) attached hereto, duly executed by PSW and the Company;

(xix) An amendment to the NPN Security Reserve Amendment, in substantially the form set forth on Exhibit 1.7(a)(xix) attached hereto, duly executed by NPN and the Company;

(xx) NPN Legal Opinion, PSW Legal Opinion and Company Legal Opinion, duly executed by the applicable counsel to such Parties;

(xxi) An agreement, in form and substance satisfactory to Buyer, signed by PSW and the Company terminating that certain Agreement by and between PSW and the Company dated April 23, 2012 whereby PSW agreed to purchase

one hundred thousand (100,000) shares of Class A Stock of the Company for a purchase price of One Million Dollars ($1,000,000), and evidence satisfactory to Buyer that any and all Form A applications and related filings with the Washington State Office of the Insurance Commissioner with respect to such transaction have been revoked and terminated;

(xxii) A counterpart to the Closing Statement, duly executed by the Company and the Sellers;

(xxiii) A tax clearance letter related to the Company issued by the Washington Department of Revenue; and

(xxiv) Such other agreements, instruments and documents as are required under this Agreement to be executed at Closing.

(b) Buyer shall deliver to Sellers and the Company or cause FHS to deliver to Sellers and the Company:

(i) A copy of Buyer's resolution adopted by its Board of Directors approving this Agreement and the Contemplated Transactions;

(ii) Copies of the Buyer Required Consents;

(iii) A certificate, dated as of the Closing Date confirming the satisfaction of the conditions contained in Sections 5.2;

(iv) A counterpart to the Shareholders Agreement, duly executed by Buyer;

(v) A counterpart to the PSW Escrow Agreement, duly executed by Buyer;

(vi) A counterpart to the NPN Escrow Agreement, duly executed by Buyer;

(vii) A counterpart to the PSW Non-Competition Agreement, duly executed by Buyer;

(viii) A counterpart to the NPN Non-Competition Agreement, duly executed by Buyer;

(ix) An Order from the Washington State Office of the Insurance Commissioner approving the Form A application for change of control of the Company, sale of the Purchased Shares to Buyer and sale of the Purchased Assets to Buyer; an Order from the Washington State Office of Insurance Commissioner approving the issuance and sale of the Class R Shares to Buyer; and an Order from the Washington State Office of the Insurance Commissioner approving the Form D application for the Insurance Services Agreement;

(x) A counterpart to the FHS Provider Agreement, duly executed by FHS;

(xi) A counterpart to the Insurance Services Agreement, duly executed by the Buyer;

(xii) Buyer's Legal Opinion, duly executed by Polsinelli Shughart PC;

(xiii) A counterpart to the Closing Statement, duly executed by Buyer; and

(xiv) Such other agreements, instruments and documents as are required under this Agreement to be executed at Closing.

(c) All of the deliveries and other transactions required to take place at the Closing and all documents relating thereto shall be interdependent and none shall be effective unless and until all are effective (except to the extent that the Party entitled to the benefit thereof has waived, in writing, satisfaction or performance thereof as a condition precedent thereto).

ARTICLE II
REPRESENTATIONS AND WARRANTIES OF SELLERS AND THE COMPANY

(i) The Company and Sellers, severally, but not jointly, with respect to representations and warranties in this Article II that relate to the Company, (ii) NPN, with respect to representations and warranties in this Article II that relate to NPN, and (iii) PSW, with respect to representations and warranties in this Article II that relate to PSW, hereby represent and warrant to Buyer, as of the Effective Date and as of the Closing Date, as follows:

Section 2.1 Organizational Matters.

(a) Each Seller is a limited liability company duly organized and validly existing under the laws of the State of Washington. The Company is a corporation duly organized and validly existing under the laws of the State of Washington with the requisite corporate power and authority to own, lease and operate its assets and properties and conduct its Business as it is now being conducted. The Company is duly qualified to do business as a foreign corporation in, and is in good standing under the laws of, each state or other jurisdiction in which either the ownership or use of the properties owned or used by it, or the nature of the activities conducted by it, requires such qualification, except where the failure to be so qualified would not, individually or in the aggregate, have a Material Adverse Effect.

(b) Sellers have delivered to Buyer true and complete copies of the Organizational Documents of the Company as currently in effect. The Company is not in default under or in violation of any provision of its Organizational Documents.

(c) The Company does not own any Equity Interest in any Person and the Company has no Subsidiaries.

(d) The Board of Directors of the Company consists solely of those individuals set forth in **Schedule 2.1(d)**. Except as set forth in **Schedule 2.1(d)**, neither the Sellers nor the Company have been ordered at any time by the Washington State Office of Insurance Commissioner to appoint any Directors to the Board of the Directors of the Company that are not affiliated with Sellers.

(e) The officers of the Company consist solely of those individuals set forth in **Schedule 2.1(e)**.

Section 2.2 Authorization; Consents; No Conflicts.

(a) Sellers and the Company have full power and authority to execute, deliver and perform this Agreement and the Other Transaction Documents and to consummate the Contemplated Transactions. The execution and delivery of this Agreement and the Other Transaction Documents by Sellers and the Company and the consummation by Sellers and the Company of the Contemplated Transactions have been duly and validly authorized by Sellers and the Company, and this Agreement constitutes the valid and legally binding obligation of Sellers and the Company, enforceable against Sellers and the Company in accordance with the terms hereof, except in each case (i) as may be limited by applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other similar Laws now or hereafter in effect relating to or affecting the enforceability of creditors' rights generally and (ii) as may be limited by general equitable principles (regardless of whether such enforceability is considered in a proceeding at law or in equity).

(b) Except for the Consents set forth in **Schedule 2.2(b)** (the "Company Required Consents"), neither of the Sellers nor the Company is or will be required to give any notice to or obtain any Consent from any Person in connection with the execution and delivery of this Agreement or the consummation or performance of any of the Contemplated Transactions.

(c) Provided that all Company Required Consents have been obtained, neither the execution and delivery of this Agreement nor the consummation or performance of any of the Contemplated Transactions will, directly or indirectly (with or without notice or lapse of time):

(i) contravene, conflict with, or result in a violation or termination of, or a loss of any right under, (A) any provision of the Organizational Documents of either Seller or the Company, or (B) any resolution adopted by the Board of Directors or shareholders of either Seller or the Company;

(ii) contravene, conflict with, or result in a violation of, or give any Governmental Authority the right to challenge any of the Contemplated Transactions or to exercise any remedy or obtain any relief under, any Applicable Law or any Order to which Sellers or the Company may be subject;

(iii) contravene, conflict with, or result in a violation of any of the terms or requirements of, or give any Governmental Authority the right to revoke,

withdraw, suspend, cancel, terminate, or modify, any Governmental Authorization that is held by the Company or that otherwise relates to the Business of, or any of the assets owned or used by, the Company;

(iv) except as set forth on **Schedule 2.2(c)**, cause Buyer or the Company to become subject to, or to become liable for the payment of, any Tax;

(v) cause any of the assets owned by the Company to be reassessed or revalued by any Governmental Authority;

(vi) except as set forth on **Schedule 2.2(c)**, contravene, conflict with, or result in a material violation or breach of any provision of, or give any Person 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 Contract; or

(vii) result in the imposition or creation of any Encumbrance upon or with respect to any of the assets owned or used by the Company.

Section 2.3 Certificate of Registration.

(a) The Company is domiciled and holds all current and validly issued licenses, certificates of authority, registrations, permits and authorizations issued by all applicable insurance Governmental Authorities required to authorize the Company to engage in the health insurance business, including but not limited to, the issuance of Medicare policies, in the State of Washington (the "Certificate of Registration"), including a description of the lines of business permitted under such Certificate of Registration. Sellers have delivered to Buyer a true, complete and correct copy of the Certificate of Registration.

(b) Except as set forth in **Schedule 2.3(b)**, (i) the Company has complied and is in compliance with the terms and conditions of the Certificate of Registration and no violation of the Certificate of Registration, or the Laws governing the issuance or continued validity thereof, has occurred; (ii) neither of the Sellers nor the Company has received any written claim or notice indicating that the Company is not in compliance with the terms of the Certificate of Registration or with the Applicable Laws of any Governmental Authority; and (iii) with respect to the Certificate of Registration, no Deficiency exists and, to the Knowledge of Sellers and the Company, no event has occurred that, with or without notice or lapse of time or both, would reasonably be expected to result in a Deficiency under such Certificate of Registration.

Section 2.4 Capitalization.

(a) The authorized capital stock of the Company consists solely of one million two hundred thousand (1,200,000) shares of class A stock, par value $10 per share, of which nine hundred ten thousand (910,000) constitute all of the issued and outstanding shares of capital stock of the Company. PSW owns five hundred thirty-six thousand nine hundred (536,900) shares of class A stock of the Company and NPN owns three hundred seventy-three thousand one hundred (373,100) shares of class A stock of the Company.

Sellers own (of record and beneficially) good and marketable title to the Shares, free and clear of all Encumbrances, with no defects of title whatsoever. Such Shares constitute all of the Equity Interests of the Company. Sellers have (i) the requisite power and authority to vote (as applicable) and transfer the Purchased Shares, and (ii) are not a party to or bound by any Contract relating to the Equity Interests of the Company (other than this Agreement or as disclosed in **Schedule 2.4(a)**). There are no proxies, voting trusts, voting agreements, powers of attorney or similar arrangements outstanding with respect to the Equity Interests of the Company.

(b) There exist no options, warrants, subscriptions or other rights or Contracts to purchase, exchange, transfer or otherwise receive or be issued, or securities or Liabilities convertible into or exchangeable for, any of the Equity Interests of the Company or any benefits or rights similar to any rights enjoyed by or accruing to a holder of the Shares, or any rights to participate in the equity, income or election of Directors or officers of the Company.

(c) Except as set forth in **Schedule 2.4(c)**, the Shares (i) have been duly authorized and validly issued and are fully paid and nonassessable, (ii) are not subject to preemptive rights, options, rights of first refusal or similar arrangements; and (iii) have not been issued in violation of any preemptive rights, options, rights of first refusal or similar arrangements.

Section 2.5 Financial Statements.

(a) Sellers have delivered to Buyer true, correct and complete copies of (i) the Annual Statements of the Company as filed with the Washington State Office of the Insurance Commissioner for the years ended December 31, 2011, 2010 and 2009, in each case including all exhibits, interrogatories, schedules, the management discussion and analysis and any actuarial opinions, affirmations, certifications or other supporting documents filed in connection therewith, and (ii) unaudited quarterly statements as of March 31, 2012 and June 20, 2012, as filed with the Washington State Office of the Insurance Commissioner (collectively, the "Company Financial Statements"). The Company Financial Statements are complete and accurate in all material respects, have been prepared in accordance with SAP, include or reflect all assets and liabilities of the Company required to be included pursuant to SAP and present, in all material respects, the statutory financial position of the Company as of the respective dates thereof, and such statements of income and capital and surplus and the notes thereto included in the Annual Statements present, in all material respects, the results of operations for the periods therein in accordance with SAP. Except as set forth in **Schedule 2.5(a)**, (i) the Company Financial Statements include all adjustments (all of which were normal recurring adjustments) necessary to fairly present, in all material respects, the financial position, results of operations and changes in financial position at and for such periods as required by SAP, and (ii) the Company Financial Statements complied in all material respects with all Applicable Laws, rules and regulations when filed, and no material weakness, deficiency or required adjustment has been asserted by any Governmental Authority with respect to the Company Financial Statements.

(b) The Company has established and maintains a system of internal controls over the preparation and reporting of the Company Financial Statements, and such internal controls are sufficient to provide reasonable assurance regarding the reliability of the Company Financial Statements and the preparation of the Company Financial Statements for external purposes in accordance with SAP.

(c) Sellers have delivered to Buyer true, correct and complete copies of (i) the audited balance sheets, and the related audited statements of income, changes in members' equity, and cash flow for the immediately preceding fiscal year for each Seller, and (ii) an unaudited balance sheet of each Seller as of June 30, 2012 and the related unaudited statements of income, changes in members' equity, and cash flow for the six (6) months then ended, including in each case the notes thereto (collectively the "Sellers Financial Statements"). Sellers Financial Statements present the financial condition and the results of operations, changes in members' equity, and cash flow of the Sellers as at the respective dates of and for the periods referred to in the Sellers Financial Statements, all in accordance with GAAP.

Section 2.6 Reserves. The loss reserves, including, but not by way of limitation, reserves for unpaid claims, incurred but not reported claims, unpaid loss adjustment expenses, health policy reserves, and other similar reserve amounts of the Company that are set forth and recorded in the Company Financial Statements as of December 31, 2011: (a) have been determined in all material respects in accordance with generally accepted actuarial standards in effect on such date (except as otherwise noted in such financial statements), (b) were computed on the basis of methodologies consistent in all material respects with those used in computing the corresponding reserves in the prior fiscal years (except as may be indicated in the notes thereto), (c) to the Knowledge of Sellers and the Company, include provisions for all actuarial reserves that are required to be established in accordance with all Applicable Laws, and (d) are sufficient and adequate.

Section 2.7 No Undisclosed Liabilities. Except for matters reflected or reserved for in the Company Financial Statements, and except as set forth in **Schedule 2.7**, the Company has no Liabilities arising from actions or omissions of Sellers, the Company or any of their respective Affiliates, including, to the Knowledge of Sellers and the Company, Liabilities that may become known or that arise only after the Closing and that result from actions, omissions or occurrences of Sellers of the Company prior to Closing. Except as set forth in **Schedule 2.7**, the Company has timely filed all periodic statements, together with all exhibits, interrogatories, notes, schedules and any actuarial opinions, affirmations or certifications or other supporting documents in connection therewith, required to be filed with or submitted to any Governmental Authority on forms prescribed or permitted thereby (collectively, the "Company Regulatory Reports"). Except as set forth in **Schedule 2.7**, the financial statements included in the Company Regulatory Reports, including the notes thereto, were prepared in conformity in all material respects with SAP consistently applied for the periods covered thereby and present, in all material respects, the statutory financial position of the Company as of the respective dates thereof and the results of operations thereof for the periods therein referred to as required by SAP (subject, in the case of any financial statement included in a Company Regulatory Report that covers a period other than an audited fiscal year, to normal year-end adjustments). To the Knowledge of Sellers and the Company, the Company Regulatory Reports complied in all

material respects with all Applicable Laws when filed, and no deficiency has been asserted with respect to any such Company Regulatory Report by any Governmental Authority. Except as set forth in **Schedule 2.7**, neither of the Sellers nor the Company is in receipt of any written notice from the Washington State Office of Insurance Commissioner that Sellers' or the Company's financial position is hazardous to the Company's policyholders, creditors or to the general public.

Section 2.8 Compliance with Applicable Law.

(a) Except as set forth in **Schedule 2.8(a)** hereto, to the Knowledge of Sellers and the Company, the Company has been in compliance with (i) all Applicable Laws, in all material respects, and (ii) the Certificate of Registration. Neither of the Sellers nor the Company is in receipt of any written notice of any claim alleging such failure to comply. Except as set forth in **Schedule 2.8(a)**, to the Knowledge of Sellers and the Company, the Company is not under Investigation with respect to any violation of any Applicable Laws.

(b) Except as set forth on **Schedule 2.8(b)** hereto, the Company has timely filed all periodic statements, reports, documents, registrations, filings and submissions together with all exhibits, interrogatories, notes, schedules and any actuarial opinions, affirmations or certifications or other supporting documents in connection therewith, required to be filed with or submitted to any Governmental Authority on forms prescribed or permitted thereby, and all such periodic statements, reports, documents, registrations, filings and submissions were all in material respects true, complete and accurate when filed and were in compliance in all material respects with all Applicable Laws, and no material deficiencies have been asserted in writing by any such Governmental Authority with respect thereto that have not been satisfied.

Section 2.9 Books and Records. The books of account, minute books and stock record books of the Company (the "Company Records"), all of which Company Records previously have been made available to Buyer and its Representatives, are complete and correct in all material respects and have been maintained in accordance with Applicable Law and sound business and bookkeeping practices. The Company Records contain (in all material respects) accurate and substantially complete records of all meetings held of, proceedings of, and other corporate action taken by, its shareholders, Board of Directors and committees thereof. At the Closing, all of the Company Records will be in the possession or control of the Company.

Section 2.10 Bank and Other Accounts. **Schedule 2.10** lists all bank accounts, lock boxes, safe deposit boxes and post office boxes maintained in the name of or controlled by the Company and the names of the persons having access thereto.

Section 2.11 Real Property; Encumbrances.

(a) **Schedule 2.11(a)** contains a complete and accurate list of all real property, leaseholds, or other interests therein owned by the Company (collectively, the "Real Property").

(b) There is no Real Property which is owned in fee by the Company.

(c) **Schedule 2.11(c)** lists each parcel of Real Property in which the Company owns a leasehold interest (collectively, the "Leased Real Estate"). Sellers have delivered to Buyer true and complete copies of all Leases, all amendments and supplements thereto. The Company has not assigned any Lease or any interest therein or subleased any portion of the Leased Real Estate. Each Lease is in full force and effect and there are no defaults under any Lease.

Section 2.12 Other Properties. The Company owns all the properties and assets (whether fixtures, personal, or mixed and whether tangible or intangible), other than the Real Property, that the Company purports to own and that is located in the facilities owned or operated by the Company or reflected as owned in the books and records of the Company, including without limitation the Purchased Assets. Other than the Real Property and except as set forth on **Schedule 2.12**, all properties and assets of the Company, including without limitation the Purchased Assets, are free and clear of any and all Encumbrances.

Section 2.13 No Material Adverse Effect. Since January 1, 2012 and except as set forth on **Schedule 2.13**, there has not been any Material Adverse Effect related to the Business, operations, properties, prospects, assets, or condition of the Company, and no event has occurred or circumstance exists that may result in such a Material Adverse Effect.

Section 2.14 Employee Benefits. As used in this Section, the following terms have the meanings set forth below:

(i) "ERISA Affiliate" means, with respect to the Company, any other person that, together with the Company, would be treated as a single employer under IRC §414.

(ii) "Multi-Employer Plan" has the meaning given in ERISA §3(37)(A).

(iii) "Other Benefit Obligations" means all obligations, arrangements, or customary practices, whether or not legally enforceable, to provide benefits, other than salary, as compensation for services rendered, to present or former directors, employees, or agents, other than obligations, arrangements, and practices that are Plans. Other Benefit Obligations include consulting agreements under which the compensation paid does not depend upon the amount of service rendered, sabbatical policies, severance payments policies, and fringe benefits within the meaning of IRC §132.

(iv) "PBGC" means the Pension Benefit Guaranty Corporation, or any successor thereto.

(v) "Pension Plan" has the meaning given in ERISA §3(2)(A).

(vi) "Plan" has the meaning given in ERISA §3(3).

(vii) "Plan Sponsor" has the meaning given in ERISA §3(16)(B).

(viii) "Qualified Plan" means any Plan that meets or purports to meet the requirements of IRC §401(a) (including Plans described in IRC §403(b)).

(ix) "Company Other Benefit Obligation" means an Other Benefit Obligation owed, adopted, or followed by the Company or an ERISA Affiliate.

(x) "Company Plan" means a Plan of which the Company or an ERISA Affiliate is or was a Plan Sponsor, or to which the Company or an ERISA Affiliate otherwise contributes or has contributed, or in which the company or an ERISA Affiliate otherwise participates or has participated. All references to Plans are to Company Plans unless the context requires otherwise.

(xi) "Company VEBA" means a VEBA whose members include employees of Company or any ERISA Affiliate.

(xii) "Title IV Plans" means all Pension Plans that are subject to Tile IV of ERISA, 29 U.S.C. §1301 *et. seq.*, other than Multi-Employer Plans.

(xiii) "VEBA" means a voluntary employees' beneficiary associate under IRC §501(c)(9).

(xiv) "Welfare Plan" has the meaning given in ERISA §3(1).

(b) **Schedule 2.14(b)** sets forth the following:

(i) **Schedule 2.14(b)(i)** contains a complete and accurate list of all current Company Plans, Seller Other Benefit Obligations, and Company VEBAs as of the date of this Agreement as well as a complete and accurate list of any Company Plans, Company Other Benefit Obligations, and Company VEBAs no longer offered but offered within the last five (5) years, and identifies as such all Company Plans that are:

(A) Defined benefit Pension Plans

(B) Qualified Plans;

(C) Title IV Plans;

(D) Multi-Employer Plans;

(E) VEBAs; or

(F) Welfare Plans.

(ii) **Schedule 2.14(b)(ii)** contains a complete and accurate list of:

(A) All ERISA Affiliates;

(B) All Plans of which any such ERISA Affiliate is or was a Plan Sponsor, and

(C) All Plans in which any such ERISA Affiliate participates or has participated, or to which any such ERISA Affiliate contributes or has contributed.

(iii) **Schedule 2.14(b)(iii)** sets forth, for each Multi-Employer Plan, as of its last valuation date, the amount of potential withdrawal liability of the Company and any of the Company's other ERISA Affiliates, calculated according to information made available under ERISA §4221(e).

(iv) **Schedule 2.14(b)(iv)** sets forth a calculation of the liability of the Company for post-retirement benefits other than pensions, made in accordance with Financial Accounting Statement 106 of the Financial Accounting Standards Board, regardless of whether the Company is required by this Statement to disclose such information.

(v) **Schedule 2.14(b)(v)** sets forth the financial cost of all obligations owed under any Company Plan or Company Other Benefit Obligations that is not subject to the disclosure and reporting requirements of ERISA.

(c) Sellers have made available to Buyer:

(i) A true, correct and complete listing of all personnel, their respective payroll, and any employment manuals, handbooks and policies of the Company and any ERISA Affiliate; and

(ii) A true, correct and complete copy of all collective bargaining agreements under which contributions have been made or obligations incurred (including both pension and welfare benefits) by the Company and the ERISA Affiliates of the Company, and all collective bargaining agreements under which contributions are being made or obligations are owed by such entities.

(d) Except as set forth in **Schedule 2.14(d)**:

(i) The Company, with respect to all Company Plans and Company Other Benefits Obligations is, and each Company Plan and Company Other Benefit Obligations is, in full compliance, both in form and operation, with ERISA, the IRC, and all Applicable Law, including the provisions of such Applicable Law expressly mentioned in this Section, and each of the Company Plans and Company Other Benefit Obligations has been and presently is being operated in material compliance with the terms of the operative plan documents, all contributions and payments have been timely made or accrued with respect to all Company Plans and Company Other Benefit Obligations.

(ii) Neither the Company nor any of its Related Persons has made any voluntary correction program submission to either the Internal Revenue Service or

the Department of Labor with respect to any compliance failure or operational failure as relates to any Company Plan listed in **Schedule 2.14(b)**.

(iii) No Company Plan is a stock bonus, pension, or profit-sharing plan within the meaning of IRC §401(a).

(iv) No statement, either written or oral, has been made by the Company to any Person with regard to any Company Plan or Company Other Benefit Obligation that was not in accordance with the company Plan or Company Other Benefit Obligation and that could have an adverse economic consequence to the Company or to Buyer.

(e) Neither the Company nor any other ERISA Affiliate has established, maintained, or contributed to, or had any obligation to establish, maintain or contribute to any:

(i) Plan or arrangement that is a Title IV Plan;

(ii) Multi-Employer Plan; or

(iii) Multiple employer plan as defined in IRC §413 (c).

(f) Neither the Company nor any ERISA Affiliate has ceased operations at any facility or has withdrawn from any Title IV Plan or Multi-Employer Plan in a manner that would subject any entity or the Company to liability under ERISA §4062(e), §4063, or §4064.

(g) Neither the Company nor any other ERISA Affiliate has established, maintained, or contributed to, or had any obligation to establish, maintain or contribute to:

(i) a multiple employer welfare arrangement within the meaning of ERISA Section 3(40)(A); or

(ii) a voluntary employees' beneficiary association under IRC § 501(c)(9).

(h) Neither the Company nor any other ERISA Affiliate has any obligation to provide any medical, life or similar benefits to current or future retired or terminated employees, their spouses or dependents following termination of employment except as required in ERISA § 601.

(i) All claims which have been incurred prior to Closing, regardless whether reported, shall be processed through and paid under Company's Welfare Plans (including for this purpose, any educational reimbursement or assistance program). For this purpose, a claim shall be deemed incurred:

(i) with respect to medical benefits, other than as described in Clause (ii) immediately below, at the time services or materials are received;

(ii) with respect to benefits for hospital or nursing home confinement, including doctors' visits, nursing services and other services and supplies furnished in conjunction with the confinement, at the time the confinement commenced;

(iii) with respect to life or survivor benefits, at the time of the death;

(iv) with respect to short- or long-term disability or accident and sickness benefits, at the time the disability commenced;

(v) with respect to amounts payable under workers' compensation or other similar Laws, at the time the disability, accident or illness commenced; and

(vi) with respect to tuition or educational reimbursements, at the time the class or program commenced.

With respect to any employee who is not actively at work on the Closing Date (for reasons other than normal scheduling or vacation), including former employees who terminated or retired prior to the Closing Date, employees on leave of absence for medical or other reasons, and employees on layoff, Company shall remain responsible for and continue any applicable welfare benefit plan coverage until such time, if any, as such employee returns to active service with the Company.

(j) The Company has complied with the provisions of ERISA § 601 et seq. and IRC § 4980B. Further, the Company shall also remain responsible for and continue to provide any applicable health care continuation coverage under IRC § 4980B to employees or their dependents if the "qualifying event" (as defined in IRC § 4980B(f)(3)) occurred prior to Closing.

Section 2.15 Legal Proceedings; Orders.

(a) Except as set forth on **Schedule 2.15**, (i) there are no currently pending Proceedings that have been commenced by or against the Company, including any Proceedings that challenge or that may have the effect of preventing, delaying, or making illegal, any of the Contemplated Transactions; and (ii) to the Knowledge of Sellers and the Company, no Proceeding has been Threatened by or against the Company.

(b) (i) There exist no Orders to which the Company, or any of the assets owned by the Company, are subject; and (ii) neither of the Sellers nor any of their Affiliates is subject to any Order that relates to the Business of, or any of the assets owned by, the Company.

Section 2.16 Taxes and Tax Returns.

(a) All Tax Returns required to be filed by, or with respect to, the Company or the Business or assets of the Company, have been timely filed in the manner prescribed by Applicable Law. All such Tax Returns were true, correct and complete in all material respects. All Taxes due and owing by, or with respect to, the Company or the Business or assets of the Company (whether or not shown or required to be shown on any Tax Return), have been fully and timely paid in the manner prescribed by Applicable Law. With respect to any taxable period for which such Tax Returns have not yet been filed and for which Taxes are not yet due and owing, the Company has made adequate and sufficient accruals for Taxes on the most recent financial statements of the Company in accordance with SAP. Except as set forth on **Schedule 2.16(a)**, the Company is not the beneficiary of any waiver or extension of any period of limitations in respect of any Tax Return of the Company and there are no requests or demands to waive or extend any such period of limitations.

(b) The Company has withheld and timely paid to the appropriate Taxing Authority all Taxes required to have been withheld and paid by the Company in connection with any amounts paid or owing to any officer or Director of the Company, employee, independent contractor, creditor, stockholder, foreign Person or other third party, and has complied with all information reporting and record keeping requirements with respect thereto, in the manner prescribed by Applicable Law.

(c) To the Knowledge of Sellers and the Company, no Taxing Authority is expected to assess any additional Taxes for any taxable period. Except as set forth on **Schedule 2.16(c)**, no foreign, federal, state, or local Tax audits or administrative or judicial Tax proceedings are pending or to Sellers' and the Company's Knowledge being conducted with respect to the Company. The Company has not received from any foreign, federal, state, or local Taxing Authority (including jurisdictions where the Company has not filed Tax Returns) any (a) notice indicating an intent to open an audit or other review, (b) request for information related to Tax matters, (c) notice of deficiency or proposed adjustment for any amount of Tax proposed, asserted, or assessed by any Taxing Authority against the Company, or (d) notice of any proposed adjustment from any state Taxing Authority related to a "desk audit."

(d) The Company has not engaged in a trade or business, had a permanent establishment (within the meaning of an applicable income tax treaty or local law) or otherwise become subject to Tax in a jurisdiction other than the United States. **Schedule 2.16(d)** contains a true, correct, and complete list of all jurisdictions (whether foreign or domestic) to which any Tax is properly payable by the Company. No claim has been made by a Taxing Authority in a jurisdiction where the Company does not file Tax Returns that it is or may be subject to taxation by that jurisdiction, and, to the Knowledge of Sellers and the Company, there is no basis for any such jurisdiction to assert that the Company is or may be subject to Tax in such jurisdiction.

(e) Except as set forth in **Schedule 2.16(e)**, the Company has made available to Buyer for inspection true, correct, and complete copies of all Tax Returns of the Company relating to Taxes for all taxable periods ending on or after December 31, 2007 and true, correct, and complete copies of all private letter rulings, revenue agent reports,

information document requests, notices of proposed deficiencies, deficiency notices, protests, petitions, closing agreements, settlement agreements, pending ruling requests, and any similar documents relating to Taxes for all taxable periods ending on or after December 31, 2007 submitted by, received by, or agreed to by or on behalf of the Company.

(f) The Company has no liability for the Taxes of any Person (other than the Company) under Treasury Regulations Section 1.1502 6 (or any similar provision of state, local, or foreign law), or as a transferee or successor, by contract, or otherwise. The Company is not a party to any joint venture, partnership, or other arrangement or Contract that could be treated as a partnership for United States federal income Tax purposes.

(g) The Company has never been a member of any consolidated, combined, unitary, or other affiliated group within the meaning of Section 1504 of the Code or otherwise, for any federal, state, local, or foreign tax purposes.

(h) Except as set forth on **Schedule 2.16(h)**, the Company has not waived any statute of limitations in respect of Taxes or agreed to any extension of time with respect to a Tax assessment or deficiency.

(i) To the Knowledge of Sellers and the Company, there are no non-disclosed or non-economic substantive tax positions taken by the Company that could give rise to a substantial understatement of federal income Tax within the meaning of Code Section 6662. The Company has not been a party to any "reportable transaction," as defined in Section 6707A(c)(1) of the Code and Treasury Regulations Section 1.6011 4(b).

(j) There are no Tax rulings, requests for rulings, closing agreements or other similar agreements (including any gain recognition agreements under Section 367 of the Code) in effect or filed with any Tax Authority relating to the Company which may affect the Company's liability for Taxes for any Post-Closing Tax Period. The Company is in compliance with all agreements entered into with a Tax Authority.

(k) The Company has not distributed stock of another Person, nor have the Shares been distributed by another Person, in a transaction that was purported or intended to be governed in whole or in part by Code Section 355 or Section 361.

(l) The Company has never been a party to any Tax allocation or Tax sharing agreement.

(m) The Company will not be required to include any item of income in, or exclude any item of deduction from, taxable income for any Post-Closing Tax Period as a result of any: (i) change in method of accounting for a taxable period ending on or prior to the Closing Date; (ii) "closing agreement" as described in Code Section 7121 (or any corresponding or similar provision of state, local or foreign income Tax law) executed on or prior to the Closing Date; (iii) intercompany transactions or any excess loss account described in Treasury Regulations under Code Section 1502 (or any corresponding or

similar provision of state, local or foreign income Tax law); (iv) installment sale or open transaction disposition made on or prior to the Closing Date; (v) prepaid amount received on or prior to the Closing Date; or (vii) change in the basis for determining the items listed in Code Section 807(c).

(n) The Company has not been, at any time during the applicable time period set forth in Section 897(c)(1) of the Code, a United States real property holding company within the meaning of Section 897(c)(2) of the Code.

Section 2.17 Absence of Changes. Except as set forth on **Schedule 2.17**, since January 1, 2012, there has not been, (a) any declaration, setting aside or payment of any dividend whether in cash, stock or property with respect to the Shares or any Equity Interests of the Company, or any redemption or other acquisition of the Shares or any Equity Interests of the Company by the Sellers or the Company; (b) other than in the Ordinary Course of Business, any compensation payable or to become payable by the Company to its directors, officers, or any employees or Sellers or any adoption of any bonus, insurance, pension or other benefit plan, payment or arrangement made to, for or with any such party; (c) other than in the Ordinary Course of Business, any entry into any commitment or transaction, including, without limitation, any borrowing or capital expenditure; (d) any change by the Company in accounting methods, practices or principles; (e) any termination or waiver of any rights of material value to the Company; (f) any distributions or discretionary payments to any officers, directors, or any employees of the Company or any Affiliate of the Company; (g) any sale of assets or incurrence of liabilities, except in the Ordinary Course of its Business; (h) any adoption of any bonus, profit sharing, compensation, stock option, pension, retirement, deferred compensation, or other Plan, agreement, trust, fund or arrangement; or (i) any agreement or understanding made or entered into to do any of the foregoing.

Section 2.18 Statutory Capital and Surplus. Except as set forth on **Schedule 2.18**, the Company meets or exceeds the minimum amount of capital and surplus required by the Governmental Authority of each jurisdiction in which the Company holds a Certificate of Registration for the Company to be in compliance with all Applicable Laws governing a Certificate of Registration in each such jurisdictions.

Section 2.19 Brokers and Finders. Except as set forth on **Schedule 2.19**, neither the Company nor the Sellers have engaged any Person or incurred any Liability for any investment banker, brokerage or finders' services in connection with this Agreement or the Contemplated Transactions.

Section 2.20 Contracts. The representations in this **Section 2.20** apply to Contracts that are currently in force.

(a) **Schedule 2.20(a)** contains a complete and accurate list, and Sellers have delivered to Buyer true and complete copies, of:

(i) each Contract that involves performance by the Company, performance to the Company or that was not entered into in the Ordinary Course of Business, all of which involve an amount

or value in excess of $100,000 per year, except with respect to Contracts for the provision of medical services, for which **Schedule 2.20(a)** lists such Contracts with medical service providers to whom the Company directly paid in excess of $250,000 based on year to date payments for 2012 (through August 2012);

(ii) each Contract by and between the Company and each Seller and each Contract by and between the Company and an Affiliate of each Seller;

(iii) each lease, rental or occupancy agreement, license, installment and conditional sale agreement, and other Contract affecting the ownership of, leasing of, title to, use of, or any leasehold or other interest in, any real or personal property;

(iv) each licensing agreement or other Contract with respect to patents, trademarks, copyrights, or other intellectual property, including agreements with current or former employees, consultants, or contractors regarding the appropriation or the non-disclosure of any of the Intellectual Property Assets;

(v) each joint venture, partnership, and other Contract (however named) involving a sharing of profits, losses, costs, or liabilities by the Company with any other Person;

(vi) each Contract containing covenants that in any way purport to restrict the business activity of the Company or any Affiliate of the Company or limit the freedom of the Company or any Affiliate of the Company to engage in any line of business or to compete with any Person;

(vii) each Contract providing for payments to or by any Person based on sales, purchases, or profits, other than direct payments for goods;

(viii) each power of attorney that is currently effective and outstanding;

(ix) each Contract entered into other than in the Ordinary Course of Business that contains or provides for an express undertaking by the Company to be responsible for consequential damages;

(x) each Contract for capital expenditures in excess of $100,000;

(xi) each written warranty, guaranty, and or other similar undertaking with respect to contractual performance extended by the Company other than in the Ordinary Course of Business; and

(xii) each amendment, supplement, and modification (whether oral or written) in respect of any of the foregoing.

(b) Except as set forth in **Schedule 2.20(b)**:

(i) neither Seller, nor an Affiliate of either Seller, has or may acquire any rights under, and neither Seller has or may become subject to any obligation or liability under, any Contract that relates to the Business of, or any of the assets owned or used by, the Company; and

(ii) no officer, director, agent, employee, consultant, or contractor of the Company is bound by any Contract that purports to limit the ability of such officer, director, agent, employee, consultant, or contractor to (i) engage in or continue any conduct, activity, or practice relating to the Business of the Company, or (ii) assign to the Company or to any other Person any rights to any invention, improvement, or discovery.

(c) Except as set forth in **Schedule 2.20(c)**, each Contract identified or required to be identified in **Schedule 2.20(a)** is in full force and effect and is valid and enforceable in accordance with its terms.

(d) Except as set forth in **Schedule 2.20(d)**:

(i) the Company is in full compliance with all material terms and requirements of each Contract under which the Company has or had any obligation or liability or by which the Company or any of the assets owned or used by the Company is or was bound;

(ii) to the Knowledge of Sellers and the Company, each other Person that has or had any obligation or liability under any Contract under which the Company has or had any rights is in full compliance with all applicable terms and requirements of such Contract;

(iii) to the Knowledge of Sellers and the Company, 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 the Company or other Person 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 Contract; and

(iv) the Company has not given to, or received from, any other Person any notice or other communication (whether oral or written) regarding any actual, alleged, possible, or potential violation or breach of, or default under, any Contract.

Section 2.21 Insurance.

(a) **Schedule 2.21(a)** lists each and every insurance policy maintained by or for the benefit of the Company or any officer or director of the Company. Such Schedule shall provide the following information with respect to each policy: (i) name of the issuing insurance company, (ii) the name of each insured and each additional insured; (iii) the annual premium, (iv) the type of coverage, (v) the coverage limits, (vi) the self-insured retention or deductible, and (vii) the period for which coverage was provided, including beginning date and end date. Sellers have delivered to Buyer true and complete copies of all policies of insurance listed in **Schedule 2.21(a)**.

(b) **Schedule 2.21(b)** describes:

(i) any self-insurance arrangement by or affecting the Company, including any reserves established thereunder;

(ii) any Contract or arrangement, other than a policy of insurance, for the transfer or sharing of any risk by the Company;

(iii) all obligations of the Company to third parties with respect to insurance (including such obligations under leases and service agreements) and identifies the policy under which such coverage is provided; and

(iv) the loss experience for all claims that were self-insured, including the number and aggregate cost of such claims (loss experience and loss ratios), a listing of all open claims, the allocated loss adjustment expense for such claims, and the amount reserved for each claim, including the amount set aside in funds for the payment of such claims.

(c) Except as set forth in **Schedule 2.21(c)**, all policies to which the Company is a party or that provide coverage to either Sellers, the Company, or any director or officer of the Company as of the Effective Date: (i) are valid, outstanding, and enforceable; (ii) are issued by an insurer that has an A.M. Best Company rating of A; (iii) taken together, provide adequate insurance coverage for the assets and the operations of the Company; (iv) are sufficient for compliance with Applicable Law and Contracts to which any Company is a party or by which any of them is bound; (v) will continue in full force and effect following the consummation of the Contemplated Transactions; and (vi) do not provide for any retrospective premium adjustment or other experienced-based liability on the part of the Company.

(d) Except as set forth in **Schedule 2.21(d)**:

(i) The Company, or any Director or officer of the Company has not received (A) any refusal of coverage or any notice that a defense will be afforded with reservation of rights, or (B) any notice of cancellation or any other indication that any insurance policy is no longer in full force and effect or will not be renewed or that the issuer of any policy is not willing or able to perform its obligations thereunder;

(ii) The Company and Sellers have paid all premiums due, and have otherwise performed all of their respective obligations, under each policy to which the Company and Sellers is a party or that provides coverage to either Sellers, the Company, or any Director or officer of the Company; and

(iii) The Company and Sellers have given timely and proper notice to the insurer of all claims, potential claims and other incidents that may be insured thereby.

Section 2.22 Reinsurance Agreements.

(a) **Schedule 2.22(a)** lists each and every insurance policy, assumption agreement, retrocession treaty, and reinsurance arrangement, to which the Company is either a ceding party or an assuming party and which are currently in force (the "Reinsurance Agreements"). Such Schedule shall provide the following information with respect to each Reinsurance Agreement: (i) name of the issuing reinsurance company; (ii) the annual premium; (iii) the type of coverage; (iv) the coverage limits; (v) the deductible; (vi) the period for which coverage was provided, including beginning date and end date; and (vii) the percentage of risk retained and ceded with minimum and maximum limits of liability, both individually and in the aggregate. Sellers have delivered to Buyer true and complete copies of all Reinsurance Agreements listed in **Schedule 2.22(a)**.

(b) Except as set forth in **Schedule 2.22(b)**, all Reinsurance Agreements (i) comply with all Applicable Law of the applicable jurisdictions with respect to the policies of insurance or insurance contracts reinsured thereunder, (ii) are valid, outstanding, enforceable and neither the Company nor any other party to such Reinsurance Agreements are in default thereunder, (iii) are issued by a reinsurer that has an A.M. Best Company rating of A/Excellent, (iv) taken together, provide adequate reinsurance coverage for the assets and the operations of the Company, (v) are sufficient for compliance with Applicable Law and any Contracts to which the Company is a party or by which is bound, (vi) will continue in full force and effect following the consummation of the Contemplated Transactions, and (vii) do not provide for any retrospective premium adjustment or other experienced-based liability on the part of the Company.

(c) Except as set forth in **Schedule 2.22(c)**, to the Knowledge of Sellers and the Company, the Company and the reinsurers that are parties to the Reinsurance

Agreements are in compliance with all Applicable Law necessary to allow the Company to properly take reserve credit, with respect to the risks ceded under the Reinsurance Agreements.

(d) Except as set forth in **Schedule 2.22(d)**:

(i) The Company, or any Director or officer of the Company have not received (A) any refusal of coverage or any notice that a defense will be afforded with reservation of rights, or (B) any notice of cancellation or any other indication that any Reinsurance Agreement is no longer in full force or effect or will not be renewed or that the reinsurer under any Reinsurance Agreement is not willing or able to perform its obligations thereunder;

(ii) The Company and Sellers have paid all premiums in full when due, and have otherwise performed all of their respective obligations, under each Reinsurance Agreement to which the Company and Sellers is a party or that provides coverage to either Sellers, the Company, or any Director or officer of the Company; and

(iii) The Company and Sellers have given timely and proper notice to the reinsurers of all claims, potential claims and other incidents that may be reinsured under the Reinsurance Agreements.

Section 2.23 Insurance Issued. Except as set forth on **Schedule 2.23**, with respect to all insurance issued by the Company:

(a) All insurance policies and certificates issued by the Company comply with all Applicable Law of the jurisdiction in which such insurance policies, certificates and contracts were issued, and the forms of all of such insurance policies, certificates and contracts have been filed and approved, or deemed approved, in every jurisdiction where such filing and approval is required with all applicable Governmental Authorities, including, but not limited to, the State of Washington Office of the Insurance Commissioner.

(b) To the Knowledge of Sellers and the Company, no deficiencies with respect to any reports, statements, documents, registrations, policy forms, premium rates, sales materials and other filings required to be filed by the Company with all applicable Governmental Authorities have been asserted by any such Governmental Authority.

(c) The underwriting standards utilized and ratings applied by the Company with respect to insurance policies, certificates and contracts issued by the Company, are in compliance with the underwriting policies and procedure adopted by the Company or in effect at the time of the issuance of such insurance policies, certificates and contracts, and comply with all Applicable Law of the jurisdiction in which such insurance policies, certificates and contracts were issued.

(d) There are no insurance products issued by the Company under which the insureds, holders or owners of such insurance product have any rights with respect to dividends, surplus, profit participation or voting.

(e) There are no claims or proceedings by any current or former insured, or any other party, with respect to any insurance policies, certificates and contracts issued by the Company, except for claims, payments and billing inquiries made in the Ordinary Course of Business, and all insurance policy, certificate and contract benefits payable by the Company to any Person that is a party to or bound by such insurance policy, certificate or contract which is entitled to payment thereunder have been paid or are in the process of being paid in accordance with the terms of the insurance policies, certificates or contracts under which they arose, except for such benefits for which there is a reasonable and good faith basis to contest payment.

(f) The Company is not subject to any market conduct claim or complaint by a Governmental Authority and the Company has not received written notice from a Governmental Authority, or any other Person, of any action by the Company or the Sellers that would reasonably be expected to give rise to a market conduct claim by a Governmental Authority.

(g) No current or former insured of the Company has made any inquiry, complaint, charge, or claim (including any claim that an insurance product offered or sold by the Company was not suitable or that any such offer or sale was inconsistent with such customer's or party's objectives or instructions) which would either be (i) a single complaint charge or claim which would be material to the Business; or (ii) multiple small complaints, charges or claims which are similar in nature to the Company or, to the Knowledge of Sellers and the Company, to any carrier or Governmental Authority with respect to the acts or omissions of the Company. To the Knowledge of Sellers and the Company, no current or former insured of the Company has threatened to make any such inquiry, complaint, charge or claim.

(h) All lists of insured's policies, certificates or contract numbers, premium amounts, claims and adjudication records, case reserve calculations, loss ratios, renewal and expiration data, customer lists, complaint records, and all other policyholder information is owned by the Company, has not been published or made available in the public domain, and no claim has been made to nor has any contract been entered into that gives or purports to give any other Person the right to copy the same or to the ownership of such books and records.

(i) To the Knowledge of Sellers and the Company, the Company has not engaged in, authorized, nor approved any advertising or engaged in any marketing activities, whether conducted, promoted, produced by or distributed by it, or any third-party acting on its behalf, that is not in compliance with the Applicable Law.

Section 2.24 Regulatory Filings. Except as may be required in connection with the Contemplated Transaction, the Company has duly filed with all appropriate Governmental Authorities, to the extent that filing of the same is required by Applicable Laws, all annual and

quarterly statements and other statements, documents, filings, registrations and reports including, without limitation, annual Form B and Form C filings, Form D filings related to all agreements with affiliated parties, including without limitation any administrative service agreements between Sellers and the Company, and any other filings required under Applicable Law. To the Knowledge of Sellers and the Company, all such statements, documents, filings, registrations and reports were in compliance in all material respects with all Applicable Law when filed, and there are no material omissions therefrom. Except as set forth in **Schedule 2.24**, there is no Proceeding pending or, to Sellers' and the Company's Knowledge, threatened, by any Governmental Authority relating to the Company. Except for regular periodic assessments in the Ordinary Course of Business, no claim or assessment is pending or, to Sellers' and the Company's Knowledge, threatened, against the Company by any state insurance guaranty association in connection with that association's fund relating to insolvent insurers.

Section 2.25 Agents and Producers. **Schedule 2.25** lists all agents, brokers, producers, managing general agents, underwriting managers, reinsurance intermediaries and other Persons through whom the Company has written, sold, solicited or negotiated any insurance, reinsurance or retrocessional coverage since January 1, 2009. To the Knowledge of Sellers and the Company, all Persons listed on **Schedule 2.25** are, and at all relevant times were, duly licensed and, where applicable, appointed to act as agents, brokers, producers, managing general agents, underwriting managers or reinsurance intermediaries in the jurisdictions where they engage in such activities. To the Knowledge of Sellers and the Company, except as set forth in **Schedule 2.25**, there are no Laws or Contracts that prohibit the termination of any appointment or agreement with such Persons other than the sending of written notice without cause by the Company of ninety (90) days or less.

Section 2.26 Employees.

(a) **Schedule 2.26(a)** contains a complete and accurate list of the following information for each employee or Director of the Company, including each employee on leave of absence or layoff status: (i) name; (ii) job title; and (iii) current compensation paid or payable and any change in compensation since January 1, 2012; and (iv) vacation accrued.

(b) To the Knowledge of Sellers and the Company, no employee or Director of the Company is a party to, or is otherwise bound by, any Contract or arrangement, including any confidentiality, noncompetition, or proprietary rights agreement, between such employee or Director and any other Person ("Proprietary Rights Agreement") that in any way adversely affects or will affect (i) the performance of his/her duties as an employee or Director of the Company, or (ii) the ability of the Company to conduct its Business, including any Proprietary Rights Agreement with Sellers or the Company by any such employee or Director. To Sellers' and the Company's Knowledge, no officer, or other key employee of the Company intends to terminate his employment with the Company.

(c) To the Knowledge of Sellers and the Company, no present or former employee of the Company has any claim against the Company (whether under federal, state or local law, any employment agreement, or otherwise) on account of or for

(i) overtime pay, other than overtime pay for the current payroll period, (ii) wages, incentives, bonuses, commissions or salary for any period other than the current payroll period, (iii) vacation, sick pay, time off or pay in lieu of vacation or time off, other than that earned in respect of the current fiscal year or accrued on the Company's books and records, or (iv) any violation of any statute, ordinance or regulation relating to minimum wages or maximum hours of work. To the Knowledge of Sellers and the Company, all amounts required to be withheld by the Company from its employees have been properly withheld and timely deposited and all contributions required to be paid by the Company in respect of its employees have been paid in accordance with the applicable provisions of federal, state and local laws regarding income tax withholding and social security, workers compensation, unemployment compensation or similar taxes or contributions.

(d) To the Knowledge of Sellers and the Company, no Person (including, but not limited to, governmental agencies of any kind) has any claim, or basis for any action or proceeding, against the Company arising out of any statute, ordinance or regulation relating to discrimination in employment or employment practices or occupational safety and health standards. The Company has not received any notice or citation from any federal, state or local entity alleging a violation of occupational safety or health standards.

Section 2.27 Intellectual Property.

(a) The term "Intellectual Property Assets" includes: (i) the name "SoundPath Health" and "Puget Sound Health Partners, Inc.", the Company's plan names "Ascent", "Alpine", "Sound+Rx", "Pinnancle+Rx", "Charter+Rx", and "Apex+Rx", all fictional business names, trading names, registered and unregistered trademarks, service marks, and applications for same (collectively, "Marks"); (ii) all patents, patent applications, and inventions and discoveries that may be patentable (collectively, "Patents"); (iii) all copyrights in both published works and unpublished works (collectively, "Copyrights"); (iv) all rights in mask works (collectively, "Rights in Mask Works"); and (v) all know-how, trade secrets, confidential information, customer lists, software, technical information, data, process technology, plans, drawings, and blueprints (collectively, "Trade Secrets") owned, used, or licensed by the Company as licensee or licensor.

(b) **Schedule 2.27(b)** contains a complete and accurate list and summary description, including any royalties paid or received by the Company, of all Contracts relating to the Intellectual Property Assets to which the Company is a party or by which the Company is bound, except for any license implied by the sale of a product and perpetual, paid-up licenses for commonly available software programs with a value of less than $20,000 under which the Company is the licensee. There are no outstanding and, to Sellers' and the Company's Knowledge, no Threatened disputes or disagreements with respect to any such agreement.

(c) The Intellectual Property Assets are all those necessary for the operation of the Business as it is currently conducted. The Company is the owner of all right, title, and interest in and to each of the Intellectual Property Assets, free and clear of all liens, security interests, charges, encumbrances, equities, and other adverse claims, and has the

right to use without payment to a third party all of the Intellectual Property Assets. The Sellers disclaim any ownership of the Intellectual Property Assets.

(d) To the Knowledge of Sellers and the Company, no employee of the Company has entered into any Contract that restricts or limits in any way the scope or type of work in which the employee may be engaged or requires the employee to transfer, assign, or disclose information concerning his work to anyone other than the Company.

(e) The Company does not own any right, title, or interest in or to any Patents and no Patents have ever been issued in the name of the Company.

(f) **Schedule 2.27(f)** contains a complete and accurate list and summary description of all Marks of the Company. The Company is the owner of all right, title, and interest in and to each of the Marks, free and clear of all liens, security interests, charges, encumbrances, equities, and other adverse claims.

(i) All Marks that have been registered with the United States Patent and Trademark Office are currently in compliance with all formal legal requirements (including the timely post-registration filing of affidavits of use and incontestability and renewal applications), are valid and enforceable, and are not subject to any maintenance fees or taxes or actions falling due within ninety days after the Closing Date.

(ii) No Mark has been or is now involved in any opposition, invalidation, or cancellation and, to Sellers' and the Company's Knowledge, no such action is Threatened with the respect to any of the Marks.

(iii) To Sellers' and the Company's Knowledge, there is no potentially interfering trademark or trademark application of any third party.

(iv) No Mark is infringed or, to Sellers' and the Company's Knowledge, has been challenged or threatened in any way. None of the Marks used by the Company infringes or is alleged to infringe any trade name, trademark, or service mark of any third party.

(v) All products and materials containing a Mark bear the proper federal registration notice where permitted by law.

(g) The Company does now own any right, title, or interest in or to any Copyrights and no Copyrights have ever been registered in the name of the Company.

(h) With respect to each Trade Secret of the Company, the documentation relating to such Trade Secret is current, accurate, and sufficient in detail and content to

identify and explain it and to allow its full and proper use without reliance on the knowledge or memory of any individual.

(i) Sellers and the Company have taken all reasonable precautions to protect the secrecy, confidentiality, and value of their Trade Secrets.

(j) The Company has good title and an absolute (but not necessarily exclusive) right to use the Trade Secrets. The Trade Secrets are not part of the public knowledge or literature, and, to Sellers' and the Company's Knowledge, have not been used, divulged, or appropriated either for the benefit of any Person (other than the Company) or to the detriment of the Company. No Trade Secret is subject to any adverse claim or has been challenged or threatened in any way.

Section 2.28 Disclosure.

(a) No representation or warranty of Sellers and the Company in this Agreement and no statement in the Schedules omits to state a material fact necessary to make the statements herein or therein, in light of the circumstances in which they were made, not misleading.

(b) There is no fact known to Sellers and the Company that has specific application to either of the Sellers or the Company (other than general economic or industry conditions) and that would have a Material Adverse Effect on the assets, business, prospects, financial condition, or results of operations of the Company that has not been set forth in this Agreement or the Schedules.

(c) Copies of all agreements, Contracts, and documents delivered and to be delivered hereunder by the Company or Sellers are and will be true and complete copies of such agreements, contracts, and documents. All written summaries or oral agreements will be accurate.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to the Company and Sellers, as of the date hereof and as of the Closing Date, as follows:

Section 3.1 Organization. Buyer is a corporation duly organized, validly existing and in good standing under the laws of the State of Colorado. Buyer has the corporate power and authority to carry on its business as it is now being or is currently proposed to be conducted.

Section 3.2 Authority; No Violation; Consents.

(a) Buyer has full corporate power and authority to execute, deliver and perform this Agreement and the Other Transaction Documents and to consummate the Contemplated Transactions. The execution and delivery of this Agreement and the Other Transaction Documents by Buyer and the consummation by Buyer of the Contemplated Transactions have been duly and validly authorized by Buyer, and this Agreement constitutes the valid and legally binding obligation of Buyer, enforceable against Buyer in accordance with the terms hereof, except in each case (i) as may be limited by applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other similar Laws now or hereafter in effect relating to or affecting the enforceability of creditors' rights generally and (ii) as may be limited by general equitable principles (regardless of whether such enforceability is considered in a proceeding at law or in equity).

(b) Except for the Consents set forth in **Schedule 3.2(b)** (the "Buyer Required Consents"), Buyer is not or will not be required to give any notice to or obtain any Consent from any Person in connection with the execution and delivery of this Agreement or the consummation or performance of any of the Contemplated Transactions.

(c) Provided that all Buyer Required Consents have been obtained, neither the execution and delivery of this Agreement nor the consummation or performance of any of the Contemplated Transactions will, directly or indirectly (with or without notice or lapse of time):

(i) contravene, conflict with, or result in a violation or termination of, or a loss of any right under, (A) any provision of the Organizational Documents of Buyer, (B) any resolution adopted by the Board of Directors or shareholders of Buyer, or (C) any Contract to which Buyer is a party or by or to which it or any of its assets or properties may be bound or subject; or

(ii) contravene, conflict with, or result in a violation of, or give any Governmental Authority the right to challenge any of the Contemplated Transactions or to exercise any remedy or obtain any relief under, any Applicable Law or any Order to which Buyer may be subject.

Section 3.3 No Actions, Suits or Proceedings. There is no pending Proceeding, nor to the Knowledge of Buyer, has any Proceeding been threatened, against Buyer or any of its Subsidiaries, properties, assets, directors, officers, employees or Affiliates before any Governmental Authority or otherwise which questions the validity or legality of this Agreement or of the Contemplated Transactions, or which seeks to prevent the consummation of the Contemplated Transactions.

Section 3.4 No Broker. No broker, finder or similar intermediary has acted for or on behalf of, or is entitled to any broker's, finder's or similar fee or other commission from, Buyer or its Affiliates in connection with this Agreement or the transactions contemplated hereby.

Section 3.5 Financial Ability. The Buyer has or at Closing will have, through a combination of cash on hand and funds available under existing lines of credit or other funds available to it, funds sufficient to fund the consummation of the transactions contemplated by this Agreement and satisfy all of Buyer's other costs and expenses arising in connection therewith.

Section 3.6 Securities Law Compliance. The Buyer acknowledges and understands that (a) the Purchased Shares have not been registered under the Securities Act, or the securities laws of any state and the Purchased Shares are sold in reliance on exemptions from the registration requirements of the Securities Act (collectively, "Securities Laws"); and (b) the Purchased Shares have not been approved or disapproved by the SEC, any state securities commission, or any other regulatory authority nor have any of the foregoing authorities passed upon or endorsed the merits of the Purchased Shares or the accuracy or adequacy of any information provided to the Buyer.

Section 3.7 Acknowledgement of Risk and Restrictions on Transfer. The Buyer acknowledges that (a) the Purchased Shares are a speculative investment which involves a high degree of risk or loss; and (b) there are restrictions under the Securities Laws on the transferability of the Purchased Shares, and the Buyer may be required to bear the financial risks of the Purchased Shares for an indefinite period of time.

Section 3.8 Suitability. The Buyer represents and warrants that it is capable of evaluating the merits and risks of the Purchased Shares, and has knowledge and experience in financial and business matters in general.

Section 3.9 Investment Intent.

(a) The Buyer represents and warrants that it is acquiring the Purchased Shares solely for its own account for investment purposes only and not for distribution or resale to others. The Buyer shall not resell the Purchased Shares except in compliance with applicable Securities Laws.

(b) The Buyer understands that the Purchased Shares are characterized as "restricted securities" under the Securities Laws inasmuch as it is being acquired from Sellers in a transaction not involving a public offering and that under such Laws and applicable regulations the Purchased Shares may be resold without registration under the Securities Act only in certain limited circumstances. In this connection, the Buyer hereby represents that it is familiar with SEC Rule 144 under the Securities Act, as presently in effect, and understands the resale limitations imposed thereby and by the Securities Act.

Section 3.10 Bankruptcy. There are no bankruptcy, reorganization, or arrangement proceedings pending against, being contemplated by, or threatened against the Buyer or Buyer's sole shareholder.

ARTICLE IV
COVENANTS

Section 4.1 Operation of the Businesses of the Company. Between the Effective Date and the Closing Date, Sellers will, and will cause the Company to (i) conduct the Business of the Company only in the Ordinary Course of Business; (ii) use their best efforts to (A) preserve intact the current business organization of the Company, (B) keep available the services of the current officers, employees, and agents of the Company, and (C) maintain the relations and good will with suppliers, customers, landlords, creditors, employees, agents, and others having business relationships with the Company; (iii) confer with Buyer concerning operational matters of a material nature; (iv) not reduce the reserve capital held by the Company as of the Effective Date; (v) promptly notify Buyer in writing of (A) any Material Adverse Effect with respect to the Company or financial condition of the Company or Sellers, and (B) any material written notice received by the Company or the Sellers (including copies of such material written notices) from any third party, including any Governmental Authority, with respect to the Company, Sellers or the Business, and (vi) otherwise report periodically to Buyer concerning the status of the business, operations, and finances of the Company.

Section 4.2 Cooperation; Approvals and Consents; Notification.

(a) Sellers and Buyer shall cooperate with each other and use their respective commercially reasonable efforts in good faith to take or cause to be taken all actions, and do or cause to be done all things, necessary, proper or advisable under this Agreement and Applicable Law to consummate the Contemplated Transactions as promptly as practicable. Such actions shall include preparing and filing as promptly as practicable all documentation to effect all necessary notices, reports, applications and other filings and to obtain as promptly as practicable all consents, registrations, approvals, permits and authorizations necessary or advisable to be obtained from any third party or Governmental Authority, including without limitation, obtaining Regulatory Approval; provided, however, that nothing in this Section 4.2 shall require, or be construed to require, Buyer or the Company, or their respective Affiliates, to agree to a Burdensome Condition. Without limiting the generality of the foregoing, within ten (10) days after the Effective Date, Buyer shall use commercially reasonable efforts to file with the Washington State Office of the Insurance Commissioner an application on Form A for acquisition of the Purchased Shares and Purchased Assets and application on Form D for the Insurance Services Agreement.

(b) Sellers and Buyer shall, upon reasonable request by the other, furnish the other with all information concerning itself, its directors, managers, officers, members, and stockholders and such other matters as may be reasonably necessary or advisable in connection with any statement, filing, notice or application made by or on behalf of Buyer, Sellers or the Company to any third party, including any Governmental Authority, in connection with the Contemplated Transactions.

(c) Sellers and Buyer each shall keep the other apprised of the status of matters relating to completion of the Contemplated Transactions, including promptly furnishing the other with copies of material written notices or other material written

communications received by Buyer, the Company or Sellers, as the case may be, from any third party, including any Governmental Authority, with respect to the Contemplated Transactions.

(d) Prior to making any filing, notice, petition, statement, registration or application to or with any Governmental Authority in connection with obtaining consents for the Contemplated Transactions, and except as may be required by Law, each Party shall use commercially reasonable efforts to consult with the other Party with respect to (and, to the extent reasonably practicable, give the other Party an opportunity to comment on) the content of such filing, notice, petition, statement, registration or application and to provide the other Party with copies of the proposed filing, notice, petition, statement, registration or application, including without limitation Buyer's Form A to be filed with the Washington State Office of the Insurance Commissioner.

(e) Each of the Parties shall give prompt written notice to the others if it or any of its Affiliates receives any notice or other communication from any Governmental Authority in connection with the Contemplated Transactions, and, in the case of any such notice or communication which is in writing, shall promptly furnish to the others a copy thereof.

(f) In the event any claim, action, suit, Investigation or other proceeding by any Governmental Authority or other Person or other legal or administrative proceeding is commenced prior to the Closing that questions the validity or legality of this Agreement, or the Contemplated Transactions, or claims damages in connection therewith, Sellers and Buyer each agree to cooperate and use their commercially reasonable efforts, to defend against and respond thereto.

Section 4.3 Access to Information; Due Diligence. Between the Effective Date and the Closing Date, Sellers shall afford Buyer's Representatives reasonable access, upon reasonable advance notice and during normal business hours, to the Company's books and records (and certain personnel of the Company and the Company's Affiliates) and such additional information concerning the Company's business and properties as may reasonably be requested, including an examination of the corporate records and minute books, financial statements (including the Company Financial Statements and Sellers Financial Statements), insurance department filings, reports and examinations, summaries of pending litigation, Tax Returns and other Tax information, accounting and actuarial methods, in each case wherever located, of the Company.

Section 4.4 Additional Agreements. Subject to the terms and conditions provided in this Agreement, each of the Parties hereto agrees to use commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable to consummate and make effective as promptly as practicable the Contemplated Transactions, including vesting in Buyer good and valid title to the Purchased Shares free and clear of any Encumbrances, and to cooperate with each of the other Parties hereto in connection with the foregoing.

Section 4.5 Schedules: Notification. Between the Effective Date and the Closing Date, a Party will notify the other Parties in writing if a Party becomes aware of any fact or condition that causes or constitutes a Breach of any of the representations or warranties hereunder as of the Effective Date, or if a Party becomes aware of the occurrence after the Effective Date of any fact or condition that would (except as expressly contemplated by this Agreement) cause or constitute a Breach of any such representation or warranty had such representation or warranty been made as of the time of occurrence or discovery of such fact or condition. This Agreement is being executed without the Schedules (defined below) attached. As soon as possible after the Effective Date, but in any event on or before October 31, 2012 ("Schedules Delivery Date"), the Sellers and the Company shall deliver to the Buyer accurate and complete schedules that are satisfactory to Buyer, all as referenced in this Agreement ("Schedules"). The disclosures and information in the Schedules shall be as of the Schedules Delivery Date. On or after the Schedules Delivery Date and through the Effective Time of Closing, the Sellers and the Company must promptly update and supplement the Schedules attached to this Agreement, as appropriate to reflect any and all changes to the matters set forth in the Schedules from the Schedules Delivery Date through the Closing Date (the "Updated Schedules"). During the same period, a Party will promptly notify the other Parties of the occurrence of any Breach of any agreement or covenant hereunder or of the occurrence of any event that may make the satisfaction of the conditions in **Article V** impossible or unlikely.

Section 4.6 No Negotiation.

(a) During the time period beginning on the Effective Date and until the termination of this Agreement pursuant to Section 6.1(f), if at all, neither the Company nor Sellers shall enter into a definitive agreement with any Person (other than Buyer or its Affiliates) relating to any transaction involving the sale of the Business or assets of the Company or the sale of any Equity Interest in the Company, or any merger, consolidation, business combination, or similar transaction involving the Company.

(b) If the Buyer does not terminate the Agreement pursuant to Section 6.1(f), then during the period beginning after October 31, 2012 at 12:00 p.m. PDT and until such time, if any, as this Agreement is terminated pursuant to Article VI, neither the Company nor Sellers shall, and they shall cause each of their Representatives not to, directly or indirectly solicit, initiate, or encourage any inquiries or proposals from, discuss or negotiate with, provide any non-public information to, or consider the merits of any inquiries or proposals from, any Person (other than Buyer or its Affiliates) relating to any transaction involving the sale of the Business or assets of the Company or Sellers, or any Equity Interest in the Company or any Equity Interest in either Seller, or any merger, consolidation, business combination, or similar transaction involving the Company or either Seller.

Section 4.7 Negative Covenant. Except as otherwise expressly permitted by this Agreement, between the Effective Date and the Closing Date, Sellers and the Company will not, without the prior consent of Buyer, take any affirmative action, or fail to take any reasonable action within their or its control, as a result of which any of the changes or events listed in Section 2.17 is likely to occur.

Section 4.8 Confidentiality.

(a) This Agreement, the Contemplated Transactions and all information disclosed pursuant to Section 4.3 hereof shall be subject to the Confidentiality Agreement, regardless of whether a Party was an actual signatory to the Confidentiality Agreement. Notwithstanding the foregoing, the Parties agree that they will cooperate in the disclosure of information about this Agreement and the Contemplated Transactions in connection with all required disclosures to the Washington State Office of the Insurance Commissioner.

(b) Sellers and Buyer shall agree with each other as to the form and substance of any press release or other written public statement related to this Agreement or the Contemplated Transactions; in either case, except as may be required by Applicable Law, in which case the Party required to make such disclosure shall (to the extent permissible and practicable) consult and cooperate to the maximum extent possible in advance of any such disclosure.

Section 4.9 Transfer Taxes. All sales, use, transfer, recording, ad valorem, privilege, documentary, gains, stamp, duties or similar Taxes and fees (collectively, the "Transfer Taxes"), arising out of, in connection with or attributable to the Contemplated Transaction shall be borne by Sellers. Sellers shall prepare and timely file all relevant Tax Returns required to be filed in respect of such Transfer Tax, pay the Transfer Tax shown on such Tax Return, and notify Buyer in writing of the Transfer Tax shown on such Tax Return and how such Transfer Tax was calculated.

Section 4.10 Deficiencies. Sellers shall use their best efforts to cure any Deficiencies existing prior to the Closing and Sellers shall bear all costs associated with curing any Deficiency, except those Deficiencies set forth on **Schedule 4.10**.

Section 4.11 Deposits. If the statutory deposit required by the Washington State Office of the Insurance Commissioner is not maintained at any time prior to the Closing Date, Sellers shall cause the Company promptly to comply with any such statutory deposit requirement.

Section 4.12 Company's 401(k) Plan. The Company shall take all steps to identify and correct all documentary and operational errors under the Company's 401(k) Plan (the "Plan") including, but not limited to, the failure to amend the Plan document to reflect the change to the matching contribution formula that took effect in 2011. If the Company and Buyer agree that the errors identified are not eligible for self-correction under Revenue Procedure 2008-50, then reasonable steps shall be taken at the Company's expense to submit a Voluntary Correction Program filing to the IRS in accordance with Revenue Procedure 2008-50 prior to the Closing Date.

Section 4.13 HMSO Receivable. Immediately prior to the Closing Date, the Company shall assign to the Sellers the proceeds from that certain account receivable due to the Company and payable by Highline Medical Services Organization in the amount of Four Hundred Seventy-Two Thousand Dollars ($472,000) (the "HMSO Receivable"). The proceeds of HMSO Receivable shall be assigned to NPN in an amount equal to the NPN Proportionate Percentage

Interest and to PSW in an amount equal to the PSW Proportionate Percentage Interest. The Company will agree to cooperate with the Sellers in collecting the HMSO Receivable, but any and all expenses related to any and all collection efforts shall be borne the Sellers. Upon its receipt of any proceeds from HMSO Receivable, the Company agrees to timely remit payment of the proceeds to NPN and PSW as set forth in this Section 4.13.

ARTICLE V
CONDITIONS TO CLOSING

Section 5.1 Conditions to Buyer's Obligations. Buyer's obligation to purchase the Purchased Shares and to take the other actions required to be taken by Buyer at the Closing is subject to the satisfaction, at or prior to the Closing, of each of the following conditions (any of which may be waived in writing by Buyer, in whole or in part, on or prior to the Closing Date):

(a) All of Sellers' and the Company's representations and warranties in this Agreement (i) that are qualified by materiality or Material Adverse Effect must have been true and correct in all respects as of the Closing Date as if made on the Closing Date, and (ii) that are not qualified by materiality or Material Adverse Effect, must have been true and correct in all material respects as of the Closing Date as if made on and as of the Closing Date.

(b) All of the terms, covenants and obligations that Sellers or the Company are required to perform or to comply with pursuant to this Agreement at or prior to the Closing (considered collectively), and each of such terms, covenants and obligations (considered individually), must have been duly performed and complied with by Sellers or the Company, as the case may be, in all material respects.

(c) The Company shall hold the Certificate of Registration in Washington and the Certificate of Registration shall be current, validly issued and in full force and effect without a Deficiency, other than those Deficiencies set forth on **Schedule 4.10**.

(d) Each document required to be delivered pursuant to Section 1.7(a) must have been delivered.

(e) The Asset Purchase Agreement and R Shares SPA shall continue to be in full force and effect as of the Closing Date and the closing conditions set forth in Section 8.1 of the Asset Purchase Agreement and Section 5.1 of the R Shares SPA shall have been satisfied.

(f) Each of the Consents must have been obtained and be in full force and effect, including without limitation, an Order from the Washington State Office of the Insurance Commissioner approving the Form A application for change of control of the Company and sale of the Purchased Shares to Buyer and sale of the Purchased Assets, an Order from the Washington State Office of the Insurance Commissioner approving the Form D application for the Insurance Services Agreement and an Order from the Washington State Office of Insurance Commissioner approving the issuance and sale of the Class R Shares to Buyer.

(g) There shall not have occurred since the Effective Date any change in the business or condition (financial or otherwise) of the Company that has had or is reasonably likely to have a Material Adverse Effect.

(h) Since the Effective Date, there must not have been commenced or Threatened against Buyer or the Company, or against any Affiliate of Buyer, any Proceeding (i) involving any challenge to, or seeking damages or other relief in connection with, any of the Contemplated Transactions, or (ii) that is reasonably likely to prevent, delay, make illegal, or otherwise interfere with any of the Contemplated Transactions.

(i) The Updated Schedules are satisfactory to Buyer in Buyer's sole and absolute discretion; provided that if no material changes are made to the Schedules after Schedules Delivery Date, then this condition shall be deemed waived.

(j) There must not have been made or Threatened by any Person any claim asserting that such Person (i) is the holder or the beneficial owner of, or has the right to acquire or to obtain beneficial ownership of, any Equity Interest in the Company, or (ii) is entitled to all or any portion of the Purchase Price payable for the Purchased Shares.

(k) Neither the consummation nor the performance of any of the Contemplated Transactions will, directly or indirectly (with or without notice or lapse of time, or both), contravene or conflict, in any material respect, with, or result in a material violation of, or cause Buyer or any Affiliate of Buyer to suffer any material adverse consequence under, any Applicable Law or Order.

(l) Counsel for NPN shall have delivered to Buyer an opinion (the "NPN Legal Opinion"), dated the Closing Date, in form and substance acceptable to Buyer.

(m) Counsel for PSW shall have delivered to Buyer an opinion (the "PSW Legal Opinion"), dated the Closing Date, in form and substance acceptable to Buyer.

(n) Counsel for the Company shall have delivered to Buyer an opinion (the "Company Legal Opinion"), dated the Closing Date, in form and substance acceptable to Buyer.

(o) Thomas & Associates Consulting, LLC shall have delivered to the Company an acknowledgement and release acknowledging receipt of all amounts due and payable from the Company and releasing the Company from any and all claims related to its engagement with the Company, in form and substance agreed to by Buyer.

(p) There must not have been commenced or Threatened any Proceeding against the Company by the United States Department of Health and Human Services, Office of the Inspector General, Centers for Medicare and Medicaid Services or United States Department of Health and Human Services, Office for Civil Rights.

(q) There must not be an adverse outcome or determination to the Company related to the November 5, 2012 hearing with the Washington State Office of the

Insurance Commissioner, as it may be postponed, with respect to the matters identified in that certain letter from the Washington State Office of the Insurance Commissioner to the Company dated April 3, 2012.

Section 5.2 Conditions to Sellers' Obligations. Sellers' obligation to sell the Purchased Shares and each of Sellers' and the Company's obligation to take the other actions required to be taken by Sellers and the Company at the Closing is subject to the satisfaction, at or prior to the Closing, of each of the following conditions (any of which may be waived in writing by Sellers, in whole or in part, on or prior to the Closing Date):

(a) All of Buyer's representations and warranties in this Agreement (i) that are qualified by materiality must have been true and correct in all respects as of the Closing Date as if made on the Closing Date, and (ii) that are not qualified by materiality, must have been true and correct in all material respects as of the Closing Date as if made on and as of the Closing Date.

(b) All of the terms, covenants and obligations that Buyer is required to perform or to comply with pursuant to this Agreement at or prior to the Closing (considered collectively), and each of such terms, covenants and obligations (considered individually), must have been duly performed and complied with by Buyer in all material respects.

(c) Buyer must have delivered each of the documents required to be delivered by Buyer pursuant to Section 1.7(b) and must have made the payment required to be made by Buyer pursuant to Section 1.4.

(d) Each of the Consents must have been obtained and be in full force and effect.

(e) The Asset Purchase Agreement and the R Shares SPA shall continue to be in full force and effect as of the Closing Date and the closing conditions set forth in Section 8.2 of the Asset Purchase Agreement and Section 5.2 of the R Shares SPA shall have been satisfied.

(f) Since the Effective Date, there must not have been commenced or Threatened against Sellers or the Company, or against any Affiliate of either Seller, any Proceeding (i) involving any challenge to, or seeking damages or other relief in connection with, any of the Contemplated Transactions, or (i) that is reasonably likely to prevent, delay, make illegal, or otherwise interfere with any of the Contemplated Transactions.

(g) There must not have been made or Threatened by any Person any claim asserting that such Person (i) is the holder or the beneficial owner of, or has the right to acquire or to obtain beneficial ownership of, any Equity Interest in the Company, or (ii) is entitled to all or any portion of the Purchase Price payable for the Purchased Shares.

(h) Neither the consummation nor the performance of any of the Contemplated Transactions will, directly or indirectly (with or without notice or lapse of

time, or both), contravene or conflict, in any material respect, with, or result in a material violation of, or cause Sellers or any Affiliate of either Seller to suffer any material adverse consequence under, any Applicable Law or Order.

(i) Counsel for Buyer shall have delivered to the Company an opinion (the "Buyer Legal Opinion"), dated the Closing Date, in form and substance acceptable to the Company.

ARTICLE VI
TERMINATION

Section 6.1 Termination Events. This Agreement may, by written notice given prior to or at the Closing, be terminated:

(a) by either Buyer or Sellers if (i) a material Breach of any provision of this Agreement has been committed by the other Party (provided, that the Party seeking to terminate this Agreement is not also in material Breach of any provision of this Agreement), (ii) such Breach has not been waived, and (iii) the other Party fails to cure such Breach within ten (10) Business Days after written notice of such Breach by the non-breaching Party;

(b) (i) by Buyer if any condition in Section 5.1 has not been satisfied as of the Closing Date or if satisfaction of such condition is or becomes impossible (other than through the failure of Buyer to comply with its obligations under this Agreement and so long as Buyer is not in material Breach of any provision of this Agreement) and Buyer has not waived such condition on or before the Closing Date; or (ii) by Sellers, if any condition in Section 5.2 has not been satisfied as of the Closing Date or if satisfaction of such condition is or becomes impossible (other than through the failure of either Seller to comply with its obligations under this Agreement and so long as either Seller is not in material Breach of any provision of this Agreement) and each Seller has not waived such condition on or before the Closing Date;

(c) by mutual written consent of Buyer and each Seller;

(d) by either Buyer or Sellers if the Closing has not occurred (other than through the failure of any Party seeking to terminate this Agreement to comply fully with its obligations under this Agreement) on or before January 15, 2013, or such later date as the Parties may agree upon; provided that if the sole reason that the Closing has not occurred is that Regulatory Approval has not been obtained on or prior to such date, such date may unilaterally be extended by any Party for one (1) additional period of 90 days by a written notice to the other Parties; provided, further, that the right to terminate this Agreement under this Section 6.1(d) will not be available to any Party whose failure to fulfill any obligation under this Agreement has been the cause of, or resulted in, the failure of the Closing to occur on or before such date.

(e) by either Buyer, Sellers or the Company upon the termination of the Asset Purchase Agreement of the R Shares SPA;

(f) by Buyer if, on or before 12:00 pm (PDT) on October 31, 2012, Buyer delivers notice to the Company, terminating this Agreement due to Buyer's reasonable conclusion through Buyer's due diligence investigation of the Company that Buyer or the Company would likely incur Damages (as defined in Section 7.2 below) in excess of One Million Dollars ($1,000,000) in the aggregate; or

(g) by the Buyer if the Schedules are not acceptable to Buyer by the Schedules Delivery Date.

Section 6.2 Effect of Termination. Each Party's right of termination under Section 6.1 is in addition to any other rights it may have under this Agreement or otherwise, and the exercise of a right of termination will not be an election of remedies. If this Agreement is terminated pursuant to Section 6.1, this Agreement will become void and of no effect with no Liability on the part of any Party, except that the terms of Section 4.8 and Article IX will survive any termination; provided, however, that (i) if this Agreement is terminated by a Party because of the Breach of this Agreement by the other Party or because one or more of the conditions to the terminating Party's obligations under this Agreement is not satisfied as a result of the other Party's failure to comply with its obligations under this Agreement, the terminating Party's right to pursue all legal remedies will survive such termination unimpaired, and (ii) nothing herein will relieve any Party from liability for fraud.

ARTICLE VII
INDEMNIFICATION; REMEDIES

Section 7.1 Survival; Right to Indemnification Not Affected by Knowledge.

(a) Except as set forth in this Section 7.1, the representations and warranties contained in this Agreement and the Other Transaction Documents (except as otherwise set forth in the Other Transaction Documents) will survive the Closing Date until the second (2nd) anniversary of the Closing Date and will thereupon expire together with the associated right to indemnification (except to the extent a written notice asserting a claim for Breach thereof is given to Sellers, prior to such date); provided, however, that the representations and warranties contained in Sections 2.1, 2.2(a), 2.2(b), 2.3(a), 2.4, 2.16, 2.18 and 2.19 will survive the Closing Date until the applicable statute of limitations.

(b) The covenants and agreements contained in this Agreement and the Other Transaction Documents and the Contemplated Transactions to be performed or complied with at or after the Closing Date (other than the covenant and agreement to indemnify against Breaches of representations and warranties, which shall expire as aforesaid) will survive without limitation as to time (except as provided in such covenant or agreement).

(c) As to any Breach of the representations and warranties or any failure to perform or comply with any of the covenants and agreements contained herein or in any Other Transaction Document that constitutes fraud on the part of the Breaching or non-performing Party or Parties, such representations and warranties and such covenants and agreements will survive the Closing Date indefinitely.

(d) The right to indemnification, payment of Damages or other remedy based on such representations, warranties, covenants, and obligations will not be affected by any investigation conducted with respect to, or any Knowledge acquired (or capable of being acquired) at any time, whether before or after the execution and delivery of this Agreement or the Closing Date, with respect to the accuracy or inaccuracy of or compliance with, any such representation, warranty, covenant, or obligation. The waiver of any condition based on the accuracy of any representation or warranty, or on the performance of or compliance with any covenant or obligation, will not affect the right to indemnification, payment of Damages, or other remedy based on such representations, warranties, covenants, and obligations.

Section 7.2 Indemnification and Payment of Damages by Sellers. Subject to the terms and conditions of this Article VII, Sellers shall severally only, and not jointly and severally, defend, indemnify and hold harmless Buyer, the Company, and their respective Representatives and Affiliates (collectively, the "Buyer Indemnified Persons") from and against, and will pay to the Buyer Indemnified Persons the amounts of, any and all Liabilities (including fines, assessments, penalties, reasonable attorney's fees and disbursements) or diminution of value, whether or not involving a third party claim (collectively, "Damages"), arising, directly or indirectly, from or in connection with:

(a) any Breach of any representation or warranty made by Sellers or the Company in this Agreement or any Other Transaction Document;

(b) any Breach by either the Company or Sellers of any covenant or obligation of the Company or Sellers in this Agreement or any Other Transaction Document;

(c) any third party claim asserted against Buyer that is related to the activity of the Company, Sellers or any of their respective Affiliates before or as of the Effective Time of Closing, whether any such third party claims are asserted against Buyer prior to or after the Effective Time of Closing;

(d) any criminal conduct of the Company's employees or former employees before or as of the Effective Time of Closing, resulting in a criminal conviction (either prior to or after the Effective Time of Closing); and

(e) any Order or Proceeding, whether commenced or Threatened, against the Company by (i) the United States Department of Health and Human Services, Office of the Inspector General, related to certain accounting irregularities currently under Investigation, (ii) the Washington State Office of the Insurance Commissioner related to any lack of compliance with Applicable Law, (iii) the United States Department of Health and Human Services, Office for Civil Rights related to the Company's stolen laptop, or (iv) the Centers for Medicare and Medicaid Services, related to any lack of compliance with Applicable Law.

Section 7.3 Indemnification and Payment of Damages by Buyer. Subject to the terms and conditions of this Article VII, Buyer shall defend, indemnify and hold harmless Sellers from and against, and will pay to Sellers the amount of, any Damages arising, directly or indirectly,

from or in connection with (a) any Breach of any representation or warranty made by Buyer in this Agreement or any Other Transaction Document, or (b) any Breach by Buyer of any covenant or obligation of Buyer in this Agreement or any Other Transaction Document.

Section 7.4 Limitations on Liability.

(a) Except with respect to fraud, intentional misrepresentation, and the indemnity described in Section 7.2(e), the Buyer Indemnified Persons shall not be entitled to indemnity under Article VII of this Agreement, Article XI of the Asset Purchase Agreement and Article VIII of the R Shares SPA, with respect to indemnification claims thereunder until the aggregate amount of all such indemnification claims exceeds Two Hundred Fifty Thousand Dollars ($250,000) (the "Deductible"), and thereafter, the Buyer Indemnified Persons shall be entitled to indemnity for the amount of indemnification claims in excess of the Deductible.

(b) Except with respect to fraud or intentional misrepresentation, the Sellers shall not be entitled to indemnity under Article VII of this Agreement, Article 8 of the R Shares SPA and Article XI of the Asset Purchase Agreement with respect to indemnification claims thereunder until the aggregate amount of all such indemnification claims exceeds the Deductible, and thereafter, the Sellers shall be entitled to indemnity for the amount of indemnification claims in excess of the Deductible.

(c) Except with respect to fraud, intentional misrepresentation and the indemnity described in Section 7.2(e), in no event shall the Sellers' aggregate liability arising out of or relating to indemnity under Article VII of this Agreement, Article 8 of the R Shares SPA and Article XI of the Asset Purchase Agreement in the aggregate, exceed Two Million Dollars ($2,000,000) the ("Indemnification Cap"). Except for fraud, intentional misrepresentation and the indemnity described in Section 7.2(e), the maximum liability of (i) NPN arising out of Article VII of this Agreement, Article 8 of the R Shares SPA and Article XI of the Asset Purchase Agreement shall equal Seven Hundred Seventeen Thousand Five Hundred Dollars ($717,500), and (ii) PSW arising out of Article VII of this Agreement, R Shares SPA and Article XI of the Asset Purchase Agreement shall equal One Million Thirty-Two Thousand Five Hundred Dollars ($1,032,500).

(d) Except with respect to fraud or intentional misrepresentation, in no event shall the Buyer's aggregate liability arising out of or relating to indemnity under Article VII of this Agreement, Article 8 of the R Shares SPA and Article XI of the Asset Purchase Agreement in the aggregate, exceed the Indemnification Cap.

(e) Except with respect to fraud and intentional misrepresentation, and only with respect to the indemnity described in Section 7.2(e), the Buyer Indemnified Persons shall not be entitled to indemnity under Section 7.2(e) until the aggregate amount of all such indemnification claims exceeds One Hundred Thousand Dollars ($100,000) (the "Compliance Deductible"), and thereafter, the Buyer Indemnified Persons shall be entitled to indemnity for the amount of indemnification claims in excess of the Compliance Deductible. In addition, the Indemnification Cap shall not apply to the

indemnity described in Section 7.2(e) and the obligation of Sellers to indemnify the Buyer Indemnified Persons under Section 7.2(e) shall survive the Closing Date until the third (3rd) anniversary of the Closing Date and will thereupon expire.

(f) If an event, matter or circumstance ("Event") occurs that results in a claim for indemnity under this Agreement, then an Indemnified Party (as defined below) shall not be precluded and shall be entitled to make different claims under the Asset Purchase Agreement and the R Shares SPA for indemnification despite all such claims arising from or resulting from the same Event.

Section 7.5 Procedure for Indemnification--Third Party Claims. The respective obligations and liabilities of Sellers and Buyer (the "Indemnifying Party") to the other (the "Indemnified Party") under Section 7.2 and 7.3 hereof with respect to claims resulting from the assertion of liability by parties other than those Parties to this Agreement (a "Third Party") shall be asserted and resolved as follows:

(a) If any claim or demand for which an Indemnifying Party would be liable for Damages to an Indemnified Party is asserted against or sought to be collected from the Indemnified Party by a Third Party (a "Third Party Claim"), the Indemnified Party shall deliver a Claim Notice (as defined in Section 7.5(g)) with reasonable promptness to the Indemnifying Party. If the Indemnified Party fails to deliver the Claim Notice to the Indemnifying Party within ten (10) days (or such earlier time as might be required to avoid prejudicing the Indemnifying Party's position) after the Indemnified Party receives written notice of such Third Party Claim, the Indemnifying Party will not be obligated to indemnify the Indemnified Party with respect to such Third Party Claim if and only to the extent that the Indemnifying Party's ability to defend the Third Party Claim has been irreparably prejudiced by such failure. The Indemnifying Party will notify the Indemnified Party within ten (10) days after receipt of the Claim Notice (the "Notice Period") whether the Indemnifying Party intends, at the sole cost and expense of the Indemnifying Party, to defend the Indemnified Party against the Third Party Claim.

(b) If the Indemnifying Party notifies the Indemnified Party within the Notice Period that the Indemnifying Party will defend the Indemnified Party against the Third Party Claim, then the Indemnifying Party will have the right to defend, at its sole cost and expense, the Third Party Claim by all appropriate proceedings, which proceedings will be diligently prosecuted by the Indemnifying Party to a final conclusion or settled at the discretion of the Indemnifying Party upon the written consent of the Indemnified Party, which consent will not be unreasonably withheld; provided the Indemnified Party is to be fully indemnified. The Indemnifying Party will have full control of such defense and proceedings; provided that the Indemnified Party may file during the Notice Period, at the sole cost and expense of the Indemnified Party, any motion, answer or other pleading that the Indemnified Party may deem necessary or appropriate to protect its interests and not be irrevocably prejudicial to the Indemnifying Party; and provided further that, if requested by the Indemnifying Party, the Indemnified Party shall cooperate, at the sole cost and expense of the Indemnifying Party, with the Indemnifying Party and its counsel in developing the strategy and providing assistance in dealing with the Third Party Claim. In the event a compromise or settlement of the Third Party Claim requires more than a

monetary payment and the execution of a full and complete release of all claims, such compromise or settlement must have the written consent of the Indemnified Party, which consent can be withheld in the sole discretion of the Indemnified Party. The Indemnified Party may participate in, but not control, any defense or settlement of any Third Party Claim assumed by the Indemnifying Party pursuant to this Section 7.5(b) and, except as provided in the preceding sentence, the Indemnified Party will bear its own costs and expenses with respect to such participation.

(c) If the Indemnifying Party fails to notify the Indemnified Party within the Notice Period that the Indemnifying Party intends to defend the Indemnified Party against the Third Party Claim, or if the Indemnifying Party gives such notice but fails diligently to prosecute or settle the Third Party Claim, or if the Indemnifying Party gives notice that it will not defend within the Notice Period, then the Indemnified Party will have the right (but not the obligation) to defend, at the sole cost and expense of the Indemnifying Party, the Third Party Claim by all appropriate proceedings, which proceedings will be prosecuted diligently by the Indemnified Party to a final conclusion or settled at the discretion of the Indemnified Party. The Indemnified Party will have full control of such defense and proceedings, including any compromise or settlement thereof; provided that, if requested by the Indemnified Party, the Indemnifying Party shall cooperate, at the sole cost and expense of the Indemnifying Party, with the Indemnified Party and its counsel in developing the strategy and providing assistance in dealing with the Third Party Claim. In the event a compromise or settlement of the Third Party Claim requires more than a monetary payment and the execution of a full and complete release of all claims, such compromise or settlement must have the written consent of the Indemnifying Party, which consent can be withheld in the sole discretion of the Indemnifying Party.

(d) Notwithstanding the foregoing provisions of Section 7.5(c), if the Indemnifying Party notifies the Indemnified Party within the Notice Period that the Indemnifying Party disputes its obligation to indemnify the Indemnified Party against the Third Party Claim, and upon the resolution of such dispute pursuant to an order of a court of competent jurisdiction, the Indemnifying Party will either, in accordance with such court order: (i) be required to bear the costs and expenses of the Indemnified Party's defense pursuant to Section 7.5(c); or (ii) the Indemnifying Party will not be required to indemnify the Indemnified Party. In the event of any appeal of the order of the court, the appealing party shall be required to comply with its duties to indemnify in this Section 7.5 pending a final and nonappealable decision by any appellate court. The Indemnifying Party may participate in, but not control, any defense or settlement controlled by the Indemnified Party pursuant to Section 7.5(c) but the Indemnifying Party will bear its own costs and expenses with respect thereto if such participation is not at the request of the Indemnified Party.

(e) In the event any Indemnified Party should have a claim against any Indemnifying Party hereunder that is not a Third Party Claim, the Indemnified Party shall deliver an Indemnity Notice (as defined in Section 7.5(h)) with reasonable promptness to the Indemnifying Party. The failure by any Indemnified Party to give timely notice referred to in the preceding sentence shall not impair the Indemnified Party's rights hereunder except to the extent that an Indemnifying Party demonstrates that it has been

irreparably prejudiced thereby. If the Indemnifying Party fails to notify the Indemnified Party within twenty (20) days following its receipt of the Indemnity Notice that the Indemnifying Party disputes its obligation to indemnify the Indemnified Party hereunder, the claim will be conclusively deemed a liability of the Indemnifying Party hereunder.

(f) If the Indemnifying Party timely disputes its liability with respect to a claim described in a Claim Notice or an Indemnity Notice, the Indemnifying Party and the Indemnified Party shall proceed promptly and in good faith to negotiate a resolution of such dispute within thirty (30) days following receipt by the Indemnifying Party of a Claim Notice or an Indemnity Notice. At the end of such thirty (30) day period, and absent a mutual resolution, the Indemnifying Party and the Indemnified Party shall be able to exercise all available legal rights and remedies.

(g) The term "Claim Notice" means written notification of a Third Party Claim by an Indemnified Party to an Indemnifying Party under Article VII, enclosing a copy of all papers served, if any, and specifying the nature of and alleged basis for the Third Party Claim and, to the extent then feasible, the estimated amount of the Third Party Claim.

(h) The term "Indemnity Notice" means written notification of a claim for indemnity under Article VII hereof other than a Third Party Claim by an Indemnified Party to an Indemnifying Party pursuant to Article VII hereof, specifying the nature of and specific basis for the claim and, to the extent then feasible, the estimated amount of the claim.

(i) Any estimated amount of a claim submitted in a Claim Notice or an Indemnity Notice shall not be conclusive of the final amount of such claim. The giving of a Claim Notice when an Indemnity Notice is due, or the giving of an Indemnity Notice when a Claim Notice is due, shall not impair such Indemnified Party's rights hereunder except to the extent that an Indemnifying Party demonstrates that it has been irreparably prejudiced thereby. Notice of any claim comprised in part of Third Party Claims and Indemnity Claims may be given pursuant to either Section 7.5(a) or (b).

Section 7.6 Additional Indemnification Provisions. With respect to each indemnification obligation in this Agreement, all Damages shall be net of any third-party insurance proceeds which either have been recovered by, or are recoverable by, the indemnified party in connection with the facts giving rise to the right of indemnification. In any case where an indemnified party recovers from a third Person any amount in respect of a matter for which an indemnifying party has indemnified it pursuant to this Article VII, such indemnified party shall promptly pay over to the indemnifying party the amount so recovered (after deducting therefrom the amount of expenses incurred by the indemnified party in procuring such recovery and any increased costs of such insurance maintained by the indemnified party as a result of the payment of such proceeds for the one (1) year period following such payment), but not in excess of the sum of (a) any amount previously paid by the indemnifying party to or on behalf of the indemnified party in respect of such claim and (b) any amount expended by the indemnifying party in pursuing or defending any claim arising out of such matter.

Section 7.7 Exclusive Remedies. Except with respect to fraud or intentional misrepresentation, Sellers, the Company and Buyer acknowledge and agree that the indemnification provisions of Article VII shall be the sole and exclusive remedies of Sellers and Buyer for any Breach of the representations, warranties, covenants and agreements contained in this Agreement; provided that, nothing in this Article VII will preclude any Party from seeking injunctive relief or declaratory action with respect to any failure by any other Party to comply with any of the covenants or agreements of such other Party contained herein or in any ancillary document, including without limitation, seeking to enforce specifically this Agreement and the Other Transaction Documents and the terms and provisions hereof and thereof. Notwithstanding the foregoing, no Breach of any of the representations, warranties, covenants or agreements of this Agreement by any Party shall give the other Party the right after Closing to rescind this Agreement or the Contemplated Transactions.

ARTICLE VIII
TAX MATTERS

Section 8.1 Liability for Taxes.

(a) Notwithstanding any provision in this Agreement to the contrary, and subject to the limitations on liability contained in Section 7.4, above, Sellers shall be, severally only, and not jointly and severally, liable for and shall indemnify, defend, and hold harmless Buyer, the Company, and Buyer's successors, assigns, directors, officers, employees, and Affiliates (the "Buyer Tax Indemnified Parties") from and against all Damages to the extent such amounts exceed the reserve for Taxes on the Closing Financial Statements relating to, arising out of or resulting from: (i) Taxes imposed on the Company with respect to any Pre-Closing Tax Period (including the portion of the Straddle Period that includes the Closing Date); (ii) Taxes with respect to all transactions contemplated by this Agreement; (iii) Taxes of any Person (other than the Company) for which the Company is liable under Applicable Law, as a transferee, successor, by contract, or otherwise, to the extent for, attributable to, or arising out of a Pre-Closing Tax Period; (iv) expenses, Taxes, or losses incurred for which the Company is liable or with respect to which the Company enters into a closing agreement with a Governmental Authority relating to or resulting from any Contract, policy, or product that is sold, issued, reinsured, marketed, or otherwise maintained by the Company on or prior to the Closing Date and is determined not to be in compliance with any applicable requirement of Tax Law, including Sections 72, 101, 130, 401, 403, 408, 457, 817, 817A, 7702, or 7702A of the Code; (v) Taxes imposed on the Company with respect to the business conducted by the Company during the Pre-Closing Tax Period (including the portion of the Straddle Period that includes the Closing Date) but only to the extent such amounts exceed the reserve for Taxes on the Closing Financial Statements; and (vi) a Breach or inaccuracy of any warranty or representation set forth in Section 2.16 or any covenant or other statement or agreement set forth in this Agreement relating to Tax matters. For the avoidance of doubt, Buyer, and any Buyer Tax Indemnified Party shall not assume or continue to be liable for any Tax of or with respect to the Company or any business or assets of the Company with respect to a Pre-Closing Tax Period (including the portion of the Straddle Period that includes the Closing Date) but only to the extent such amounts exceed the reserve for Taxes on the Closing Financial Statements.

(b) For purposes of allocating the Taxes imposed or attributable to the Company which relate to a Straddle Period, (i) the amount of any Taxes based on or measured by income or receipts (including, for the avoidance of doubt, any insurance or reinsurance premiums) of the Company for the Pre-Closing Tax Period shall be determined based on an interim closing of the books as of the close of business on the Closing Date and (ii) the amount of other Taxes of the Company for a Straddle Period that relates to the Pre-Closing Tax Period shall be deemed to be the amount of such Taxes for the entire period multiplied by a fraction, the numerator of which is the number of calendar days in the period ending with the Closing Date and the denominator of which is the number of calendar days in the entire period. For the avoidance of doubt, and notwithstanding any other provision of this Agreement to the contrary, neither Buyer nor the Company shall be liable for, or be required to indemnify against, any premium or similar Taxes that relate to, result from, or arise out of any Pre-Closing Tax Period and the Parties agree that all such Taxes are the liability of Sellers but only to the extent such amounts exceed the reserve for Taxes on the Closing Financial Statements.

Section 8.2 Tax Returns and Payment.

(a) Sellers shall cause the Company to prepare and file or cause to be prepared and filed all Tax Returns for the Company for all periods ending on or prior to the Closing Date. Sellers shall cause the Company to cause all such Tax Returns to be prepared and filed in accordance with past practices, and no party (or any Affiliate thereof) shall take a position, seek a ruling, make an election, or adopt a method that is or would be inconsistent with positions taken, elections made, or methods used in prior periods in filing such Tax Returns unless otherwise first consented to by Buyer. All such Tax Returns shall be true, accurate and correct when filed, and shall be filed within the time and in the manner prescribed by Applicable Law. Sellers shall cause the Company to cause all Taxes due with respect to such Tax Returns to be paid within the time and in the manner prescribed by Applicable Law. To the extent any such Tax Return includes a position or reports any amount that could have an adverse effect to Buyer or the Company in a Post-Closing Tax Period, Company shall provide a copy of such Tax Return to Buyer no later than thirty (30) days prior to the date such Tax Return is required to be filed for Buyer's review and approval (such approval to not be unreasonably withheld or delayed).

(b) Buyer shall cause the Company to prepare and file or cause to be prepared and filed any Tax Returns of the Company that are due after the Closing Date. To the extent any such Tax Return relates to a Straddle Period, Company shall provide a copy of such Tax Return to Sellers no later than thirty (30) days prior to the date such Tax Return is required to be filed for Sellers' review and approval (such approval to not be unreasonably withheld or delayed). Sellers shall pay to Company no later than five (5) days prior to the date on which Taxes are required to be paid with respect to any such Tax Return or any Straddle Period an amount equal to the portion of Taxes that are allocable to the Pre-Closing Tax Period (including the portion of the Straddle Period that includes the Closing Date) pursuant to Section 8.1(b) for such Tax Return or period which exceeds the reserve for Taxes on the Closing Financial Statements with respect to such Taxes, and in the event of a dispute with respect thereto, the amount of such payment from Sellers

shall be based on the amount required to be paid as calculated by Buyer (after taking into account all matters relating to such liability that have been agreed to by Buyer and Sellers by the date that is five (5) days prior to the filing of such Tax Return or payment of such Tax) subject to adjustment as provided in Section 8.3(c) below.

(c) To the extent there is a dispute among Buyer and Sellers with respect to any Tax Return, the parties will in good-faith attempt to resolve such dispute; provided, that if such dispute cannot be settled within fifteen (15) days after receipt of the disputing party's notice of dispute, the disputed items shall be submitted to the Accounting Arbitrator for resolution; provided that the decision of the Accounting Arbitrator with respect to each disputed item shall be within the range between the position taken by Buyer and the position taken by Sellers with respect to such item. The decision from the Accounting Arbitrator shall be binding on the parties unless otherwise inconsistent with a Final Determination. The costs of the Accounting Arbitrator shall be shared equally between Sellers and Buyer. To the extent a Tax Return or a Tax for which there is a dispute that is subject to this Section 8.3(c) is required to be filed or paid prior to the decision of the Accounting Arbitrator, such Tax Return shall be filed or Tax shall be paid in a manner consistent with Buyer's position; provided that to the extent the decision of the Accounting Arbitrator is inconsistent with the positions or amounts reported on such Tax Return, the Parties agree that they will promptly after such decision amend or revise such Tax Return as needed to reflect the decision of the Accounting Arbitrator and shall make payments as necessary to one another to reflect the actual amount of Tax liability based on the decision of the Accounting Arbitrator. For the avoidance of doubt and notwithstanding any provision of this Agreement to the contrary, the decision of the Accounting Arbitrator shall not limit or otherwise prejudice Buyer's right to indemnity with respect to any such Tax Returns or Taxes.

(d) Except as otherwise provided in this Article VIII, to the extent Sellers, on the one hand, or Buyer, on the other hand, is liable under this Article VIII for a Tax that is required to be paid by another party or the Company, such party shall pay (or cause to be paid) to the other party the amount of its liability for such Tax under this Article VIII within five (5) days after receiving a written request for such payment from such other Person, and such request shall include a calculation of the amount of the other party's liability.

Section 8.3 Cooperation on Tax Matters.

(a) Sellers and Buyer agree (i) to retain all books and records with respect to Tax matters pertinent to the Company relating to any taxable period beginning before the Closing Date until the expiration of the statute of limitations (and, to the extent notified by Buyer or the Representative, any extensions thereof) of the respective taxable periods, and to abide by all record retention agreements entered into with any Taxing Authority, and (ii) to give the other Party reasonable written notice prior to transferring, destroying or discarding any such books and records and, if the other Party so requests, the Company or Sellers, as the case may be, shall allow the other Party to take possession of such books and records.

(b) Buyer and Sellers further agree, upon request, to use their commercially reasonable efforts to obtain any certificate or other document from any Governmental Authority or any other Person as may be necessary to mitigate, reduce or eliminate any Tax that could be imposed (including with respect to the transactions contemplated hereby).

Section 8.4 Procedures Related to Tax Claims.

(a) Buyer or Sellers, as the case may be, shall promptly notify the other Party in writing upon receipt of a written notice of any current, pending, or threatened federal, state, local or foreign reassessment, assessment, audit, inquiry, claim, suit, Investigation, examination, request for information, administrative or court Proceeding, in each case which is reasonably likely to affect the Tax liabilities of the other Party or is reasonably likely to result in an indemnity payment under this Article VIII (each, a "Tax Claim"). Failure to give notice of a Tax Claim within a sufficient period of time shall not affect a Party's right to indemnity under this Agreement unless such failure actually and materially prejudices the ability of the indemnifying party to defend against such claim, and then only to the extent such Party is so prejudiced.

(b) Notwithstanding any provision in this Agreement to the contrary, Sellers shall control all Proceedings taken in connection with any Tax Claim relating solely to Taxes of the Company for a Pre-Closing Tax Period; provided, however, that (i) Buyer and counsel of its own choosing shall have the right to participate fully in all aspects of the prosecution or defense of such Tax Claim at Buyer's own cost, (ii) Sellers acknowledge in a writing provided to Buyer its liability for such matter and its election to control the defense thereof no later than twenty-five (25) days after receiving notice of such Tax Claim, (iii) such Tax Claim is not reasonably likely to adversely affect Buyer or the Company for Post-Closing Tax Periods, and (iv) Sellers shall not settle or otherwise conclude any such Tax Claim (other than a Tax Claim which will not have any adverse effect on Buyer or, with respect to any period ending after the Closing, the Company) without prior written consent of Buyer, which such written consent shall not be unreasonably withheld or delayed. In connection with any Tax Claim relating solely to Taxes of the Company for a Straddle Period, the Party with the largest liability, as reasonably determined (taking into account all potential future liability), shall control such Proceeding; provided, however, that neither Party shall settle or otherwise conclude any such Tax Claim without the prior written consent of the other Party (which consent shall not be unreasonably withheld or delayed). Buyer shall control all Proceedings with respect to all other Tax Claims.

Section 8.5 Survival of Tax Claims and Certain Representations. Notwithstanding any other provision of this Agreement to the contrary, any covenants and obligations of the Parties pursuant to this Article VIII and all representations and warranties contained in Section 2.16 shall survive the applicable statute of limitations (taking into account any applicable extensions or tollings thereof) relating to the Taxes at issue.

Section 8.6 Characterization of Tax Indemnification Payments. All amounts paid (i) by Sellers to Company pursuant to this Article VIII shall be treated as if (a) 44.40% of such

amount was contributed by Seller to Company as a contribution to the capital of Company, and (b) 55.60% of such amount was paid by Sellers to Buyer; (ii) by Sellers to Buyer pursuant to this Article VIII (including this Section 8.6) shall be treated as adjustments to the purchase price for all Tax purposes, unless, and then only to the extent, otherwise required by a Final Determination; and (iii) by Buyer to Sellers pursuant to this Article VIII shall be treated as adjustments to the purchase price for all Tax purposes, unless, and then only to the extent, otherwise required by a Final Determination.

Section 8.7 Additional Tax Covenants.

(a) From the date hereof, the Company will not, without the prior written consent of Buyer, (i) settle or compromise any Tax Claim; (ii) change any of the Company's methods, policies, or practices of Tax accounting; (iii) amend any of the Company's Tax Returns; (iv) enter into any agreement with a Taxing Authority with respect to the Company that is in effect as of the date hereof; (v) alter or make any Tax election; (vi) request a ruling relating to Taxes; (vii) grant any power of attorney relating to Tax matters; or (viii) prepare any Tax Return in a manner that is not consistent with past practices, in each case, that could have the effect of increasing the Tax liability of the Company for any Post-Closing Tax Period, decreasing any Tax attribute of the Company existing on the Closing Date, or otherwise adversely affect Buyer or the Company after the Closing Date.

(b) Notwithstanding any provision in this Agreement to the contrary, the indemnity provided under this Article VIII shall not be in any manner limited by the provisions of Article VII and all Tax matters set forth in Section 2.16 and this Article VIII, other than as specifically set forth in other provisions of this Agreement, shall be governed by Section 2.16 and this Article VIII.

ARTICLE IX
MISCELLANEOUS

Section 9.1 Amendments. Subject to compliance with Applicable Law, this Agreement may be amended, altered or modified only by a written instrument executed by each of the Parties hereto.

Section 9.2 Entire Agreement. This Agreement, together with the Schedules and Exhibits hereto and the Confidentiality Agreement, constitute the entire understanding and agreement of the Parties and supersede all prior agreements and understandings, written and oral, among the Parties with respect to the subject matter hereof.

Section 9.3 Interpretation. When a reference is made in this Agreement to a Section, Exhibit or Schedule, such reference shall be to a Section of or Exhibit or Schedule to this Agreement unless otherwise indicated. The table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation." Whenever the context may require, any pronouns used in this Agreement shall include the

corresponding masculine, feminine or neuter forms and the singular form of nouns and pronouns shall include the plural and vice versa.

Section 9.4 Severability. Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties agree that the court making such determination will have the power to limit the term or provision, to delete specific words or phrases, or to replace any invalid or unenforceable term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision, and this Agreement will be enforceable as so modified so long as the economic or legal substance of the Contemplated Transactions are not affected in any manner materially adverse to any Party. In the event such court does not exercise the power granted to it in the prior sentence, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in a mutually acceptable manner in order that the Contemplated Transactions be consummated as originally contemplated to the fullest extent possible.

Section 9.5 Notices. All notices and other communications hereunder shall be in writing and shall be deemed given if (a) delivered in person, (b) transmitted by telecopy or facsimile (in either case, with confirmation), (c) mailed by certified or registered mail (return receipt requested and obtained) or (d) delivered by an express courier (with confirmation) to the Parties at the addresses (or at such other address for a Party as shall be specified by like notice) set forth in **Schedule 9.5** hereto. Any Party may, by notice given in accordance with this Section 9.5 to the other Party, designate another address or Person for receipt of notices hereunder provided that notice of such a change shall be effective upon receipt.

Section 9.6 Binding Effect; Persons Benefiting; No Assignment. This Agreement shall inure to the benefit of and be binding upon the Parties hereto and the respective successors and permitted assigns of the Parties. Except as set forth in the preceding sentence, nothing in this Agreement is intended or shall be construed to confer upon any Person other than the Parties hereto and their successors and permitted assigns any right, remedy or claim under or by reason of this Agreement or any part hereof. Without the prior written consent of each of the other Parties hereto, this Agreement and the rights hereunder may not be assigned by any of the Parties hereto; provided that Buyer may assign this Agreement and any of the rights, interests or obligations of Buyer hereunder to any of its Affiliates without obtaining such prior written consent so long as Buyer remains jointly and severally liable for all obligations hereunder.

Section 9.7 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same agreement, it being understood that all of the Parties need not sign the same counterpart. Delivery of an executed counterpart by facsimile or other means of electronic transmission will be as effective as delivery of a manually executed counterpart.

Section 9.8 GOVERNING LAW. THIS AGREEMENT, THE LEGAL RELATIONS BETWEEN THE PARTIES AND THE ADJUDICATION AND THE ENFORCEMENT THEREOF, SHALL BE GOVERNED BY AND INTERPRETED AND CONSTRUED IN ACCORDANCE WITH THE SUBSTANTIVE LAWS OF THE STATE OF WASHINGTON, WITHOUT REGARD TO THE PRINCIPLES OF CONFLICTS OF LAW THEREOF.

Section 9.9 Dispute Resolution.

(a) If a dispute arises between the Parties relating to this Agreement or the Other Transaction Documents that cannot be resolved informally, each Party involved in such dispute (each, a "Disputing Party" and, collectively, the "Disputing Parties") agrees to comply with the procedures set forth in this Section 9.9 ("Dispute Resolution Procedures"). The Dispute Resolution Procedures will be invoked by a Party, before such Party pursues any other available remedy, by such Party giving written notice to the other Party or Parties, as applicable. Following receipt of such notice, the Disputing Parties shall, for a period of thirty (30) days after the dispute first arises, attempt in good faith to negotiate a resolution of the dispute (the "Initial Negotiation"). The Initial Negotiation will include no less than two (2) in-person meetings among authorized representatives of the Disputing Parties, whom shall have authority from the respective Boards of Directors of the Disputing Parties to settle the matter. If the dispute is not resolved during the Initial Negotiation, the Disputing Parties shall, for an additional period of thirty (30) days after the end of the Initial Negotiation period, continue to attempt in good faith to negotiate a resolution of the dispute (the "Extended Negotiation"). The Extended Negotiation will include no less than two (2) in-person meetings between the President and Chief Executive Officer of the Disputing Parties, all of whom shall have authority from the respective Boards of Directors of the Disputing Parties to settle the matter.

(b) The Disputing Parties will appoint a mediator mutually acceptable to the Disputing Parties to participate in any Extended Negotiation, seeking assistance in such regard from the American Arbitration Association's AAA Mediation Services if they are unable to agree upon such appointment within ten (10) days after it is determined that the dispute is not resolved in the Initial Negotiation. The place of the Initial Negotiation and any Extended Negotiation shall be in Seattle, Washington, or such other place as may be mutually agreed to by the Disputing Parties. The mediator may meet or communicate with the Disputing Parties together or with each of them separately. If the Extended Negotiation is not successful in resolving the dispute within the thirty (30) day Extended Negotiation period, the mediator shall declare a impasse between the Disputing Parties by notifying each Disputing Party promptly after the expiration of such thirty (30) day period. Each Disputing Party shall pay its own attorneys' and expert witness fees and costs associated therewith, and the costs of the mediator shall be split equally among the Disputing Parties. All offers, promises, conduct and statements, whether oral or written, made in the course of the mediation by any of the Disputing Parties or their representatives, and by the mediator, are confidential, privileged and inadmissible for any purpose, including impeachment, in any legal proceeding involving the Disputing Parties.

(c) If the Parties cannot reach agreement pursuant to Sections 9.9(a) and (b), then the Parties may proceed with such remedies as they may be entitled and deem appropriate in accordance with this Agreement. The Parties agree that notice as provided herein shall constitute sufficient service of process and the Parties further waive any argument that such service is insufficient. EACH PARTY HEREBY WAIVES THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT, ANY OF THE AGREEMENTS CONTEMPLATED HEREBY OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREIN OR THEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, COUNTERCLAIMS AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS. EACH PARTY RECOGNIZES AND AGREES THAT THE FOREGOING WAIVER CONSTITUTES A MATERIAL INDUCEMENT FOR IT TO ENTER INTO THIS AGREEMENT. EACH PARTY REPRESENTS AND WARRANTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL.

Section 9.10 Expenses. (a) The Company and Sellers shall bear their respective costs and expenses incurred by the Company and Sellers in connection with their negotiation and preparation of this Agreement and consummation of the Contemplated Transactions (including the fees of Thomas & Associates Consulting, LLC and fees and expenses of their respective attorneys and Representatives) and such costs and expenses shall be paid on the Closing Date from the proceeds of the Purchase Price, and (b) Buyer shall bear all costs and expenses incurred by Buyer in connection with its negotiation and preparation of this Agreement and consummation of the Contemplated Transactions (including the fees and expenses of its respective attorneys and Representatives).

Section 9.11 Further Assurances. The Parties agree (a) to furnish upon request to each other such further information, (b) to execute and deliver to each other such other documents, and (c) to do such other acts and things, all as the other Party may reasonably request for the purpose of carrying out the intent of this Agreement and the documents referred to in this Agreement.

Section 9.12 Waiver. The rights and remedies of the Parties to this Agreement are cumulative and not alternative. Neither the failure nor any delay by any Party in exercising any right, power, or privilege under this Agreement or the documents referred to in this Agreement will operate as a waiver of such right, power, or privilege, and no single or partial exercise of any such right, power, or privilege will preclude any other or further exercise of such right, power, or privilege or the exercise of any other right, power, or privilege. No waiver of any term or provision of this Agreement will be effective unless set forth in a writing signed by the waiving Party.

[The remainder of this page is intentionally left blank.]

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

THE COMPANY:

SOUNDPATH HEALTH, INC.

By: Christine M. Tomcala
Name: Christine M. Tomcala
Title: CEO

SELLERS:

NORTHWEST PHYSICIANS NETWORK OF WASHINGTON, LLC

By: Patricia Briggs
Name: Patricia Briggs
Title: CEO

PHYSICIANS OF SOUTHWEST WASHINGTON, L.L.C.

By: Mariella Cummings
Name: MARIELLA CUMMINGS
Title: CEO

BUYER:

COLLABHEALTH PLAN SERVICES, INC.

By: [illegible]
Name: Mark Bjornson
Title: CEO

EXHIBIT A

DEFINITIONS

For all purposes in this Agreement, the following terms shall have the following meanings (such definitions to be equally applicable to both the singular and plural forms of the terms herein defined):

"Action" means any claim, action, suit, arbitration or similar proceeding by or before any Governmental Authority, arbitrator or arbitration panel, or any mediation or similar proceeding.

"Affiliate" means, with respect to any specified Person, any other Person that, at the time of determination, directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, the Person specified. For the purposes of this definition, "control", when used with respect to any specified Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of Equity Interests, by Contract or otherwise; and the terms "controlling" and "controlled" have correlative meanings to the foregoing. For purposes of the definition of "control", a general partner or managing member of a Person shall always be considered to control such Person.

"Applicable Law" means any Law applicable to the Person or Persons referenced, or to any Equity Interests held or assets owned by such Person or Persons.

"Board of Directors" means the board of directors, board of trustees, board of managers or similar body governing the affairs of a Person.

"Breach" means any inaccuracy in or breach of, or any failure to perform or comply with, any representation, warranty, covenant, obligation, or other provision of this Agreement or any certificate delivered pursuant to this Agreement.

"Burdensome Condition" means, in connection with the receipt of a Consent, a requirement to: (i) sell or hold separate or agree to sell, divest, discontinue or limit, before or after the Closing Date, any assets, businesses, or interest in any assets or businesses of Buyer, the Company, Sellers or any of their respective Affiliates (or to consent to any sale, or agreement to sell, or discontinuance or limitation by Buyer, the Company, Sellers or any of their respective Affiliates, as the case may be, of any of its assets or businesses); or (ii) agree to any conditions relating to, or changes or restrictions in, the operations of any such assets or businesses which, in the case of either clause (i) or (ii), is reasonably likely, individually or in the aggregate, to have a Material Adverse Effect or otherwise significantly and adversely affect the benefits, taken as a whole, that Buyer, the Company, Sellers or any of their respective Affiliates, as the case may be, reasonably expects to receive in connection with the Contemplated Transactions.

"Business Day" means any day other than a Saturday, Sunday or a day on which the New York Stock Exchange is authorized or required to be closed for regular business.

"Closing" means the closing of the Contemplated Transactions.

"Closing Reserve Amount" means such amount, as determined by an actuarial study commissioned by Buyer, required to be held in reserve by each Seller to meet incurred but not reported claims as of the Closing Date pursuant to each Seller's Contractor and Participant Medicare Advantage Agreement with the Company.

"Code" means the Internal Revenue Code of 1986, as amended.

"Confidentiality Agreement" means that certain Confidentiality Agreement entered into between Buyer, Sellers and the Company dated as of March 8, 2011.

"Consent" means any approval, consent, ratification, waiver, or other authorization of any Person or Governmental Authority, including the Company Required Consents and the Buyer Required Consents.

"Contemplated Transactions" means all of the transactions contemplated by this Agreement, the R Shares SPA and the Asset Purchase Agreement that are to be performed at or prior to the Closing, including:

(a) the sale of the Purchased Shares by Sellers to Buyer;

(b) the execution and delivery of the Other Transaction Documents;

(c) the performance by Buyer, Sellers and the Company of their respective covenants and obligations under this Agreement, the R Shares SPA and the Asset Purchase Agreement;

(d) Buyer's acquisition of the Purchased Shares and of control over the Company;

(e) Buyer's acquisition of the Class R Shares; and

(f) Buyer's acquisition of the Purchased Assets pursuant to the Asset Purchase Agreement.

"Contract" means, with respect to any Person, any agreement, indenture, debt instrument, contract, guarantee, loan, note, mortgage, license, lease or other binding commitment, whether oral or written, to which such Person is a party or by which it is bound or to which any of its assets or properties is subject.

"Deficiency" means, with respect to the Certificate of Registration, any failure to be in full force and effect or any nonrenewal, suspension, restriction or impairment that would negatively affect the Company's ability to conduct business in the manner contemplated by such Certificate of Registration.

"Director" means an individual member of a Board of Directors.

"Dollar" or "Dollars" or "$" means United States dollar currency in all cases, unless otherwise specified.

"Encumbrance" means any lien, community property interest, lease, assessment, pledge, mortgage, security interest, capital lease, encumbrance, restriction, easement, limitation, claim, preferential arrangement, condition, equitable interest, license, right of first refusal, charge or defect of title of any kind or nature whatsoever.

"Equity Interests" means (a) capital stock, partner interests, member interests, beneficial interests or any other equity or ownership interests in the Person referenced; (b) any instruments convertible into or exchangeable for, or whose value is determined by reference to, any such interests; or (c) any other rights, warrants or options to acquire or dispose of any of the foregoing.

"Final Determination" means a "determination" as defined in Section 1313(a) of the Code (or any similar provision of state, local or foreign law) or the execution of an Internal Revenue Service Form 870 AD (or any similar state, local or foreign Tax form).

"GAAP" means generally accepted United States accounting principles, applied on a basis consistent with the basis on which the Sellers Financial Statements were prepared.

"Governmental Authority" means any nation, state, territory, province, county, city or other unit or subdivision thereof or any entity, authority, agency, department, board, commission, instrumentality, insurance or securities regulatory or self-regulatory body or securities or commodities exchange, court or other judicial body authorized on behalf of any of the foregoing to exercise legislative, judicial, regulatory or administrative functions of or pertaining to government, and any governmental or non-governmental self-regulatory organization.

"Governmental Authorization" means any approval, consent, license, permit, waiver, or other authorization issued, granted, given, or otherwise made available by or under the authority of any Governmental Authority or under any Applicable Law.

"Investigation" means any investigation, inquiry, audit or similar proceeding by or before any Governmental Authority.

"IRS" means the Internal Revenue Service of the United States.

"Knowledge" means that an individual will be deemed to have "Knowledge" of a particular fact or other matter if (i) such individual is actually aware of such fact or other matter or (ii) the knowledge that each such individual would reasonably be expected to obtain in the course of diligently performing his or her duties for the Company or Sellers, as the case may be. With respect to the Company and the Sellers, Knowledge of Sellers and the Company means the Knowledge of Howard Thomas (as derived only from his consultation with the Company and the Sellers and any Knowledge outside of this specific engagement is explicitly excluded), Austin Lampert, MD, Bob Peters, Christine M. Tomcala, Christine Turner, Darien Heap, MD, David Tollefson, MD, David Fairbrook, MD, Gary Goin, MD, James Anderson, James Wilson, MD, Jennifer Smith, MD, Jerome Zechmann, MD, John Samms, Joseph P. Clabots, MD, Kari Glover, Kingston Momah, MD, J. Gregg Julin, MD, Laurence Schadt, MD, Leonard Alenick, MD, Leyton Jump, MD, Mariella Cummings, Matthew White, MD, Michael Herring, MD, Mohammad Saeed, MD, Monica Wilhelm, MD, Patricia Briggs, Patrick J. Halpin, MD, Paul Williams, MD, Richard Faiola, MD, Rick Canning, Robin Larmer, Ronald Krause, MD, Sheila

S. Nishimoto, Theodore Bridge, MD, Thuy Le, William Roes, MD, William Williard, MD, Ze'ev Young, MD. With respect to the Buyer, Knowledge of Buyer means the Knowledge of Juan Serrano, Mark Bjornson, Mike Fitzgerald, Steve Schramm, and David Stratton.

"Law" means any statute, law, ordinance, rule, public administrative interpretation, published policy statement, regulation, order, license, permit, approval, writ, injunction, directive, judgment, decree or other requirement, principle of common law, constitution or treaty enacted, promulgated, issued, enforced or entered by any Governmental Authority, including without limitation, all regulations regulating the business or products of insurance, and all applicable orders and directions of insurance regulatory authorities and orders resulting from examinations of insurance regulatory authorities.

"Liability" means, with respect to any Person, any direct or indirect indebtedness, liability, claim, loss, damage (including incidental and consequential damages), deficiency, obligation, expense or responsibility (whether known, accrued, absolute, contingent, unliquidated, due or to become due or otherwise) and regardless of when asserted, and includes, in the case of Liabilities relating to insurance policies, any extra-contractual obligations or payments in excess of policy limits or loss adjustment expense claims.

"Material Adverse Effect" means a material adverse effect on or material adverse change in (a) the Business or condition (financial or otherwise), results of operations, assets, properties or Liabilities of the Company or (b) the ability of Sellers or the Company to perform without delay their obligations under this Agreement or any Contemplated Transaction or to consummate without delay the transactions contemplated hereby or thereby; provided, however, to the extent such effect results from any of the following, such effect shall not be considered a Material Adverse Effect: (i) economic, financial market or geopolitical conditions in general; (ii) conditions generally affecting the health insurance industry; (iii) changes in Law or applicable accounting regulations or principles, or (iv) conditions or effects resulting from or relating to the announcement or the existence or terms of this Agreement or the consummation of the Contemplated Transactions.

"Order" means any award, decree, decision, injunction, judgment, order, ruling, subpoena, stipulation or verdict entered, issued, made, or rendered by any court, administrative agency, or other Governmental Authority or by any arbitrator.

"Ordinary Course of Business" means an action taken by a Person will be deemed to have been taken in the "Ordinary Course of Business" only if (a) such action is consistent with the past practices of such Person and is taken in the ordinary course of the normal day-to-day operations of such Person, (b) such action is not required to be authorized by the Board of Directors of such Person (or by any Person or group of Persons exercising similar authority) or shareholders of such Person, and (c) such action is similar in nature and magnitude to actions customarily taken, without any authorization by the Board of Directors (or by any Person or group of Persons exercising similar authority) or shareholders of such Person, in the ordinary course of the normal day-to-day operations of other Persons that are in the same line of business as such Person.

"Organizational Documents" means (a) the articles or certificate of incorporation and the bylaws of a corporation, (b) the partnership agreement and any statement of partnership of a general partnership, (c) the limited partnership agreement and the certificate of limited partnership of a limited partnership, (d) the operating or limited liability company agreement and the certificate of formation of a limited liability company, (e) any equivalent organizational document adopted or filed in connection with the creation, formation, or organization of a Person, and (f) any amendment to any of the foregoing.

"Other Transaction Documents" means any and all documents to be delivered in connection with this Agreement or the Contemplated Transactions, including without limitation the R Shares SPA, the Asset Purchase Agreement and any and all documents to be filed with or recorded with the Washington State Office of the Insurance Commissioner.

"Party" means each of Sellers, Buyer and the Company.

"Person" means any natural person, corporation, company, limited liability company, partnership (limited or general), joint venture, association, trust or other entity, including without limitation any Governmental Authority.

"Post-Closing Tax Period" means any taxable period beginning after the Closing Date and the portion of any Straddle Period beginning after the Closing Date.

"Pre-Closing Tax Period" means any taxable period ending on or prior to the Closing Date and the portion of any Straddle Period ending on the Closing Date.

"Proceeding" means any Action or Investigation.

"Proportionate Percentage Interest" means PSW Proportionate Percentage Interest and the NPN Proportionate Percentage Interest.

"Regulatory Approval" means the approval of the Washington State Office of the Insurance Commissioner of the Form A application filed in connection with the sale of the Purchased Shares to Buyer and sale of the Purchased Assets to Buyer, the approval of the Washington State Office of the Insurance Commissioner of the Form D application filed in connection with the Insurance Services Agreement, and the approval of the Washington State Office of the Insurance Commissioner of the issuance and sale of the Class R Shares (or similar approval from the Washington State Office of the Insurance Commissioner in connection with the consummation of the Contemplated Transactions).

"Representative" means, with respect to a particular Person, any Director, officer, employee, agent, consultant, advisor, or other representative of such Person, including legal counsel, accountants, and financial advisors.

"SAP" means Statutory Accounting Principles, consistently applied, as prescribed or permitted by the Washington State Office of the Insurance Commissioner, for a health care service contractor.

"Securities Act" means the United States Securities Act of 1933, as amended, and all rules and regulations of the United States Securities and Exchange Commission thereunder.

"Straddle Period" means any taxable period beginning before the Closing Date and ending after the Closing Date.

"Subsidiary" means, when used with respect to any Person, any other Person as to which the voting securities, other voting ownership or voting partnership interests in an amount sufficient to elect at least a majority of its Board of Directors or other governing body (or, if there are no such voting interests, 50% or more of the Equity Interests) are owned directly or indirectly by such Person.

"Tax" or "Taxes" means (a) all federal, state, local, and foreign taxes, assessments, fees, imposts, payments in lieu, levies and other governmental charges imposed by any Governmental Authority, whether imposed directly or indirectly, including, without limitation, all income, gains, profits, gross receipts, net proceeds, net worth, alternative or add-on minimum, guarantee fund or other insolvency pool fund assessments, ad valorem, value added, turnover, sales, use, property, personal property (tangible and intangible), environmental, single business, margin, stamp, leasing, lease, user, excise, duty, franchise, capital, capital stock, transfer, registration, license, withholding, workers' compensation, social security (or similar), unemployment, disability, payroll, employment, fuel, excess profits, occupational, premium, windfall profit, severance, or estimated taxes, or other charge of any kind whatsoever, including any interest, penalty, or addition thereto, whether disputed or not, (b) any obligations under any agreements or arrangements entered into with a Taxing Authority with respect to any Taxes described in clause (a), and (c) any amounts described in clause (a) that are payable by reason of transferee, successor, or secondary liability, operation of law, by contract, or otherwise.

"Tax Return" means any return, declaration, affidavit, report, claim for refund, or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof, and including, where permitted or required, any return filed on a combined, consolidated, unitary, or group basis.

"Taxing Authority" means, with respect to any Tax, the governmental entity or political subdivision thereof that imposes such Tax, and the agency (if any) charged with the collection of such Tax for such entity or subdivision, including any governmental or quasi-governmental entity or agency that imposes, or is charged with collecting, social security or similar charges or premiums.

"Threatened" means, with respect to any claim, Proceeding, dispute, Action, or other matter, that any demand or statement has been made (orally or in writing) or any notice has been given (orally or in writing to a Party to this Agreement or within their Knowledge) that would lead a reasonably prudent Person to conclude that such a claim, Proceeding, dispute, Action, or other matter is likely to be asserted, commenced, taken, or otherwise pursued in the immediate future.

"Working Capital" means (a) the aggregate amount of the current assets of the Company (without considering certain assets, specifically, HMSO Receivable, deferred income taxes,

deferred acquisition costs, Treaty Reinsurance with Canada Life, any equity in the Marquette Personal Property Lease and related Schedules and related security bonds), *less* (B) the current liabilities of the Company (without considering certain liabilities, specifically, the Treaty Reinsurance with Canada Life and the Marquette Personal Property Lease and related Schedules), in accordance with GAAP and, to the extent consistent with GAAP, the Company's past practices, without giving effect to the Contemplated Transactions.

In addition, the following terms shall have the meaning specified in the indicated section of this Agreement:

Accounting Arbitrator ..... Section 1.5(c)
Agreement ..... Preamble
Articles ..... Section 1.7
Asset Purchase Agreement ..... Recitals
Buyer ..... Preamble
Buyer Legal Opinion ..... Section 5.2(h)
Buyer Required Consents ..... Section 3.2(b)
Buyer Tax Indemnified Parties ..... Section 8.1(a)
Certificate of Registration ..... Section 2.3(a)
Claims Notice ..... Section 7.5
Class R Shares ..... Recitals
Closing Date ..... Section 1.1
Closing Financial Statements ..... Section 1.5(b)
Closing Statement ..... Section 1.4
Company ..... Preamble
Company Financial Statements ..... Section 2.5(a)
Company Legal Opinion ..... Section 5.1(o)
Company Records ..... Section 2.9
Company Regulatory Reports ..... Section 2.7
Company Required Consents ..... Section 2.2(b)
Copyrights ..... Section 2.27(a)
Damages ..... Section 7.2
Deductible ..... Section 7.4
Dispute Resolution Procedures ..... Section 9.9
Disputing Party ..... Section 9.9
Effective Date ..... Preamble
Effective Time of Closing ..... Section 1.1
Entity ..... Exhibit A
Escrow Agent ..... Section 1.4
Event ..... Section 7.4
Extended Negotiation ..... Section 9.9
FHS ..... Section 1.7(a)
FHS Provider Agreement ..... Section 1.7(a)
HMSO Receivable ..... Section 1.7
Indemnification Cap ..... Section 7.4

Indemnified Party ..... Section 7.5
Indemnified Persons ..... Section 7.5
Indemnifying Party ..... Section 7.5
Indemnity Notice ..... Section 7.5
Initial Negotiation ..... Section 9.9
Insurance Services Agreement ..... Section 1.7
Intellectual Property Assets ..... Section 2.27(a)
Lease ..... Section 2.11(c)
Leased Real Estate ..... Section 2.11(c)
Marks ..... Section 2.27(a)
Notice Period ..... Section 7.5
NPN ..... Preamble
NPN Escrow Agreement ..... Section 1.4
NPN Legal Opinion ..... Section 5.1(l)
NPN Non-Competition Agreement ..... Section 1.7
NPN Proportionate Percentage Interest ..... Recitals
NPN Purchase Price ..... Section 1.2
NPN Purchased Shares ..... Recitals
NPN Security Reserve Amendment ..... Recitals
Owned Real Estate ..... Section 2.11(c)
Patents ..... Section 2.27(a)
Proprietary Rights Agreement ..... Section 2.27(a)
Purchase Price ..... Section 1.3
Purchased Assets ..... Recitals
Purchased Shares ..... Recitals
PSW ..... Preamble
PSW Escrow Agreement ..... Section 1.4
PSW Legal Opinion ..... Section 5.1(m)
NPN Non-Competition Agreement ..... Section 1.7
PSW Proportionate Percentage Interest ..... Recitals
PSW Purchase Price ..... Section 1.2
PSW Purchased Shares ..... Recitals
PSW Security Reserve Amendment ..... Recitals
R Shares SPA ..... Recitals
Real Property ..... Section 2.11(a)
Reinsurance Agreements ..... Section 2.22
Rights in Mask Works ..... Section 2.27(a)
Schedules ..... Section 4.5
Schedules Delivery Date ..... Section 4.5
Sellers ..... Preamble
Sellers Financial Statements ..... Section 2.5(a)
Shareholder Agreement ..... Section 1.7
Shares ..... Recitals
Tax Claim ..... Section 8.4(a)
Third Party ..... Section 7.5
Third Party Claim ..... Section 7.5

Trade Secrets ..... Section 2.27(a)
Transfer Taxes ..... Section 4.9
Updated Schedules ..... Section 4.5
Working Capital Difference Amount ..... Section 1.5(a)
Working Capital Adjustment Amount ..... Section 1.5(a)