

**MEMBERSHIP TRANSFER AGREEMENT**

**BY AND BETWEEN**

**ARIZONA PHYSICIANS IPA, INC., dba  
UNITEDHEALTHCARE COMMUNITY PLAN OF ARIZONA**

**and**

**MARICOPA COUNTY SPECIAL HEALTH CARE DISTRICT, dba  
MARICOPA INTEGRATED HEALTH SYSTEM**

**August 24, 2016**



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## MEMBERSHIP TRANSFER AGREEMENT

This MEMBERSHIP TRANSFER AGREEMENT (this "Agreement"), dated as of August 24, 2016 (the "Effective Date"), is made and entered into by and between Arizona Physicians IPA, Inc., dba UnitedHealthcare Community Plan of Arizona, an Arizona corporation ("Buyer"), and Maricopa County Special Health Care District, dba Maricopa Integrated Health System, a tax levying public improvement district and a political subdivision of the State of Arizona (the "District"). Capitalized terms used and not otherwise defined in this Agreement have the meanings set forth in Section 1.03(a) and in Article IX of this Agreement. The District and Buyer are sometimes referred to herein as the "Parties" and individually as a "Party."

### RECITALS

WHEREAS, the District operates a health plan, known as the Maricopa Health Plan (the "Plan"), providing managed care services to Arizona Medicaid members and receiving payment at District-specific rates per member per month and other revenue for such services pursuant to Contract YH14-0001, as amended, for Acute (Arizona Medicaid) members (the "District Medicaid Contract") between the District and the Arizona Medicaid Agency known as the Arizona Health Care Cost Containment System ("AHCCCS");

WHEREAS, Buyer is authorized by AHCCCS to operate a Medicaid plan in the State of Arizona pursuant to Contract YH14-0001, as amended, for Acute (Arizona Medicaid) members between Buyer and AHCCCS (the "Buyer Medicaid Contract"); and

WHEREAS, the Parties desire to obtain the requisite approvals to effect the transfer of the District Enrollees (as defined in Section 1.03(a)) to Buyer so that the District Medicaid Contract will be terminated and all of the District Enrollees would be enrolled under the Buyer Medicaid Contract with Buyer continuing to provide the requisite health care services to such District Enrollees.

NOW, THEREFORE, in consideration of the representations, warranties and covenants set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

### ARTICLE I MEMBERSHIP TRANSFER AND PAYMENTS

#### SECTION 1.01. Agreement to Transfer.

(a) Member Transfer. For and in consideration of payments set forth in Section 1.04 and the other consideration from Buyer to the District, the District shall:

- (i) take all actions necessary to cause the transfer of the District Enrollees from the District Medicaid Contract to the Buyer Medicaid Contract effective as of 12:01 am on the Closing Date; and

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(ii) deliver to Buyer, prior to the Closing Date, true and correct copies (in all media used by the District, electronic or otherwise) of all books, records and information of the District (whether originating or stored with the District or a third party), which relate to membership of District Enrollees in the Plan, including, without limitation, names, addresses, identification numbers, claims files, provider data, medical and claim histories and preauthorized records, all eligibility data distributed by AHCCCS or otherwise, underwriting files, rate files and filings, enrollment files, regulatory compliance files, actuarial support files, provider and District Enrollee lists, and information with respect to plan designs, policies, procedures or manuals, to the extent necessary for Buyer to provide coverage for health care services to such District Enrollees from and after the Closing Date substantially in the same manner in which such services are being provided by the District prior to the Closing Date (collectively, the “District Business Records”).

(b) Excluded Property. The transfer of District Enrollees from the District Medicaid Contract to the Buyer Medicaid Contract specified in Section 1.01(a)(i) and the delivery from District to Buyer of the District Business Records specified in Section 1.01(a)(ii) are the sole transfers and deliveries of any assets or property owned by the District and Buyer shall not acquire any other assets or property whatsoever (including any Contracts, real property or assignment of any leases relating to real or personal property) that are owned, leased or licensed by or for the benefit of the District (collectively, the “Excluded Property”).

SECTION 1.02. Excluded Liabilities.

(a) Buyer does not and will not assume or become obligated to pay, perform or discharge, and will not be responsible for, any liabilities or obligations of the District or any Affiliate of the District whatsoever, whether accrued, absolute, contingent or otherwise (collectively, the “Excluded Liabilities”), and the Excluded Liabilities shall be deemed to include, without limitation, the following:

(i) any liability or obligation resulting from, arising out of, relating to or caused by any claims payable, incurred but not reported liabilities, risk withholds, legal activities, litigation, regulatory, administrative or arbitration proceedings, accounts payable and accrued expenses, payables to Affiliates of the District, contractual liabilities, or debt or accrued interest;

(ii) any liability relating to any District Enrollee relating to events, acts, or omissions occurring prior to the Closing Date;

(iii) any liability arising out of, or relating to, any violation of Law by the District, or sanctions, corrective actions either issued to the District, or of which the District has received notice, relating to matters that occurred prior to the Closing Date;

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(iv) any debts, liabilities or other obligations under the Provider Contracts;

(v) any liability of the District, its Affiliates or any third party, whether currently known or unknown, with respect to claims or potential claims for medical malpractice or professional liability with respect to the District Enrollees to the extent related to periods prior to the Closing Date, in each case regardless of when the claim is asserted, or any regulatory, administrative or other claims brought by a Governmental Entity;

(vi) any liability arising from or relating to the Excluded Property or the Pre-Closing Obligations;

(vii) any liability of any kind to, or with respect to, the District's current or former employees, independent contractors or Representatives, including without limitation, salaries or compensation of any kind, continued employment, vacation or severance pay, or benefits (including any termination in connection with the announcement or consummation of the transactions contemplated by the Agreement);

(viii) any Taxes, if any, (A) of the District, (B) arising from or related to the District Enrollees or the Plan attributable to a taxable year (or portion thereof) ending on or before the Closing Date, (C) attributable to any taxable year (or portion thereof) ending on or before the Closing Date of any Person imposed on Buyer or its Affiliates as a transferee or successor, by Contract or otherwise, with respect to obligations of the District existing on or prior to the Closing Date or by agreements or transactions entered into by the District on or prior to the Closing Date;

(ix) any claims for payment for any services rendered to the District Enrollees prior to the Closing Date;

(x) any claims for payment for any services rendered to the District Enrollees prior to the Closing Date, including in-patient hospital admission or other confinement that commenced prior to the Closing Date and through the date of discharge provided that the foregoing obligation of the District with respect to the in-patient or confined Actual Enrollees shall in any event terminate not later than 30 days after the Closing Date;

(xi) any claims, disputes, member grievances, or state fair hearings relating to facts, events or circumstances prior to the Closing Date;

(xii) any cost or liability related to the District's failure to seek reimbursement for re-insurance or other third party payment with respect to services rendered prior to the Closing Date regardless of the date of discharge; or

(xiii) any expense or liability with respect to the administration of the Plan, including, without limitation, any cost or expense to administer, pay and run

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out all of the medical claim liabilities of the Plan and perform all reporting obligations under the District Medicaid Contract, except for any AHCCCS charge expressly agreed by the Parties in this Agreement to be paid one-half by the District and one-half by Buyer (e.g., Section 1.03(e) of this Agreement).

SECTION 1.03. Determination of Estimated Closing Payment: [REDACTED]

(a) When each of the following terms is used in this Agreement it shall have the meaning stated below:

“Actual Enrollees” means the aggregate number of District Enrollees who are properly enrolled in Buyer’s health plan under the Buyer Medicaid Contract on the Closing Date and are listed on the Final AHCCCS Data File.

“District Enrollees” means the AHCCCS-eligible members who are assigned to the Plan under the District Medicaid Contract and are listed on the Pre-Enrollment AHCCCS Data File.

“Final AHCCCS Data File” means the applicable AHCCCS 834 enrollment files showing the number of Actual Enrollees as of the Closing Date.

“Post-Enrollment AHCCCS Data File” means the AHCCCS generated eligibility file identifying the AHCCCS-eligible members who are assigned to the Plan under the District Medicaid Contract as of the end of the day on the date on which the Special Enrollment Period ends.

“Pre-Enrollment AHCCCS Data File” means the AHCCCS generated eligibility file identifying the District Enrollees as of the end of the day on the date immediately preceding the date of commencement of the Special Enrollment Period.

“Special Enrollment Period” means the AHCCCS-directed enrollment period in connection with the transfer of the District Enrollees to Buyer’s health plan under the Buyer Medicaid Contract.

(b) As soon as practicable and in any event within five (5) days of its availability, the District shall use its best efforts to cause AHCCCS to deliver to the Parties the Pre-Enrollment AHCCCS Data File and the Post-Enrollment AHCCCS Data File.

(c) [REDACTED]

(d) As soon as practicable and in any event within thirty (30) days following the Closing Date, Buyer shall use its best efforts to cause AHCCCS to deliver to the

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Parties the Final AHCCCS Data File. Within ten (10) business days of the Parties' receipt of the Final AHCCCS Data File (which date may be more than 30 days post-Closing if such delay is due to an act or omission of AHCCCS), [REDACTED]

(i) [REDACTED]

(ii) [REDACTED]

(e) To the extent AHCCCS imposes any fee or charge with respect to the generation of the Pre-Enrollment AHCCCS Data File, the Post-Enrollment AHCCCS Data File or the Final AHCCCS Data File, or any updates thereto, such fee or charge shall be borne one-half by each Party. The Parties agree that, to the extent that there are any discrepancies between the Pre-Enrollment AHCCCS Data File, the Post-Enrollment AHCCCS Data File or the Final AHCCCS Data File, the Final AHCCCS Data File shall take precedence and govern for all purposes of this Agreement, [REDACTED]

SECTION 1.04. Purchase Price. The total consideration (the "Purchase Price") payable by Buyer hereunder is as follows:

(a) [REDACTED]

(b) [REDACTED]

(c) [REDACTED]

SECTION 1.05. Closing. The closing of the transactions contemplated by this Agreement and the Transaction Documents (the "Closing") shall take place as soon as practicable, but in any event, no later than the third (3<sup>rd</sup>) business day following the satisfaction of the conditions set forth in Article VI (the "Closing Date") through an electronic exchange of

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closing documents and wire transfer of funds, or such other manner mutually agreeable to the Parties. The Parties shall deliver to each other the documents required to be delivered pursuant to Article VI at the Closing. Subject to the provisions of Article VII, failure to consummate the Closing on the date and time and at the place determined pursuant to this Section 1.05 will not result in the termination of this Agreement and will not relieve any Party of any obligation under this Agreement.

SECTION 1.06. Further Action. The Parties shall use reasonable efforts to take as promptly as possible all such action as may be necessary or appropriate to effectuate the Agreement. If, at any time after the Closing Date, any further action is necessary or desirable to carry out the purposes of this Agreement, each of the Parties shall execute and deliver or cause to be executed and delivered such instruments and other documents and shall take or cause to be taken all such further lawful and necessary action as either Party may reasonably request.

## ARTICLE II REPRESENTATIONS AND WARRANTIES OF THE DISTRICT

The District hereby represents and warrants to Buyer, as of the date of this Agreement and as of the Closing Date (unless the particular statement refers to an earlier date, in which case the District hereby represents and warrants to Buyer such statement is true, complete and correct as of such other date) that:

SECTION 2.01. Organization and Qualification. The District is duly organized, validly existing, and in good standing under the Laws of the State of Arizona as a Special Health Care District created under Arizona Revised Statutes Title 48, specifically Chapter 31 et al., governed by the Maricopa County Special Health Care District Board of Directors. The District has the power and authority necessary to own and operate the Plan, and to perform and consummate the transactions set forth herein.

SECTION 2.02. Authorization.

(a) The execution, delivery and performance by the District of this Agreement and the Transaction Documents to which it is a party have been duly authorized by all necessary action on the part of the District. No other proceedings on the part of the District are necessary to authorize the execution, delivery or performance of this Agreement and such other Transaction Documents. This Agreement and each of the other Transaction Documents to which the District is a party have been duly executed and delivered by the District, and constitute the valid and binding obligation of the District enforceable against the District in accordance with their terms, except as may be limited by bankruptcy, insolvency, moratorium or other similar Laws affecting creditors' rights generally, and subject to general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law).

(b) Subject to receipt of the Approvals, the execution and delivery of this Agreement and the Transaction Documents and the consummation of the transactions contemplated hereby and thereby and the fulfillment of and compliance with the terms and provisions hereof and thereof do not conflict with or violate (i) any provision of any

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governing document of the District or Contract to which the District is a party, (ii) any Law applicable to the transactions contemplated hereby binding upon the District, (iii) any judgment, order or decree entered with respect to the District or to which the Plan is subject, or (iv) provide any Governmental Entity or Person the right to withdraw, revoke, suspend, cancel, terminate or modify any consent, license, permit, waiver or other authorization issued or originated previously.

(c) Except for AHCCCS approval under Paragraph 52 (Merger, Acquisition, Reorganization, Joint Venture, and Change of Ownership) of the District Medicaid Contract and ACOM Policy 317 (Change in Contractor Organizational Structure) (collectively, the "Approvals"), no consent, approval or authorization of, or designation, declaration or filing with, any Person or Governmental Entity is required by or with respect to the District in connection with the execution, delivery and performance of this Agreement and the Transaction Documents by the District, or the consummation by the District of the transactions contemplated hereby and thereby.

SECTION 2.03. Compliance. To the Knowledge of the District Group:

(a) The District is in compliance with all applicable Laws with respect to any matter relating to the District Medicaid Contract or the Plan, and no condition exists which (with or without notice or passage of time or both) shall cause the District not to remain in such compliance. Except as disclosed on Schedule 2.03, the District has not received, within the two (2) years ending on the Effective Date, any notice, warning, or other communication from any Governmental Entity alleging a violation, breach or non-compliance with, or threatening any investigation under any applicable Laws. Without limiting the generality of the foregoing, all materials and forms used by the District in the operation of the Plan are currently in compliance with all applicable Laws. The District has filed all statements and reports with insurance regulatory authorities required by Law.

(b) The District owns all licenses, permits, consents, certificates of authority, approvals and other authorizations required for the District to operate the Plan (the "Permits"). A complete and accurate listing of the Permits has been provided to Buyer. Each of the Permits is in full force and effect. No event has occurred with respect to any of the Permits which would cause revocation, termination or suspension of any of such Permits or give rise to any obligation on the part of the District prior to the Closing Date or Buyer following the Closing Date to undertake, or to bear all or any portion of the cost of, any remedial action of any nature, except for renewals or reinstatements the cost of which is not material.

(c) Since October 1, 2013, the District has not (i) offered, authorized, promised, made or agreed to make gifts of money, other property or similar benefits or contributions (other than incidental gifts or articles of nominal value) to any District Enrollee or potential enrollee in the Plan, vendor, supplier, provider, governmental employee or other Person in a position to assist or hinder the District in connection with any actual or proposed transaction or to any political party, political party official or candidate for federal, state or local public office in violation of any Law or

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(ii) maintained any unrecorded fund or asset of the District for any improper purpose or made any false entries on its books and records for any reason.

(d) Since October 1, 2013, the Plan: (i) has been qualified for participation in the State of Arizona Medicaid (AHCCCS) program, (ii) has had valid Contracts for such Medicaid program, (iii) has been in compliance, in all material respects, with all terms, conditions and provisions of such Contracts, and (iv) has been in compliance, in all material respects, with the conditions of participation in such program.

(e) Except as disclosed on Schedule 2.03(e), since October 1, 2013, no written notice of any overpayments, offsets or recoupments against future reimbursement under the District Medicaid Contract has been received by the District related to the Plan, nor is there a reasonable basis for any such overpayments, offsets or recoupments.

(f) No person who is ineligible under applicable Laws provides services on behalf of the Plan.

SECTION 2.04. Absence of Certain Changes or Events. To the Knowledge of the District Group, except as otherwise contemplated by this Agreement, since August 31, 2015 (a) there has not been any change, effect, fact, event or circumstance that has had, or could reasonably be expected to have, any Material Adverse Effect with respect to the Plan, and (b) the District has (i) conducted the Plan in a commercially prudent manner, and in the ordinary course and consistent with such operation, (ii) with respect to the Plan, complied in all material respects with applicable legal and contractual obligations, (iii) used commercially reasonable efforts, consistent with past practice, to preserve the goodwill of District Enrollees, and (iv) not taken any action outside of the ordinary course of business which would reasonably be expected to cause District Enrollees to disenroll from the Plan.

SECTION 2.05. Litigation.

(a) To the Knowledge of the District Group, there are no claims, actions, suits, orders, investigations, proceedings, mediations, arbitrations, hearings, demands, at law or in equity (including, without limitation, actions or proceedings seeking injunctive relief), which are pending against the District regarding the Plan or the District Enrollees, or initiated by the District or anticipated to be initiated by the District, before any court or any Governmental Entity. There is no action pending against the District seeking to enjoin or restrain the transactions contemplated by this Agreement or the Transaction Documents.

(b) The District is not subject to any order, consent decree, conciliation agreement, settlement agreement or other similar written agreement with any Governmental Entity, or any judgment, order, writ, injunction, decree or award of any Governmental Entity or arbitrator, including, without limitation, cease-and-desist or other orders, that impairs the District's ability to perform the obligations imposed upon it by this Agreement.

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SECTION 2.06. District Enrollees.

(a) The District Business Records to be delivered to Buyer for each District Enrollee will contain all material information that the District is required to maintain under the terms of the District Medicaid Contract (and applicable Laws), and all of the information delivered to Buyer will be, upon delivery, correct and complete in all material respects.

(b) A data file generally summarizing District Enrollees' grievances, as defined in the District Medicaid Contract, or complaints received from and after January 1, 2015 by the District from a Person relating to the Plan has been previously provided to Buyer.

(c) To the Knowledge of the District Group, with respect to all requests for services duly made by or for a District Enrollee prior to the Closing Date, the District has complied in all material respects with its internal medical management policies and procedures (including, without limitation, utilization review and pre-authorization procedures) and the use of such policies and procedures complies in all material respects with the District Medicaid Contract and all applicable Laws. To the Knowledge of the District Group, the District has adjudicated all requests for preauthorizations, referrals, and admissions in the ordinary course of business.

SECTION 2.07. Provider Contracts. To the Knowledge of the District Group:

(a) A complete and correct list of each physician, group, IPA, PHO, hospital/facility, ancillary service provider and other health care service provider that participates in the Plan as a provider has been previously provided to Buyer, and such list includes a complete and correct description of the following with respect to each Contract with each provider: the contracting parties (including, without limitation, the provider name), the type of provider, and Contract form number or type, if available. Each such provider has a written Contract with the District (each, a "Provider Contract"). None of such providers has been placed on the convicted vendor list.

(b) Neither the District nor any other Party is in breach or default beyond any applicable grace period, and no event has occurred which with notice or lapse of time would constitute material breach or default, or permit termination, modification or suspension under any Provider Contract.

SECTION 2.08. District Medicaid Contract. With respect to the District Medicaid Contract: (a) the agreement is legal, valid, binding, enforceable and in full force and effect, except as may be limited by bankruptcy, insolvency, moratorium or other similar Laws affecting creditors' rights generally, and subject to general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law), (b) the District is not in breach or default beyond any applicable grace period, and no event has occurred which with notice or lapse of time would constitute a breach or default, or permit termination, modification or suspension under the agreement, and (c) no party has repudiated any provision of the District Medicaid Contract.

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SECTION 2.09. Brokers. Except for [REDACTED] no broker, finder or investment banker is entitled to any brokerage, finder's or similar fee or commission in connection with the transactions contemplated by this Agreement or the Transaction Documents based upon arrangements made by or on behalf of the District.

ARTICLE III  
REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer hereby represents and warrants to the District as of the date of this Agreement and as of the Closing Date that:

SECTION 3.01. Organization and Qualification. Buyer is a corporation duly incorporated, validly existing and in good standing under the Laws of the State of Arizona. Buyer has the corporate power and authority necessary to own and operate its properties and assets and to carry on its business as now conducted.

SECTION 3.02. Corporate Authorization.

(a) The execution, delivery and performance by Buyer of this Agreement and the Transaction Documents to which it is a party have been duly authorized by all necessary corporate action and no other proceedings on part of Buyer are necessary to authorize the execution, delivery or performance of this Agreement and such other Transaction Documents. This Agreement and each of the other Transaction Documents to which Buyer is a party has been duly executed and delivered by Buyer, and constitutes the valid and binding obligation of Buyer, enforceable against it in accordance with its terms, except as may be limited by bankruptcy, insolvency, moratorium or other similar Laws affecting creditors' rights generally, and subject to general principles of equity (regardless of whether enforcement is considered in a proceeding in equity or at law).

(b) The execution and delivery of this Agreement and the Transaction Documents and the consummation of the transactions contemplated hereby and thereby and the fulfillment of and compliance with the terms and provisions hereof and thereof do not conflict with or violate (i) any Law applicable to the transactions contemplated hereby binding upon Buyer; or (ii) the certificate of incorporation or the bylaws of Buyer; except in each case, such violation or conflict which would not, individually or in the aggregate, have a material adverse effect on Buyer.

(c) Except for the Approvals, no consent, approval or authorization of, or designation, declaration or filing with, any Person, or Governmental Entity is required by Buyer in connection with the execution, delivery and performance of this Agreement and the Transaction Documents by Buyer, or the consummation by Buyer of the transactions contemplated hereby and thereby.

SECTION 3.03. Brokers. No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement or the Transaction Documents based upon arrangements made by or on behalf of Buyer.

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SECTION 3.04. Litigation. There are no claims, actions, suits, orders, investigations, proceedings, mediations, arbitrations, hearings, demands, at law or in equity (including actions or proceedings seeking injunctive relief), which are pending against Buyer seeking to enjoin or restrain the transactions contemplated by this Agreement or the Transaction Documents.

SECTION 3.05. Availability of Funds. Buyer has the ability to obtain sufficient cash to timely pay the amounts required to be paid under Section 1.04 and to consummate the transactions contemplated hereby.

#### ARTICLE IV COVENANTS RELATING TO CONDUCT OF THE PLAN

SECTION 4.01. Affirmative Covenants of the District. The District hereby covenants and agrees that, from the date of this Agreement until the Closing Date, unless otherwise expressly contemplated by this Agreement or the Transaction Documents or consented to in writing by Buyer, the District shall:

- (a) operate the Plan in the ordinary course and consistent with applicable past practices and in accordance with all applicable Laws and AHCCCS directives;
- (b) preserve the Plan, and relationships and Contracts with third parties (including, without limitation, the District Enrollees, providers, AHCCCS and other Governmental Entities), maintain its rights and franchises and keep available the services of its managers, officers, consultants and employees;
- (c) maintain the books, accounts, and records of the Plan in accordance with past accounting practices and in conformity with statutory or other accounting practices prescribed or permitted by the applicable regulatory authorities in the State of Arizona;
- (d) administer, pay and discharge all of its medical claim liabilities arising under or with respect to the Plan, in the ordinary course of business consistent with past practices (including practices relating to dispute resolution), and perform all reporting obligations under the District Medicaid Contract;
- (e) administer all District Enrollee appeals, disputes and grievances;
- (f) maintain in full force and effect all of the Permits;
- (g) as soon as practicable, but in any event within ten (10) days after the occurrence thereof, provide written notice to Buyer of any event which has or might reasonably be expected to have a Material Adverse Effect;
- (h) upon the reasonable request of Representatives of Buyer, report to Buyer on operational matters and the general status of the Plan and the District Enrollees; and
- (i) promptly notify Buyer of (A) any material changes in the Plan or number of District Enrollees, and (B) any complaints, investigations or hearings (or

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communications indicating that the same may be contemplated) of any Governmental Entity regarding the Plan or any District Enrollees.

SECTION 4.02. Negative Covenants of the District. Except as expressly contemplated by this Agreement, required by AHCCCS, or otherwise consented to in writing by Buyer, from the date of this Agreement until the Closing Date, the District shall not:

(a) enter into any agreement which limits the scope or conduct of the Plan or which may create an obligation on the part of the District to obtain the consent of a third party to the transactions contemplated by this Agreement or the Transaction Documents;

(b) modify, amend, or terminate the District Medicaid Contract;

(c) authorize or make any material change in the operation of the Plan;

(d) make any material change in its tax or accounting methods, principles, election or practices with respect to the Plan, except as may be required by statutory accounting principles or applicable Law;

(e) take any action outside of the ordinary course of business which would tend to cause any District Enrollee to cease his or her affiliation with the Plan, or cause or influence any District Enrollee to not enroll in the Buyer Medicaid Contract as of the Closing Date;

(f) fail to pay any medical claim liability under the Plan when due (other than medical claims which are pending in the ordinary course of business consistent with past practice);

(g) unless otherwise expressly permitted under the terms of this Agreement, take or omit to take any action which would adversely affect the ability of either Party to obtain the Approvals required hereunder or which would adversely affect its ability to perform its covenants and agreements contained herein;

(h) authorize any of, or commit or agree to take any of, the foregoing actions;  
or

(i) delay the provision of any service to District Enrollees, including without limitation, the scheduling of the date of service for such District Enrollees beyond the Closing Date other than in the ordinary course of business (for example, upon request by a District Enrollee).

SECTION 4.03. Access to and Delivery of Books and Records.

(a) Between the date hereof and the Closing Date, the District shall afford to Buyer and its Representatives full access at all reasonable times and upon reasonable notice to the offices, properties, books, records, officers, employees and other items of the District, and the work papers of its independent accountants, relating to work done by such accountants, and otherwise provide such assistance as is reasonably requested by

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Buyer in order that Buyer may have a full opportunity to make such investigation and evaluation as it shall reasonably desire to make of the Plan. In addition, the District shall cooperate fully (including providing introductions where necessary) with Buyer to enable Buyer to contact such third parties, including District Enrollees, prospective enrollees, specifying agencies, providers, vendors or suppliers of the District, as Buyer deems reasonably necessary to complete its due diligence, subject in all cases to applicable Laws and other limitations, restrictions, and conditions placed by AHCCCS upon such contacts as part of the AHCCCS approval process.

(b) Between the date hereof and the Closing Date, the District shall, deliver to Buyer (i) monthly unaudited financial statements of the District, prepared in a manner consistent with prior periods and reflect all adjusting entries necessary to present fairly the financial condition of the District as of the dates thereof and results of operations for the periods referred to therein, and (ii) monthly updates of the aggregate number of District Enrollees participating in the Plan.

SECTION 4.04. No Negotiations. Etc.

(a) The District shall not, and shall cause its Representatives to not, directly or indirectly, (i) solicit, initiate, seek, facilitate, enter into, or knowingly encourage (including by way of providing information), the submission of inquiries, proposals or offers from or negotiations with any Persons relating to a Competing Transaction or (ii) enter into or participate in any negotiations, or initiate any discussions or continue any discussions initiated by others regarding a Competing Transaction, or furnish to any Person any information with respect to the Plan or the transactions contemplated hereunder or any aspect of any agreement or understanding with, any Person regarding any Competing Transaction. A "Competing Transaction" means any acquisition or transfer of the District Enrollees or any other form of combination, joint venture, or other business arrangement or structure relating to the Plan, or any other alternative to the transaction contemplated hereunder.

(b) The District shall promptly (and in any event within two (2) business days) notify Buyer of the receipt by the District, or any of its Representatives, of any inquiries, proposals or requests for information concerning a Competing Transaction. No other or further disclosure is required of the District provided that the District's response, if any, shall be governed by Section 4.04(a).

ARTICLE V  
ADDITIONAL AGREEMENTS

SECTION 5.01. Appropriate Action; Consents; Filings. Promptly following the execution of this Agreement, the District shall use its reasonable efforts to:

(a) take, or cause to be taken, all appropriate action, and do, or cause to be done, all things reasonably necessary, proper or advisable under applicable Law or otherwise to consummate and make effective the transactions contemplated by this Agreement and the Transaction Documents, as promptly as practicable;

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(b) obtain from any Governmental Entities any consents, licenses, permits, waivers, Approvals, authorizations or orders required to be obtained or made (i) in connection with the authorization, execution and delivery of this Agreement and the Transaction Documents and the consummation of the transactions contemplated by this Agreement and the Transaction Documents as promptly as practicable and (ii) to permit Buyer to enroll the District Enrollees in the Buyer Medicaid Contract as of the Closing Date;

(c) give any required notices to third parties and obtain any third party consents; and

(d) cooperate with, and furnish to, Buyer and all applicable Governmental Entities all information required for any application or other filing to be made pursuant to any applicable Law in connection with the transactions contemplated by this Agreement and the Transaction Documents.

SECTION 5.02. Notification. From and after the date of this Agreement until the Closing Date, each Party shall promptly provide written notice to the other Party of (a) the occurrence or non-occurrence of any event the occurrence or non-occurrence of which would be reasonably likely to cause any condition to the obligations of any Party to effect the transactions contemplated by this Agreement or any of the Transaction Documents not to be satisfied, or (b) the failure of the District or Buyer (as the case may be) to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by it pursuant to this Agreement which would be reasonably likely to result in any condition to the obligations of the other Party to effect the transactions contemplated by this Agreement or any of the Transaction Documents not to be satisfied. Such notices shall not in any way be deemed or construed to modify any of the representations or warranties previously made, all of which shall continue in full force and effect, nor shall the provision of such notices be deemed or construed to cure or otherwise excuse any breach of a representation or warranty by the District under Article II or by Buyer under Article III.

SECTION 5.03. Public Announcements. Neither of the Parties nor any of such Party's Representatives shall issue any press release or make any other public announcement related to this Agreement, any of the Transaction Documents or the transactions contemplated hereby or thereby, or make any announcement to any District Enrollees or in connection with obtaining any of the Approvals without prior written approval of the other Party, except as may be necessary, in the opinion of counsel to the Party seeking to make disclosure, to comply with applicable Law or a directive of AHCCCS, including, without limitation, any open meetings or public records law. If any such press release or public announcement by a Party (or any of such Party's Representatives) is so required, the Party seeking to make such disclosure shall consult with the other Party prior to making such disclosure to the extent it is able to do so, and the Parties shall, acting in good faith, agree upon a text for such disclosure that is satisfactory to the District and Buyer.

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SECTION 5.04. Non-Disclosure.

(a) Each Party will, and will use reasonable efforts to cause its Representatives to, not disclose to any Person any information regarding the other Party or any of the terms or conditions of this Agreement or the Transaction Documents and transactions contemplated hereby and thereby; provided, however, that (x) any such information may be disclosed to a Party's Representatives who need to know such information in connection with this Agreement and the Transaction Documents and the transactions contemplated hereby and thereby, (y) any disclosure of such information may be made to which the other Party consents in writing, and (z) any of such information may be disclosed if compelled by judicial or regulatory process (including, without limitation, in connection with obtaining the necessary approvals of this Agreement and the transactions contemplated hereby); provided, further, that following the Closing Date the foregoing restrictions shall not apply to Buyer's or any of its Affiliates' use of the District Business Records. Notwithstanding anything to the contrary contained in the foregoing, this Section 5.04 shall not apply to information which (i) is already in a Party's possession (provided that such information is neither (A) part of the due diligence for the transactions contemplated by this Agreement or the Transaction Documents, nor (B) known by such Party to be subject to another confidentiality agreement with, or other obligation of secrecy to, another Party), (ii) becomes generally available to the public other than as a result of a disclosure by a Party or its Representatives (other than in accordance with the terms of this Agreement), (iii) becomes available to a Party on a nonconfidential basis from a source other than another Party or its Representatives (provided that such source is not known by such Party to be bound by a confidentiality agreement with or other obligation of secrecy to another Party) or (iv) such Party is required to disclose by Law.

(b) After the Closing Date, the District shall hold, and shall use its commercially reasonable efforts to cause its Representatives to hold, in strict confidence from any Person all of the District Business Records that are not now (and do not become part of, through no fault of the District or its Representatives) in the public domain unless disclosure is compelled by judicial or regulatory process (including, without limitation, in connection with obtaining the necessary approvals of this Agreement and the transactions contemplated hereby or a good faith response to a public records request).

SECTION 5.05. Litigation Support. In the event and for so long as any Party is actively contesting or defending against any action, suit, proceeding, hearing, investigation, inquiry, charge, complaint, claim, or demand by a Person other than a Party, or an Affiliate of a Party, to this Agreement or a Transaction Document in connection with (a) any transaction contemplated under this Agreement or a Transaction Document, or (b) any fact, situation, circumstance, status, condition, activity, practice, plan, occurrence, event, incident, action, failure to act, or transaction involving the District Enrollees, each of the Parties will cooperate in the contest or defense, make available their personnel, and provide such testimony and access to their books and records as may be necessary in connection with the contest or defense, all at the sole cost and expense of the contesting or defending Party (unless the contesting or defending Party is entitled to indemnification therefore under Article VIII).

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SECTION 5.06. Taxes. The District shall pay any Taxes incurred by or imposed upon it in connection with the consummation of the transactions contemplated by this Agreement and the Transaction Documents. Buyer shall pay any Taxes incurred by Buyer or imposed upon Buyer in connection with the consummation of the transactions contemplated by this Agreement.

SECTION 5.07. Transition of District Enrollees.

(a) In coordination with applicable Governmental Entities, Buyer and the District shall send notices to the District Enrollees required in connection with the Approvals, in a form mutually acceptable to the District and Buyer and in accordance with AHCCCS requirements, to notify such District Enrollees of the transition to Buyer.

(b) Prior to the Closing Date, the District and Buyer shall coordinate care required of District Enrollees prior to and after the Closing Date to begin to implement changes in medical management practices designed to ensure continuity of care and avoid confusion to District Enrollees. The Parties agree that from and after the date of this Agreement, the District shall instruct its employees and agents to communicate a jointly agreed upon message to all prospective enrollees (in compliance with applicable Laws) relating to the transfer of such enrollees to Buyer on the Closing Date.

(c) The District shall assist Buyer in transferring and transitioning the District Enrollees to Buyer. In connection with such transition, the District shall:

(i) cooperate and work with Buyer in transition planning;

(ii) make available to Buyer and its employees, upon Buyer's reasonable request, the District's current operating and medical management policies and procedures associated with the Plan, including, without limitation, the Plan's pharmacy formulary, prior authorization list and health plan benefits; and

(iii) take the actions required pursuant to the transition plan submitted by the District to AHCCCS in connection with the transactions contemplated hereunder.

(d) The District will provide to Buyer within 90 days of the Closing Date, a true, complete and correct data file maintained by the District detailing the claims activity (paid/denied claims) with respect to District Enrollees transitioning to Buyer for calendar years 2014 and 2015, and for the year-to-date as of the date of this Agreement, through AHCCCS standard issued "DEF" and DEXQTR" files which provide detailed claim information for members transferring to the Buyer from District whether those members were covered by the Plan or another AHCCCS managed care plan.

SECTION 5.08. Termination of the District Medicaid Contract. As of the Closing Date, the District shall cause the District Medicaid Contract to be terminated, provided that the District may condition the effectiveness of the termination of the District Medicaid Contract upon the receipt of the Estimated Closing Payment.

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SECTION 5.09. Agreement Not to Compete; Agreement Not to Solicit.

(a) The District agrees that, for the five (5) year period following the Closing Date (the "Restricted Period"), it shall not, directly or indirectly, through an Affiliate or otherwise, enter into a Medicaid acute care contract with AHCCCS during the Restricted Period. The Parties acknowledge and agree that nothing in this Agreement, including without limitation any restrictive covenant contained herein, shall impair or interfere in any manner with the District's provider contracts which are now or may hereafter be in existence, its ownership interests in any regional behavioral health authority, provision of services to any regional behavioral health authority, or other activities and operations that are permitted to be undertaken by the District except as explicitly restricted in this Section 5.09(a).

(b) During the Restricted Period, the District shall not directly or indirectly solicit, divert, or take away, or attempt to solicit, divert or take away, the business of any Actual Enrollee with whom Buyer or any of its Affiliates has established or is actively seeking to establish a business or customer relationship, but solely with respect to services covered under the Buyer Medicaid Contract or a successor Medicaid contract or plan offered by Buyer within Maricopa County, Arizona.

(c) The Parties agree and stipulate that the agreements and covenants not to compete contained in Section 5.09 are fair and reasonable in light of all of the facts and circumstances of the relationship between Buyer and the District.

SECTION 5.10. Payment of Obligations and Excluded Liabilities.

(a) After the Closing Date, the District covenants and agrees to pay, perform and discharge in due course, in a manner consistent with the District's practice prior to the Closing Date, all of the obligations with respect to the District Medicaid Contract and any of the Excluded Liabilities, including, without limitation, the obligation to specifically administer, pay and run out all of its medical claim liabilities and perform all reporting obligations under the District Medicaid Contract (or imposed as part of the Approvals) in connection with the performance by the District of its obligations for periods prior to the Closing Date, and any and all costs and expenses in connection therewith (collectively, "Pre-Closing Obligations").

(b) On the first day of each of the four (4) months following the Closing Date, or such other intervals as are reasonable under the circumstances, the District shall deliver to Buyer a data file containing claims information relating to the Actual Enrollees so Buyer can confirm satisfaction of the processing and payment of such claims.

(c) In the event that the District fails to satisfy any of the Pre-Closing Obligations and Buyer reasonably believes that such failure will impair its business or its relationship with the Actual Enrollees or any providers, Buyer shall be entitled, upon ten (10) days prior written notice to the District, to perform and discharge any and all such Pre-Closing Obligations and the District shall promptly remit to Buyer an amount equal to the amount of such Pre-Closing Obligations paid, discharged or otherwise incurred by

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Buyer, unless District, during such ten (10) day notice period, gives written notice to Buyer that it is contesting in good faith the matters giving rise to Buyer's reasonable belief.

SECTION 5.11. Explanation of Payment. Prior to the Closing Date, the Parties agree to implement a mechanism that ensures that claims are processed through the appropriate Party. In the event that a provider sends a claim to Buyer for medical claims incurred prior to the Closing Date or to the District for medical claims incurred after the Closing Date, the Party receiving such claim shall provide a HIPAA-compliant message to such provider that explains the reason for non-payment along with the information necessary to submit such claim to the other Party for payment. The Parties further agree that they will make available staff to address questions that arise as a result of the claims administration transition.

## ARTICLE VI CLOSING CONDITIONS

SECTION 6.01. Conditions to Obligations of Each Party Under This Agreement. The consummation of this Agreement and the other transactions contemplated by this Agreement and the Transaction Documents shall be subject to the satisfaction at or prior to the Closing Date of the following conditions, any or all of which may be waived, in whole or in part, to the extent permitted by applicable Law, upon the mutual consent of Buyer and the District.

(a) Governmental Entity Approvals. All Approvals shall have been filed and obtained, with no limitations or restrictions in connection with such Approvals that are material and adverse to Buyer or its Affiliates, in form and in substance reasonably satisfactory to Buyer.

(b) No Action or Proceeding. Other than the Approvals, there shall not have been instituted and there shall not be pending and known to the Parties any action or proceeding by a Governmental Entity, and no such action or proceeding shall have been specifically threatened in a written communication to either Party from a representative of a Governmental Entity with authority to institute such an action or proceeding, before any court of competent jurisdiction or Governmental Entity, and no order or decree shall have been entered of which either Party is aware in any action or proceeding before such court or Governmental Entity: (i) imposing or seeking to impose material limitations on the ability of Buyer to enroll the District Enrollees; (ii) imposing or seeking to impose other material sanctions, damages, or liabilities arising out of this Agreement and the other Transaction Documents on Buyer or the District, or any of their officers or directors; (iii) requiring or seeking to require divestiture by Buyer of all or any significant portion of its assets; or (iv) restraining, enjoining, or prohibiting or seeking to restrain, enjoin, or prohibit the consummation of this Agreement or any Transaction Document; provided, however, that prior to invoking this condition, the Party seeking to invoke it shall have used its commercially reasonable efforts to have any such action or proceeding dismissed or such order or decree vacated.

SECTION 6.02. Additional Conditions to Obligations of Buyer. The obligation of Buyer to consummate the transactions contemplated by this Agreement and the Transaction

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Documents is also subject to the satisfaction (or waiver by Buyer) of each of the following conditions:

(a) Representations and Warranties. Each of the representations and warranties of the District contained in this Agreement which are not subject to materiality or Material Adverse Effect qualifications shall be true and correct in all material respects at and as of the Closing Date as though then made and as though the Closing Date had been substituted for the date of this Agreement throughout such representations and warranties, except that any such representation or warranty expressly made as of a specified date other than the date of this Agreement shall only need to have been true on and as of such date, and the representations and warranties of the District contained in this Agreement which are subject to materiality or Material Adverse Effect qualifications shall be true and correct in all respects at and as of the Closing Date as though then made and as though the Closing Date had been substituted for the date of this Agreement throughout such representations and warranties, except that any such representation or warranty expressly made as of a specified date other than the date of this Agreement shall only need to have been true on and as of such date.

(b) Agreements and Covenants. The District shall have performed or complied with, in all material respects, all agreements, covenants and closing conditions required by this Agreement and the Transaction Documents to be performed or complied with by it after the date hereof and on or prior to the Closing Date.

(c) Material Adverse Effect. Since the date of this Agreement, the District shall have conducted the Plan only in the ordinary course and there shall not have been any change, effect, fact, event or circumstance that has had, or is reasonably expected to have, a Material Adverse Effect.

(d) Closing Certificate. The District shall have delivered to Buyer a certificate to the effect that each of the conditions specified in Section 6.02(a), (b) and (c) has been satisfied.

(e) Law. There shall not be any action taken, or any Law enacted, entered, enforced, promulgated, issued or deemed applicable to the transactions contemplated hereby by any Governmental Entity which would reasonably be expected to result, directly or indirectly, in any of the consequences referred to in Section 6.01(b).

(f) Resolutions. The District, through its appropriate and duly authorized Representatives, shall have delivered a copy of each of (A) the text of the resolutions adopted by the Board of Directors of the District authorizing the execution, delivery and performance of this Agreement, the other Transaction Documents and the consummation of all of the transactions contemplated hereby and thereby and (B) the bylaws of the District, along with certificates, dated as of the Closing Date, executed on behalf of the District by their respective authorized officers certifying to Buyer (X) that such copies are true, correct and complete copies of such resolutions and bylaws, respectively, (Y) that such resolutions and bylaws were duly adopted and have not been amended or

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rescinded, and (Z) as to the incumbency and authority of the officer(s) of the District who executed this Agreement and the other Transaction Documents.

(g) Enrollment Complete. The Actual Enrollees have been properly enrolled in Buyer's health plan under the Buyer Medicaid Contract.

(h) Business Records Delivery. Buyer shall have received all of the District Business Records required to be delivered pursuant to Section 1.01(a) hereto.

(i) Other. The District shall have delivered such other certificates, documents and instruments as Buyer may have reasonably requested related to the transactions contemplated hereby.

SECTION 6.03. Additional Conditions to Obligations of the District. The District's obligation to consummate the transactions contemplated by this Agreement and the Transaction Documents is also subject to the satisfaction (or waiver by the District) of each of the following conditions:

(a) Representations and Warranties. Each of the representations and warranties of Buyer contained in this Agreement which are not subject to materiality or Material Adverse Effect qualifications shall be true and correct in all material respects at and as of the Closing Date as though then made and as though the Closing Date had been substituted for the date of this Agreement throughout such representations and warranties, except that any such representation or warranty expressly made as of a specified date shall only need to have been true on and as of such date, and the representations and warranties of Buyer contained in this Agreement which are subject to materiality or Material Adverse Effect qualifications shall be true and correct in all respects at and as of the Closing Date as though then made and as though the Closing Date had been substituted for the date of this Agreement throughout such representations and warranties, except that any such representation or warranty expressly made as of a specified date shall only need to have been true on and as of such date.

(b) Agreements and Covenants. Buyer shall have performed or complied with, in all material respects, all agreements, covenants and closing conditions required by this Agreement and the Transaction Documents to be performed or complied with by it after the date hereof and on or prior to the Closing Date.

(c) Closing Certificate. Buyer shall have delivered to the District a certificate to the effect that each of the conditions specified in Section 6.03(a) and (b) has been satisfied.

(d) Incumbency Certificate. Buyer shall have delivered a certificate, dated as of the Closing Date, executed by the corporate secretary of Buyer certifying to the District the incumbency and authority of the officer(s) of Buyer who executed this Agreement and the other Transaction Documents.

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(e) Estimated Closing Payment. Buyer shall pay to the District, by wire transfer of immediately available funds, the Estimated Closing Payment on the Closing Date.

(f) Other. Buyer shall have delivered such other certificates, documents and instruments as the District and the District may have reasonably request related to the transactions contemplated hereby.

ARTICLE VII  
TERMINATION, AMENDMENT AND WAIVER

SECTION 7.01. Termination. This Agreement may be terminated and the transactions contemplated by this Agreement and the other Transaction Documents may be abandoned at any time prior to the Closing Date:

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

(b) by Buyer, upon written notice to the District if (i) as of any date prior to the Closing Date, the conditions to Closing set forth in Section 6.02(a) shall not have been satisfied, or (ii) the District shall have breached or failed to perform in any material respect any of its covenants or other agreements contained in this Agreement or in any Transaction Document, and in the case of a failure of a condition to be satisfied under clauses (i) or (ii) of this Section 7.01(b), the failure of such condition has not been cured within twenty (20) days after the delivery of notice of such failure to the District;

(c) by the District, upon written notice to Buyer if (i) as of any date prior to the Closing Date, the conditions to Closing set forth in Section 6.03(a) shall not have been satisfied, or (ii) Buyer shall have breached or failed to perform in any material respect any of its respective covenants or other agreements contained in this Agreement or in any Transaction Document, and in the case of a failure of a condition to be satisfied under clauses (i) or (ii) of this Section 7.01(c), the failure of such condition has not been cured within twenty (20) days after the delivery of notice of such failure to Buyer;

(d) by either Buyer or the District, if there shall be any Law that makes consummation of the transactions contemplated by this Agreement and the other Transaction Documents illegal or otherwise prohibited or if any decree, permanent injunction, judgment, order or other action by any court of competent jurisdiction or any Governmental Entity preventing or prohibiting consummation of the transactions contemplated by this Agreement and the other Transaction Documents shall have become final and nonappealable;

(e) unless otherwise agreed in writing by the Parties, by either Buyer or the District, if the transactions contemplated by this Agreement and the other Transaction Documents shall not have been consummated on or before [REDACTED] (the "Termination Date"); provided, however, that the right to terminate this Agreement under this Section 7.01(e) shall not be available to any Party whose failure to fulfill any obligation under this Agreement or any of the Transaction Documents has been the cause

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of, or resulted in, the failure of the Closing to occur on or before such date; provided, further, that if as of the Termination Date, all of the conditions precedent to the Closing other than the conditions set forth in Section 6.01(a) or Section 6.01(b) (and other than those conditions that by their terms are to be satisfied at the Closing or on the Closing Date, provided, that such conditions are capable of being satisfied as of the Termination Date) shall have been satisfied as of the Termination Date, then either Buyer or the District may unilaterally extend the Termination Date until [REDACTED] upon written notice to the other by the Termination Date; or

(f) by Buyer if, after the date hereof, there has been a change, effect, fact, event or circumstance that, individually or in the aggregate, has had or may reasonably be expected to have a Material Adverse Effect.

SECTION 7.02. Effect of Termination. Except as provided in Section 7.01(b) or Section 7.01(c), in the event of termination of this Agreement pursuant to Section 7.01, which termination is not found by a court of competent jurisdiction to constitute a breach by the terminating party, this Agreement shall become void, there shall be no liability under this Agreement on the part of Buyer or any of its officers or directors, or the District or any of its officers or directors, and all rights and obligations of any Party under this Agreement shall cease. Notwithstanding the foregoing, the rights and obligations set forth in Section 5.04 and Section 7.03 shall survive termination of this Agreement in accordance with their terms.

SECTION 7.03. Expenses and Remedies.

(a) Subject to Section 7.01(b) or Section 7.01(c), all Expenses (as defined below) incurred by Buyer or the District, or their respective Affiliates shall be borne solely and entirely by the Party that has incurred the same.

(b) “Expenses” as used in this Agreement shall include all reasonable out-of-pocket expenses (including, without limitation, all fees and expenses of Representatives) incurred by a Party or on its behalf in connection with or related to the authorization, preparation, negotiation, execution and performance of this Agreement and the other Transaction Documents, and all other matters related to the closing of the transactions contemplated by this Agreement and the other Transaction Documents.

(c) Buyer and the District agree that upon any termination of this Agreement pursuant to Section 7.01(b) or Section 7.01(c), any and all remedies available to the terminating Party either at law or in equity shall be preserved and shall survive the termination of this Agreement.

(d) If all conditions to the obligations of a Party at Closing contained in Article VI of this Agreement have been satisfied (or waived by the Party entitled to waive such conditions), and the first Party does not proceed with the Closing, all remedies available to the other Party, either at law or in equity, on account of such failure to close, including, without limitation, the right to specific performance and the right to pursue a claim for damages on account of a breach of this Agreement, shall be preserved and shall survive any termination of this Agreement.

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ARTICLE VIII  
SURVIVAL: INDEMNIFICATION

SECTION 8.01. Survival of Representations, Warranties and Covenants.

(a) The representations and warranties contained in Article II and Article III hereof shall survive the Closing for a period of twenty-four months following the Closing Date or the applicable statute of limitations, whichever is shorter; provided, however, that the representations and warranties contained in Section 2.01 (Organization and Qualification), Section 2.02 (Authorization), Section 2.03 (Compliance), Section 2.09 (Brokers), Section 3.01 (Organization and Qualification), Section 3.02 (Corporate Authorization) and Section 3.03 (Brokers) shall survive the Closing indefinitely.

(b) Except as otherwise expressly set forth herein, each of the covenants set forth in this Agreement shall survive the Closing in accordance with its terms.

(c) Any claim asserted within the applicable survival period set forth above shall be timely made for purposes hereof such that the representation, warranty or covenant that is the subject of such claim shall continue to survive until such claim has been resolved in accordance with this Agreement.

SECTION 8.02. Indemnification by the District. The District shall defend, indemnify and hold harmless Buyer and its officers, directors, employees, agents, stockholders and Affiliates (each, a "Buyer Indemnified Party," and collectively, the "Buyer Indemnified Parties") from any claim, loss, liability, deficiency, damage, expense, amount paid in settlement, or cost (including, without limitation, interest, penalties, reasonable costs of investigation and defense, and reasonable legal and other professional fees and expenses), whether or not involving a third party claim (collectively, "Losses"), which the Buyer Indemnified Parties may suffer, incur, sustain or become subject to, as a result of any of the following:

(a) any breach of, or any inaccuracy in, any of the representations and warranties of the District in this Agreement or any other Transaction Document delivered by or on behalf of the District;

(b) any breach of, or failure to perform, any agreement or covenant of the District contained in this Agreement or any other Transaction Document delivered by or on behalf of the District;

(c) any Losses arising from or related to the Excluded Property; or

(d) any Losses arising from or related to the Excluded Liabilities or the Pre-Closing Obligations, or the failure of the District to pay, perform or discharge when due any of the Excluded Liabilities or Pre-Closing Obligations.

SECTION 8.03. Indemnification by Buyer. Buyer shall defend, indemnify and hold harmless the District and its officers, directors, employees, agents, members and Affiliates (each, a "District Indemnified Party," and collectively, the "District Indemnified Parties") from any

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Losses, which the District Indemnified Parties may suffer, incur, sustain or become subject to, as a result of any of the following:

- (a) any breach of, or any inaccuracy in, any of the representations and warranties of Buyer in this Agreement or any other Transaction Document delivered by or on behalf of Buyer;
- (b) any breach of, or failure to perform, any agreement or covenant of Buyer contained in this Agreement or any other Transaction Document delivered by or on behalf of Buyer; or
- (c) any post-Closing obligation of Buyer under this Agreement.

SECTION 8.04. Method of Asserting Claims. As used herein, an “Indemnified Party” shall refer to a Buyer Indemnified Party or the District Indemnified Party, as applicable, the “Notifying Party” shall refer to the Party whose Indemnified Parties are entitled to indemnification hereby, and the “Indemnifying Party” shall refer to the Party obligated to indemnify such Notifying Party’s Indemnified Parties.

(a) Claims. In the event that any of the Indemnified Parties is made a defendant in or party to any action or proceeding instituted by any third party for which the liability or the costs or expenses are Losses (any such third party action or proceeding being referred to as a “Claim”), the Notifying Party shall give the Indemnifying Party prompt notice thereof. The failure to give such notice shall not affect any Indemnified Party’s ability to seek reimbursement unless, and only to the extent that, such failure has materially and adversely affected the Indemnifying Party’s ability to defend successfully a Claim.

(b) Assumption of Defense. The Indemnifying Party shall be entitled to contest and defend such Claim provided that the Indemnifying Party diligently contests and defends such Claim. Notice of the intention to contest and defend shall be given by the Indemnifying Party to the Notifying Party within ten (10) business days after the Notifying Party’s notice of such Claim (but, in any event, at least five (5) business days prior to the date that an answer to such Claim is due to be filed). The Indemnifying Party shall engage counsel of its choice, reasonably acceptable to the Indemnified Party. The Notifying Party shall be entitled at any time, at its own cost and expense (which expense shall not constitute a Loss unless the Notifying Party reasonably determines, in good faith, that the Indemnifying Party (i) is not actively, diligently and effectively representing or (ii) because of a conflict of interest may not adequately represent any interests of the Indemnified Parties with respect to a Claim, in each case only to the extent that such expenses are reasonable), to participate in such contest and defense and to be represented by attorneys of its own choosing. Notwithstanding the foregoing, if (x) the Claim is seeking relief other than the payment of monetary damages or (y) the Indemnified Party would not be fully indemnified with respect to such Claim, then, in each such case, the Indemnified Party alone shall be entitled to contest, defend and settle such Claim in the first instance and, if the Indemnified Party does not contest, defend or

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settle such Claim, the Indemnifying Party shall then have the right to contest and defend (but not settle) such Claim.

(c) Settlement or Compromise. Neither the Notifying Party nor the Indemnifying Party may concede, settle or compromise any Claim without the consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed.

SECTION 8.05. Limitations on Indemnification.

(a) The maximum obligation of the District to indemnify the Buyer Indemnified Parties from and against Losses resulting from, arising out of or caused by breaches and inaccuracies of representations or warranties pursuant to Section 8.02(a) of this Agreement shall not exceed the Purchase Price. The maximum obligation of Buyer to indemnify the District Indemnified Parties from and against Losses resulting from, arising out of, relating to, in the nature of, or caused by breaches and inaccuracies of representations or warranties pursuant to Section 8.03(a) of this Agreement shall not exceed the Purchase Price.

(b) Notwithstanding any provision herein to the contrary, the limitations set forth in Section 8.05(a) shall not apply to (i) breaches or inaccuracies of the representations and warranties contained in Section 2.01 (Organization and Qualification), Section 2.02 (Authorization), Section 2.03 (Compliance), Section 3.01 (Organization and Qualification), and Section 3.02 (Corporate Authorization), (ii) Losses by reason of any claims brought on the basis of fraudulent or willful misconduct or intentional misrepresentation, or (iii) any indemnity obligations set forth in Section 8.02(b), Section 8.02(c), Section 8.02(d) or Section 8.03(b).

(c) The right of a Party to indemnification or to assert or recover on any claim shall 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 of or compliance with any of the representations, warranties, covenants, or agreements set forth in this Agreement.

(d) Neither Party shall be entitled to a right of offset, credit, or setoff in connection with the payment of the Estimated Closing Payment or the Closing Payment. Notwithstanding anything to the contrary, the participation of either Party in the Closing shall not be deemed a waiver of either Party's right to exercise remedies, including reconciliation of amounts owed and right to seek indemnification, provided in this Agreement.

SECTION 8.06. Remedies. After the Closing, the sole and exclusive remedies of the Parties with respect to this Agreement shall be as provided for in this Article VIII, except with respect to a claim brought (a) on the basis of fraud, willful misconduct or intentional misrepresentation; (b) for specific performance or injunctive relief in connection with a breach by another Party of its obligations under this Agreement or any Transaction Document that

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occurs after the Closing Date, (c) pursuing such remedies as may be available to such Party under applicable Law in the event of the Indemnifying Party's failure to comply with its indemnification obligations hereunder or (d) with respect to the number of Actual Enrollees, which shall be resolved pursuant to Section 1.03(e).

SECTION 8.07. No Personal Liability. No Representative of either Party shall be personally liable to the other Party or its successors for the non-performance or breach by such Party or for any amount which may become due to the other Party or its successors, or with respect to any obligation of such Party under the terms of this Agreement.

## ARTICLE IX DEFINITIONS

### SECTION 9.01. Defined Terms.

(a) When each of the following terms is used in this Agreement it shall have the meaning stated below:

"Affiliate" with respect to any Person or Governmental Entity means a Person or Governmental Entity that directly or indirectly, through one or more intermediaries, Controls, is controlled by, or is under common Control with, the first mentioned Person or Governmental Entity.

"Contract" means any contract, agreement, commitment, arrangement or understanding, as the same may be amended from time to time

"Control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, by contract or otherwise, of the power to direct or cause the direction of the management or policies of a Person or Governmental Entity, whether through the ownership of stock, membership, or other ownership interests (or beneficial interests therein) or as trustee or executor, by Contract or credit arrangement or otherwise.

"Governmental Entity" means any foreign, federal, state or local governmental, regulatory or other administrative body, authority, department, commission, board, political subdivision, bureau, agency or instrumentality.

"Knowledge of the District Group" means the actual knowledge of [REDACTED] including such knowledge as a reasonably prudent person in such positions held by such persons would have obtained upon the exercise of reasonable diligence, [REDACTED]

"Material Adverse Effect" means any change, effect, fact, event or circumstance that, individually or when taken together with all such other changes, effects, facts,

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events or circumstances, is or may reasonably be expected to be materially adverse to the condition (financial or otherwise) of the District’s Medicaid business, including, without limitation, any change in premiums or other revenues, claims or other costs, or relations with Governmental Entities, District Enrollees, or does or may reasonably be expected to prevent or materially delay the Closing, excluding effects or changes that are generally applicable to the District, the United States economy or local economy in which the Plan is operated (as opposed to changes relating to the Medicaid program).

“Law” means any federal, state or local law, statute, ordinance, rule, regulation, order, judgment or decree.

“Person” means an individual, corporation, partnership, association, limited liability company, trust, unincorporated organization, other entity or group (as defined in Section 13(d) of the Securities Exchange Act of 1934, as amended).

“Representatives” means a Party’s officers, directors, members, employees, sponsoring persons, partners, subsidiaries, Affiliates, attorneys, investment bankers, financial advisors, accountants and other representatives and agents.

“Tax” or “Taxes” means all taxes, charges, fees, levies, or other assessments or impositions of any kind payable to any Governmental Entity, including, without limitation, all net income, profits, gross income, gross receipts, minimum, alternative minimum, sales, use, service, occupation, ad valorem, net worth, value added, transfer, franchise, license, payroll, employment, social security, Medicare, unemployment, withholding, disability, workers’ compensation, excise, estimated, severance, stamp, occupation, property, premium or other taxes or customs duties, fees, assessments, or charges of any kind whatsoever, including, without limitation, all interest and penalties thereon, and additions to tax or additional amounts imposed by any taxing authority, domestic or foreign, upon either the District or any Tax Affiliate.

“Transaction Documents” means the certificates and other documents delivered by a Party to effectuate the transactions contemplated by this Agreement.

(b) When each of the following terms is used in this Agreement, it shall have the meaning stated in the Section indicated below:

Term	Page
Actual Enrollees.....	Section 1.03(a)
Agreement.....	Preamble
AHCCCS.....	Recitals
Approvals.....	Section 2.02(c)
Buyer.....	Preamble
Buyer Indemnified Parties.....	Section 8.02
Buyer Indemnified Party.....	Section 8.02
Buyer Medicaid Contract.....	Recitals
Claim.....	Section 8.04(a)

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Closing .....	Section 1.05
Closing Date.....	Section 1.05
Closing Payment .....	Section 1.04(a)
Competing Transaction.....	Section 4.04(a)
District.....	Preamble
District Business Records .....	Section 1.01(a)(ii)
District Enrollees .....	Section 1.03
District Indemnified Parties .....	Section 8.03
District Indemnified Party.....	Section 8.03
District Medicaid Contract.....	Recitals
Effective Date .....	Preamble
Estimated Closing Payment .....	Section 1.03(c)
Excluded Liabilities .....	Section 1.02(a)
Excluded Property .....	Section 1.01(b)
Expenses .....	Section 7.03(b)
Final AHCCCS Data File.....	Section 1.03(a)
Indemnified Party.....	Section 8.04
Indemnifying Party .....	Section 8.04
Losses.....	Section 8.02
Notifying Party.....	Section 8.04
Parties.....	Preamble
Party .....	Preamble
Permits .....	Section 2.03(b)
Plan .....	Recitals
Post-Enrollment AHCCCS Data File.....	Section 1.03(a)
Pre-Closing Obligations.....	Section 5.10(a)
Pre-Enrollment AHCCCS Data File.....	Section 1.03(a)
Provider Contract.....	Section 2.07(a)
Purchase Price.....	Section 1.04
Restricted Period.....	Section 5.09(a)
Special Enrollment Period .....	Section 1.03(a)
Termination Date .....	Section 7.01(e)

ARTICLE X  
GENERAL PROVISIONS

SECTION 10.01. Notices; Payments. All notices, demands and other communications to be given or delivered under or by reason of the provisions of this Agreement shall be in writing and will be deemed to have been given (a) when personally delivered, (b) one (1) business day after deposit with a nationally recognized overnight courier, specifying next day delivery or (c) three (3) business days after being sent by registered or certified mail. Notices, demands and communications to Buyer and the District shall, unless another address is specified in writing, be sent to the address indicated below:

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Notices to Buyer:

Arizona Physicians IPA, Inc. (UnitedHealthcare C&S)  
One East Washington Street, Suite #900  
Phoenix, AZ 85004  
Attention: Legal

with copies to:

UnitedHealth Group  
9900 Bren Road East  
Minnetonka, MN 55343  
Attention: Executive Vice President and Chief Legal Officer

Notices to the District:

Maricopa Special Health Care District  
c/o VP Managed Care Operations  
2601 E. Roosevelt Street  
CAC 2<sup>nd</sup> Floor  
Phoenix, AZ 85008

with copies to:

Maricopa Special Health Care District  
c/o MIHS Chief Legal Counsel  
2601 E. Roosevelt Street  
CAC 2<sup>nd</sup> Floor  
Phoenix, AZ 85008

Notwithstanding the foregoing, all payments under this Agreement shall be deemed made only upon actual receipt of the wire transfer by its intended recipient.

SECTION 10.02. Headings. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

SECTION 10.03. Severability. If any term or other provision of this Agreement is finally adjudicated by a court of competent jurisdiction to be invalid, illegal or incapable of being enforced by any Law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, 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 an acceptable manner to the end that transactions contemplated hereby are fulfilled to the extent possible.

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SECTION 10.04. Entire Agreement. This Agreement and the Transaction Documents constitute the entire agreement of the Parties and supersede all prior agreements (including without limitation any letter of intent, term sheet, or other preliminary agreement or understanding between the Parties) and undertakings, both written and oral, between the Parties with respect to the subject matter hereof. Each Party acknowledges that nothing in this Agreement or any other materials presented to such Party in connection with the transaction contemplated by this Agreement constitutes legal or tax advice to such Party. The Parties have consulted such legal and tax advisors as they, in their sole discretion, have deemed necessary or appropriate in connection with this Agreement.

SECTION 10.05. Transfer or Assignment. This Agreement (including the rights and obligations set forth herein) shall not be assigned or transferred by operation of Law or otherwise without the prior written consent of the other Party; provided, however, that Buyer may assign or transfer to any Affiliate of Buyer any of its rights under this Agreement prior to the Closing Date, provided that such assignment does not relieve Buyer of any of its obligations hereunder (and there shall be no novation) and the assignee or transferee has the appropriate licenses and approvals necessary and is otherwise capable of consummating the transactions contemplated hereby. Any attempted assignment or transfer in violation of this Section is void and of no force and effect, and shall vest no rights hereunder in the purported assignee or transferee.

SECTION 10.06. Parties in Interest. This Agreement shall be binding upon and inure solely to the benefit of each Party and their respective successors and permitted assigns, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

SECTION 10.07. Construction of Terms. Whenever used in this Agreement, a singular number shall include the plural and a plural the singular. Pronouns of one gender shall include all genders. References herein to articles, sections, paragraphs, subparagraphs or the like shall refer to the corresponding articles, sections, paragraphs, subparagraphs or the like of this Agreement. The words "hereof", "herein", and terms of similar import shall refer to this entire Agreement. Unless the context clearly requires otherwise, the use of the terms "including", "included", "such as", or terms of similar meaning, shall not be construed to imply the exclusion of any other particular elements.

SECTION 10.08. No Strict Construction. The language used in this Agreement and the Transaction Documents shall be deemed to be the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party as a consequence of the role of either Party or its counsel in drafting this Agreement.

SECTION 10.09. Governing Law; Jurisdiction; Waiver of Jury Trial.

(a) The internal substantive laws, without regard to conflicts of laws principles, of the State of Arizona shall govern all questions concerning the construction, validity and interpretation of this Agreement and the performance of the obligations imposed by this Agreement.

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(b) Any legal action or proceeding with respect to this Agreement and any action for enforcement of any judgment in respect thereof shall be brought only in the Maricopa County (Arizona) Superior Court or the United States District Court for the District of Arizona, and maintained exclusively in either such Superior Court or District Court, without transfer. By execution and delivery of this Agreement, the Parties hereby consent to, for themselves and in respect of their property, generally and unconditionally, the exclusive jurisdiction and venue of the aforesaid courts. The Parties waive the right to trial by jury with respect to any claims asserted hereunder.

SECTION 10.10. Amendment. This Agreement may not be amended except by an instrument in writing signed by the Parties.

SECTION 10.11. Waiver. At any time prior to the Closing, either Party may (a) extend the time for the performance of any of the obligations or other acts of the other Party, (b) waive any inaccuracies in the representations and warranties of the other Party contained in this Agreement or in any document delivered pursuant to this Agreement and (c) waive compliance by the other Party with any of the agreements or conditions contained in this Agreement. Any such extension or waiver shall be valid only if set forth in an instrument in writing signed by the Party to be bound thereby. It is agreed that no delay or omission to exercise any right, power or remedy accruing to either Party, upon any breach, default or noncompliance by the other Party under this Agreement, shall impair any such right, power or remedy, nor shall it be construed to be a waiver of any such breach, default or noncompliance, or any acquiescence therein, or of or in any similar breach, default or noncompliance thereafter occurring. It is further agreed that any waiver, permit, consent or approval of any kind or character on any Party's part of any breach, default or noncompliance under this Agreement, or any waiver on such Party's part of any provisions or conditions of the Agreement must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement or otherwise, afforded to any Party shall be cumulative and not alternative.

SECTION 10.12. Counterparts. This Agreement may be executed by facsimile or .pdf signature and a facsimile or .pdf signature shall constitute an original for all purposes. This Agreement may be executed in separate counterparts, all of which shall be considered one and the same instrument and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Party.

SECTION 10.13. Recitals. The Recitals, Exhibits and Schedules are hereby incorporated by reference into this Agreement and made an integral part hereof.

SECTION 10.14. Effect of A.R.S. §38-511. This Agreement is subject to the provisions of Arizona Revised Statutes §38-511.

\* \* \* \* \*

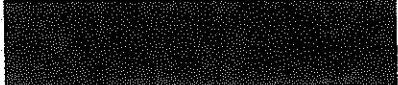
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IN WITNESS WHEREOF, Buyer and the District have caused this Agreement to be executed as of the date first written above by their respective officers duly authorized.

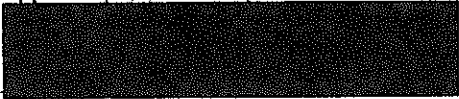
**Arizona Physicians IPA, Inc., dba  
UnitedHealthcare Community Plan of Arizona**

By:   
Name: Joseph Gaudio  
Title: President

**Maricopa County Special Health Care District,  
dba Maricopa Integrated Health System**

By:   
Name: Susan Gerard  
Title: Chairman

Approved as to Form: 

  
Louis B. Gorman  
District Counsel