SCHWABE, WILLIAMSON & WYATT®
ATTORNEYS AT LAW

Pacwest Center, 1211 SW 5th Ave., Suite 1900, Portland, OR 97204 | Phone 503.222.9981 | Fax 503.796.2900 | www.schwabe.com

May 18, 2015

VIA E-MAIL (THEODORE.FALK@DOJ.STATE.OR.US)

Theodore C. Falk, Esq., PhD
Sr. Assistant Attorney General
Oregon Department of Justice
1162 Court Street NE
Salem, OR 97301-4096

Re: Request for nondisclosure, objections to public disclosure requests, and request for reasonable notice of any intent to disclose protected information
Our File No.: 126360-191828

Dear Mr. Falk:

On behalf of our client, Centene Corporation ("Centene"), we object to the scope of public disclosure requests of Nick Budnick and Sherri Buri McDonald (the "Records Requests"). In particular, Centene requests that the Department of Consumer and Business Services ("DCBS") not disclose Centene's confidential trade secret information.[1] In addition, Centene requests that DCBS not disclose personal confidential information, including the list of shareholders and the sums that they are expected to receive in the transaction. Although Centene is complying with your request to provide redacted documents with annotations setting forth the basis under Oregon law that protects that information, the purpose of this letter is to set forth the legal basis underlying those annotations and some of the reasons why Centene would be harmed upon their disclosure.

The redacted information is protected by Oregon's well established trade secret law, and its disclosure is exempted by Oregon's public disclosure law. Confidential personal information is similarly exempted by Oregon's public disclosure law. None of the information should be dislosed. If DCBS intends to disclose any such information, Centene respectfully requests that it be provided with reasonable notice of at least ten days so that Centene can examine its options for seeking judicial intervention and appropriate relief to protect itself and its officers and directors from the harm that would otherwise result.

[1] To the extent that any of Centene's trade secret information has been copied, iterated, summarized, or analyzed in working papers, those should also remain protected from disclosure.

1. Oregon law protects Centene's trade secrets from disclosure.

"Oregon law affords broad protection to trade secrets ...." *Lamb-Weston, Inc. v. McCain Foods, Ltd.*, 941 F2d 970, 975 (9th Cir. 1991) (affirming lower court's imposition of eight-month injunction that prevented a party from producing or selling products with the technology at issue). Oregon's public disclosure law expressly exempts the disclosure of trade secrets. ORS 192.501(2). Under that statute, trade secrets "may include, but are not limited to, any formula, plan, pattern, process, tool, mechanism, compound, procedure, production data, or compilation of information which is not patented, which is known only to certain individuals within an organization and which is used in a business it conducts, having actual or potential commercial value, and which gives its user an opportunity to obtain a business advantage over competitors who do not know or use it." *Id.*

Oregon's version of the Uniform Trade Secrets Act defines "trade secret" broadly and sets forth only two elements:

> "Trade secret" means information, including a drawing, cost data, customer list, formula, pattern, compilation, program, device, method, technique or process that: (a) Derives independent economic value, actual or potential, from not being generally known to the public or to other persons who can obtain economic value from its disclosure or use; and (b) Is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

ORS 646.461(4).

In this case, these elements are plainly met. If disclosed, the redacted information would provide a roadmap of the typical and unique terms and conditions in Centene's transactions. Centene derives economic value from the fact that such information is not generally known by the public or others who could obtain economic value from disclosure. If the information were disclosed to others, they could be used against Centene by its competitors to Centene's detriment, thereby undermining existing and future transactions and adversely affecting Centene's ability to compete in the market place.

Centene and others have taken reasonable efforts to maintain the secrecy of the information, including legal measures. For example, you will note that the Agreement and Plan of Merger by and among Centene Corporation, Prefontaine Merger Sub, Inc., Agate Resources, Inc. and James Dalton, as the Stockholder Representative ("the Merger Agreement"), which is dated January 25, 2015, incorporates by reference the Mutual Non-Disclosure Agreement ("the Confidentiality Agreement") of January 16, 2013. The Confidentiality Agreement, which was executed by Centene and Agate Resources, Inc., protects the information at issue. The parties to the Merger Agreement and the Confidentiality Agreement have continued to take reasonable efforts to maintain the secrecy of the trade secret information. The redactions and requests for confidentiality further demonstrate these efforts.

2. Other personal information is protected from disclosure.

Social Security numbers are exempt from disclosure. ORS 192.501(28). There is no reason whatsoever, let alone a compelling reason, to disclose such personal information. Much of the other information in the biographical affidavits is protected because it is the kind of personal information the disclosure of which would constitute an unreasonable invasion of privacy, which is expressly exempted from disclosure:

> Information of a personal nature such as but not limited to that kept in a personal, medical or similar file, if public disclosure would constitute an unreasonable invasion of privacy, unless the public interest by clear and convincing evidence requires disclosure in the particular instance. The party seeking disclosure shall have the burden of showing that public disclosure would not constitute an unreasonable invasion of privacy.

ORS 192.502(2). Centene and its officers and directors are concerned that the release of most of the information on the biographical affidavits could be used to impersonate the individuals or steal their identity. Further, the additional information was submitted in confidence with Exhibits C, D, and E, with the expectation of confidentiality, and such information was retained with the notations clearly and conspicuously stated on the cover pages of the exhibits. Therefore, the information should not be disclosed, as noted in the statute:

> Information submitted to a public body in confidence and not otherwise required by law to be submitted, where such information should reasonably be considered confidential, the public body has obliged itself in good faith not to disclose the information, and when the public interest would suffer by the disclosure.

ORS 192.502(4).

3. Centene requests advance notice of any intended disclosures of the trade secret and personal confidential information so that it can seek, *inter alia*, injunctive relief for actual or threatened misappropriation.

Oregon provides important remedies for the misappropriation of trade secrets. For example, a party may obtain injunctive relief for actual or threatened misappropriation. ORS 646.463(1). Courts may also order affirmative acts in order to protect a trade secret. ORS 646.463(3). In addition, a complaintant may recover compensatory damages. ORS 646.465(1). For cases involving willful or malicious misappropriation, the courts may award punitive damages of up to twice the award of damages. ORS 646.465(3). In some cases, the courts may award reasonable attorney fees to the prevailing party. ORS 646.467.

Courts are required to "preserve the secrecy of an alleged trade secret by reasonable means," which can include granting protective orders, holding in camera hearings, or sealing the

records of the action. ORS 646.469.[2] Although public bodies are immune from claims and actions for misappropriation of a trade secret, that immunity is limited to instances in which a public body discloses information "in obedience to or in good faith reliance on any order of disclosure pursuant to ORS 192.410 to 192.490 or on the advice of an attorney authorized to advise the public body, its officers, employees[,] or agents." ORS 646.473(3). The statute does not set forth immunity for disclosures made under ORS 732.586.

Courts also permit parties to seek various forms of injunctive relief in order to prevent the harm that would occur from the disclosure of the confidential personal information. *See* ORCP 79. If DCBS does not provide notice, this could jeopardize Centene's ability to protect its rights and obtain appropriate judicial remedies.

4. Disclosure is not permitted under ORS 732.586, because that statute does not apply.

One of the Records Requests inaccurately presumes that ORS 732.586 is at issue. This is not a circumstance involving information, documents, or copies that are obtained or disclosed "in the course of an examination or investigation under ORS 732.584...." ORS 732.586(1). Moreover, the sections referred to in ORS 732.586(2) do not involve the filing at issue, which is commonly referred to as a "Form A filing." *See* ORS 732.552 (relating to Form B filings), ORS 732.554 (relating to changes to Form B filings), ORS 732.574 (relating to Form D filings), and ORS 732.576 (relating to dividends).

Although you have cited ORS 731.304, a statute which gives the Director the ability to conduct an investigation, that statute does not state that the mere act of submitting a Form A automatically generates an investigation. Similarly, the statute does not state that its submission is necessarily made "in the course of an examination or investigation...." ORS 732.586. The purpose of a Form A submission is not to examine the activities of an insurer, but to determine whether the *transaction* meets the requirements under ORS 732.528.

Moreover, ORS 732.586(2) sets forth a list of four types of form submissions, none of which are Form A submissions. Recall the familiar interpretive principle of expression unius est exclusion alterius (i.e., the expression of one thing implies the exclusion of others). *See, e.g.*, *Waddill v. Anchor Hocking, Inc.*, 330 Or 376, 381–82, 8 P3d 200 (2000) (civil procedure text); *Fisher Broadcasting, Inc. v. Dept. of Rev.*, 321 Or 341, 353, 898 P2d 1333 (1995) (statutory text). That principle applies here. The statute provides a specific list regarding information reported. If the Legislature intended for Form A submissions to receive the same treatment, it would have so provided.

The trade secret information and other personal information is confidential and exempt from public disclosure. The governing statute is ORS 192.501, not ORS 732.586. But, as discussed below, even if ORS 732.586 were to apply, the information should not be disclosed.

[2] An unquoted portion of the statute was held to be unconstitutional as a prior restraint. *State ex rel. Sports Mgmt. News v. Nachtigal*, 324 Ore 80, 90–91 (1996). This did not render the rest of the statute invalid. *Id.* at 91 n10.

5. Others do not have a specific, overriding interest in the information.

Regardless of the applicability of ORS 732.586, disclosure of trade secret information and personal information is not warranted. Disclosure will not serve the interest of policyholders, shareholders, or the public. Disclosure is not necessary in order to evaluate the transaction at issue. This is demonstrated by, *inter alia*, the lack of basis set forth in the public disclosure requests at issue. Further, the information is available to the Insurance Division and its subject matter experts for purposes of determining whether the transaction meets the approval requirements.

Neither of the Records Requests set forth a specific need or basis for obtaining the particular information at issue. By way of example, one request begs the question, arguing that the information is "of import to the public" because it "provides important public information ...." Similarly, the other request points merely to the size of the transaction and states that Centene will be managing services of a health plan for Lane County residents. If that, alone, were enough to justify disclosure of trade secret information, the exception would swallow the rule, and no trade secrets or personal confidential information would be safe in the hands of a public entity.

At best, the Records Requests have articulated conclusory opinions, not facts that evidence a prevailing public interest in the specific information. Without a proper and specific showing, it cannot be said that the need to protect the trade secret information and confidential public information is somehow outweighed by a vague and nonspecific need for disclosure to the news media or the public.

While the general public will not benefit from disclosure, Centene's competitors could benefit to the detriment of Centene. For example, a competitor gaining access to the information could use the information to attempt to undercut one of the parties to the transaction by offering alternative terms. Similarly, a competitor with access to that information would have information about Centene's business strategies and sensitivities, which would be used again Centene in other potential transactions. Further, identity thieves could use the personal information to impersonate individuals, steal their credit, make unauthorized purchases, or otherwise harm the individuals. Thus, businesses such as Centene must be permitted to maintain trade secret protection and to protect the confidentiality of sensitive personal information of their officers and directors, even when their transactions involve public entities or are subject to public scrutiny. That is why Oregon exempts such information from public disclosure. If DCBS were to ignore those exemptions, it would create a significant disincentive for businesses to engage in such transactions.

Accordingly, Centene respectfully requests that the information at issue remain protected and not be disclosed. If DCBS intends to disclose the information notwithstanding Oregon law, Centene demands that it be provided with reasonable notice of no less than ten days to seek protection, including injunctive relief and all other proper remedies, from the courts.

Thank you for your consideration of these matters. When you respond, please include my colleague, Colin Folawn, who is copied on this letter. [redacted]

Best [redacted]

Peter D. Ricoy [redacted]

PDR:ko
Enclosures
cc: Colin Folawn, Esq.

SCHWABE, WILLIAMSON & WYATT®
ATTORNEYS AT LAW

Pacwest Center, 1211 SW 5th Ave., Suite 1900, Portland, OR 97204 | Phone 503.222.9981 | Fax 503.796.2900 | www.schwabe.com

PETER D. RICOY
Admitted in Oregon and Washington
Direct Line: 503-796-2973
E-Mail: pricoy@schwabe.com

May 20, 2015

VIA E-MAIL (ELLA.RAUCH@DOJ.STATE.OR.US AND THEODORE.FALK@DOJ.STATE.OR.US)

Theodore C. Falk, Esq., PhD
Oregon Department of Justice
1162 Court Street NE
Salem, OR 97301-4096

Ella Rauch
General Counsel Division
Oregon Department of Justice
1162 Court Street NE
Salem, OR 97301-4096

Dear Mr. Falk and Ms. Rauch:

This letter is a response to the e-mail I received from Ella Rauch dated Tuesday May 19, 2015 at 12:32 p.m. relating to our client, Centene Corporation ("**Centene**"). We appreciate your offer in that e-mail to permit Centene an opportunity to provide additional information concerning why Centene believes certain information that has been identified as a trade by Centene or that has been redacted from documents provided to the Oregon Insurance Division meets the definition of trade secrets under Oregon law. This letter is intended to supplement the letter we sent to your office on Monday, May 18, 2015, which provides a detailed analysis of the applicable legal authority supporting Centene's position. Capitalized letters used in this letter have the meanings given to them in the May 18, 2015 letter. The concepts in this letter and the earlier letter apply not only to the merger agreement, but to all of the redacted documents Centene has provided to the Division. We will send a separate email detailing our response to the request for the biographical affidavits.

Why The Redacted Information is a Protectable Trade Secret

You have requested that we provide information for various "categories" of information that Centene redacted from the documents provided to the Division. However, we believe that Centene's most important protectable interest is not any particular individual item or category of information, but rather is vested in the constellation of the redacted information as a whole.

While it may be the case that any single piece of redacted information by itself may have less trade secret value individually, when taken as a whole with the other information contained in the merger agreement and other redacted documents, the information represents critically-important trade secrets to Centene and the other parties involved in the transaction. This view is supported by the definition of "trade secret" under ORS 192.501(2) which includes not just individual pieces of information, but a "compilation of information." For example, while the fact that Coca-Cola's formula for Coke may include sugar (assuming it does), Coca-Cola's most important vested trade secret for the formula rests in the constellation of, and precise quantities of, the various kinds of ingredients used in the recipe as a whole. Similarly, while knowledge of a particular indemnity threshold value in Centene's private agreement with Agate is itself a trade secret, the most important trade secret involves the entire constellation of terms that make up the agreement as a whole.

As we explained in the May 18, 2015 letter, there are several reasons why Centene derives economic or commercial value that Centene derives from all of the redacted information not being known to the general public. Centene is a privately-held company that competes in the market for health insurance. Centene also competes in the market for acquiring other insurance companies. Centene entered into a confidential agreement with Agate, another privately held company offering health insurance in Oregon. The agreement was heavily negotiated by the parties and reflects the confidential final terms on which parties were ultimately willing to agree to the transaction.

Those terms are trade secrets because they reflect various sensitive tradeoffs and compromises that the parties were willing to privately make with each other in order to come to an agreement. Those private compromises are not generally known to the public, and each party has undertaken measures to safeguard that information. Further, that information derives independent economic value from not being generally known to the public because it prevents other competitors from attempting to undercut Centene by offering superior or alternative terms to the other parties in this transaction. Further, the confidentiality of the information allows Centene to enter into negotiations for other transactions without the other parties to those transactions knowing where Centene may be willing to compromise. General knowledge of that information could therefore both undermine or foil the current transaction with Agate, and also impede Centene's legitimate ability to negotiate for itself the best potential terms for future transactions. It would provide potential sellers with sensitive knowledge of where Centene has been willing to compromise in the past, and it would provide competitors with a "roadmap" of how to outbid Centene in other transactions. In fact, that information is so valuable, that the Insurance Division has already received a request to disclose that information for this very transaction from one of Centene's competitors.

Balanced against the interest is a consideration of the public interest. However, there is nothing about the trade secret information that Centene is seeking to protect that would aid the public in evaluating whether the transaction meets the statutory criteria for approving the transaction under ORS 732.528. That criteria includes a number of factors such as whether the transaction is contrary to law, whether it is unfair to policyholders, whether it would reduce the

security or service to policyholders, whether it would reduce competition, or whether it might jeopardize the financial stability of the insurer. While the release of that information would not help the public evaluate the impact of the transaction on policyholders, it could be substantially valuable to competitors. Because the redacted information has no value to the public for the legitimate purposes of evaluating the transaction under ORS 732.528, but because the information has substantial value to Centene, we believe that the Insurance Division should find that Centene's private interest completely outweighs any other public interest and therefore not disclose the information.

We wish to emphasize that this is not a case where Centene has asserted trade secret protection over the entire agreement, a position we believe that Centene legitimately could have taken. Rather, Centene has in good faith worked very hard to provide the Insurance Division with a set of surgically-redacted documents concealing only the information about which Centene is most concerned. We hope the Division will recognize the good faith Centene has exercised to be responsive to the Division, while recognizing that what remains redacted is the information that truly rises to the level of Centene's most important trade secrets.

Conclusion

Because Centene believes it would be substantially harmed if the trade secret information were released, Centene plans to vigorously assert Centene's right to have that information remain protected to the fullest extent as provided by Oregon law. Indeed, such an approach is itself consistent with the definition of "trade secret" under ORS 646.461(4)(b) which requires Centene to undertake efforts to maintain its secrecy As such, we continue to request that the Insurance Division provide Centene with advanced notice of any intent to disclose any of the information that Centene has redacted or otherwise identified as a trade secret, so that Centene can have the opportunity to assert its rights before an impartial judicial officer.

We thank you for the opportunity to provide you with this additional information. Please do not hesitate to contact me with any questions.

S[redacted]

Peter D. Ricoy[redacted]

PDR:al

cc: Colin Folawn

SCHWABE, WILLIAMSON & WYATT®
ATTORNEYS AT LAW

Pacwest Center, 1211 SW 5th Ave., Suite 1900, Portland, OR 97204 | Phone 503.222.9981 | Fax 503.796.2900 | www.schwabe.com

PETER D. RICOY
Admitted in Oregon and Washington
Direct Line: 503-796-2973
E-Mail: pricoy@schwabe.com

May 22, 2015

VIA E-MAIL (ELLA.RAUCH@DOJ.STATE.OR.US AND THEODORE.FALK@DOJ.STATE.OR.US)

Theodore C. Falk, Esq., PhD
Oregon Department of Justice
1162 Court Street NE
Salem, OR 97301-4096

Ella Rauch
General Counsel Division
Oregon Department of Justice
1162 Court Street NE
Salem, OR 97301-4096

Dear Mr. Falk and Ms. Rauch:

This letter is a response to the e-mail I received from Ted Falk dated Thursday, May 21, 2015 at 9:42 a.m. relating to our client, Centene Corporation ("Centene"). We appreciate your offer in that e-mail to permit Centene an opportunity to provide additional information concerning why the items you listed in Category B and Category C meet the definition of trade secrets under Oregon law. This letter is intended to supplement the letters we sent to your office on Monday, May 18, 2015, and Wednesday, May 20, 2015. Capitalized letters used in this letter have the meanings given to them in the May 18, 2015 letter or the merger agreement. The concepts in this letter and the earlier letter apply not only to the merger agreement, but to all of the redacted documents Centene has provided to the Division.

Under Oregon Law, Trade Secret Status is <u>Not</u> Dependent on Uniqueness of the Type of Information Contained in the Merger Agreement

The Word document you provided to us suggested that the list of item in "Category C" were "Unlikely a Trade Secret because it is not a unique or unusual Business Term of this Transaction." Thus, the apparent criteria that your office applied in determining whether or not a piece of information within the merger agreement is a trade secret was whether the type of information was "unique" or "unusual".

However, under Oregon law information is considered a trade secret, not because of any uniqueness in the type or category of protectable information, but rather under ORS 646.461(4) it is because the information or compilation: (1) derives independent economic value, actual or potential, from not being generally known to the public or to other persons who can obtain economic value from its disclosure or use and (2) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. Nowhere in this definition does the uniqueness or commonality in the type of information play a role. Indeed, merely because sugar is commonly used in most soda drinks does not mean that Coca Cola cannot have a protectable trade secret interest in the particular quantities of sugar used in it's Coke formula. Similarly, merely because most merger agreements have an "absence of undisclosed liabilities" clause, such as the one in Section 3.8 of the merger agreement, does not mean that Centene cannot have a protectable trade secret interest in the specifically-negotiated thresholds that were redacted. On the contrary, as we explained in the previous letter it is the compilation of this information combined with the other information that creates the entirety of the information which derives economic value to Centene from not be generally known to the public or Centene's competitors.

Any type of information can be a trade secret, no matter how "common" the type of information. As explained by the Iowa Supreme Court which has adopted a nearly identical definition as Oregon: "There is virtually no category of information that cannot, as long as the information is protected from disclosure to the public, constitute a trade secret. We believe that a broad range of business data and facts which, if kept secret, provide the holder with an economic advantage over competitors or others, qualify as trade secrets."[1] Judge Posner agrees: "A trade secret is really just a piece of information (such as a customer list, or a method of production, or a secret formula for a soft drink) that the holder tries to keep secret by executing confidentiality agreements with employees and others and by hiding the information from outsiders by means of fences, safes, encryption, and other means of concealment, so that the only way the secret can be unmasked is by a breach of contract or a tort."[2]

Under Oregon Law, Trade Secret Status is Dependent on The Facts and Cannot Be Determined by Legal Principles Alone

While your word document attempts to make an assessment as to whether independent pieces of information within the Merger Agreement are "likely" to be a trade secret, it is not possible to look at the information in the abstract in a vacuum and determine whether the information meets the trade secret criteria. Rather, the particular surrounding facts must be examined in accord with the two requirements set forth above. The Oregon Court of Appeals has explained that the determination of trade secret status in Oregon is dependent on whether the facts demonstrate that the two criteria are met (emphasis added):

> To constitute a trade secret under ORS 646.461(4), information (including compilations) must both (1) gain value because it is not generally known

[1] Economy Roofing & Insulating Co. v. Zumaris, 538 N.W.2d 641, 1995 Iowa Sup. LEXIS 181 (Iowa 1995).
[2] Confold Pac., Inc. v. Polaris Indus., 433 F.3d 952, 959, 2006 U.S. App. LEXIS 513, *18, 77 U.S.P.Q.2D (BNA) 1566 (7th Cir. Wis. 2006).

> and (2) be the subject of reasonable efforts to maintain that secrecy. Each of those determinations is made, not by reference to legal principles, but on the basis of the historical facts and circumstances presented: Is the information at issue generally known within the relevant community? Is it more valuable by virtue of not being generally known? What efforts were made to keep it secret? Were those efforts reasonable? Et cetera. The definition set forth in the statute itself therefore necessarily implies that whether information is or is not a trade secret is a question of fact. If facts and circumstances are presented to establish that the information derives economic value from not being generally known and is subject to reasonable efforts to maintain its secrecy, then the information is a trade secret within the meaning of the statute.[3]

We have provided you with two letters setting forth the background facts confirming that the parties have taken to protect the information, and also explaining the facts as to why Centene derives independent economic value from the information not being generally known to the public. These assertions can easily be backed by affidavits from the parties. By contrast, we are not aware that any contrary evidence has been provided to your office or any independent investigation. We thus feel strongly that it is simply not possible for you to conclude that the information is "unlikely" to be a protectable trade secret merely because other merger agreements your office has seen contain similar types of information.

We again reassert that the parties have undertaken considerable efforts to protect the information. The parties themselves are prohibited from disclosing the information due to a separate Nondisclosure Agreement. The parties have undertaken efforts to limit the disclosure of information only to those individuals within the organization who need to know. Neither of the parties has generally made the information known outside of their organizations. Further, Centene has retained this law firm to assert its confidentiality rights in response to the public records request you have received, and similarly the Agate shareholders have also retained counsel for the same purpose.

In addition, Centene spent considerable time, effort and resources in negotiating with Agate and finally arriving at the terms embodied in the Merger Agreement. Centene spent several months in talks with Agate over the potential arrangement. Once the parties finally determined the broad business terms, it then took the parties working with their attorneys another 2 months of intensive and detailed negotiations, drafts, redrafts, conference calls, meetings, and compromises to finally arrive at the document that was executed. This is not some type of "off the shelf" agreement, but a highly customized document tailored after extensive negotiations to the specific tradeoffs and risk tolerances the parties were willing to accept for this transaction.

Finally, we re-assert the facts and reasons from our earlier letters as to why this information represents substantial economic value. As we explained in our May 20, 2015 letter:

---

[3] Kaib's Roving R.PH. Agency, Inc. v. Smith, 237 Ore. App. 96, 103, 239 P.3d 247, 250, 2010 Ore. App. LEXIS 997, *10-11, 31 I.E.R. Cas. (BNA) 790 (Or. Ct. App. 2010)

> Further, that information derives independent economic value from not being generally known to the public because it prevents other competitors from attempting to undercut Centene by offering superior or alternative terms to the other parties in this transaction. Further, the confidentiality of the information allows Centene to enter into negotiations for other transactions without the other parties to those transactions knowing where Centene may be willing to compromise. General knowledge of that information could therefore both undermine or foil the current transaction with Agate, and also impede Centene's legitimate ability to negotiate for itself the best potential terms for future transactions. It would provide potential sellers with sensitive knowledge of where Centene has been willing to compromise in the past, and it would provide competitors with a "roadmap" of how to outbid Centene in other transactions.

Because we have presented facts supported our assertion and there is no other evidence to the contrary, we simply do not believe it is possible for the Division to make any determination that the information submitted is not a trade secret.

Centene's Trade Secret Rights Are Embodied in the Compilation of Information, Not Individual Specific Pieces of Information

Your May 21, 2015 email requested that we provide specific responses as to why individual clauses of the merger agreement meet the definition of trade secret. However, we do not agree with the premise that individual pieces of information by themselves and standing alone must rise to meet the standard. As explained in this letter, a determination of trade secret status cannot be made by looking at a piece of information individually in a vacuum but only as to an examination of how the facts meet the criteria set forth above. As explained in detail in our May 20, 2015 letter, while may be the case that any single piece of redacted information by itself may have less trade secret value individually, when taken as a whole with the other information contained in the merger agreement and other redacted documents, the information represents critically-important trade secrets to Centene and the other parties involved in the transaction. This view is supported by the definition of "trade secret" under ORS 192.501(2) which includes not just individual pieces of information, but a "compilation of information. It is Centene's position that the economic value rests primarily in this compilation, and not with any single piece of information.

Therefore, our general response to your list is that, for the reasons and facts set forth above, it all collectively meets the requirements for trade secret status under Oregon law because it derives independent economic value, actual or potential, from not being generally known to the public or to other persons who can obtain economic value from its disclosure or use and is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. Without limiting the generality of the foregoing, we also attach a separate table listing our specific responses to your enumerated items.

Conclusion

We appreciate the opportunity to respond to your request. We continue to request that the Insurance Division provide Centene with advance notice of any intent to disclose any of the information that Centene has redacted or otherwise identified as a trade secret, so that Centene can have the opportunity to assert its rights before an impartial judicial officer.

Si[redacted]

Peter D. Ricoy [redacted]

PDR:al

cc: Colin Folawn

Agreement and Plan of Merger
Trade Secrets
(Redacted portions of the referenced sections only)

Comment from Division	Response
B. Need More Information	
1. ACA Gross-Up definition	Used in the formula to determine potential bonus amounts, a key term of the agreement indicating consideration for agreement; Centene derives economic value from protecting this information so that third parties cannot undercut the present deal or know Centene's strategies on other similar deals
2. Acquisition Proposal definition	Sets forth requirements from preventing parties from permitting 3rd party negotiation; Centene derives economic value from protecting this information so that third parties cannot undercut the present deal or know Centene's strategies on other similar deals
3. Cash definition	Used in the formula to determine the consideration, which is a key term of the agreement indicating consideration for agreement; Centene derives economic value from protecting this information so that third parties cannot undercut the present deal or know Centene's strategies on other similar deals
4. Company Material Adverse Effect definition	Sets forth thresholds and risk tolerances the parties were willing to undertake; Centene derives economic value from protecting this information so that third parties cannot undercut the present deal or know Centene's strategies on other similar deals
5. Fundamental Representations definition	Sets forth certain key representations that reflect Centene's strategies and could be used by competitors in other deals;

Comment from Division	Response
6. Indebtedness definition	Used in the formula to determine the consideration, which is a key term of the agreement indicating consideration for agreement; Centene derives economic value from protecting this information so that third parties cannot undercut the present deal or know Centene's strategies on other similar deals
7. Working Capital definition	Used in the formula to determine the consideration, which is a key term of the agreement indicating consideration for agreement; Centene derives economic value from protecting this information so that third parties cannot undercut the present deal or know Centene's strategies on other similar deals
8. Section 4.5	Reflects par-value technique used by Centene for creating merger subsidiaries, and could be used by competitors to undertake similar strategies in competitive situations for target companies; Centene derives economic value from protecting this information so that third parties cannot undercut Centene's strategies on other similar deals
9. Section 5.1	Sets forth thresholds and risk tolerances the parties were willing to undertake; Centene derives economic value from protecting this information so that third parties cannot undercut the present deal or know Centene's strategies on other similar deals
10. Section 8.1(a)	Sets forth a key provision of the deal allocating risk that the parties were willing to undertake; Centene derives economic value from protecting this information so that third parties cannot undercut the present deal or know Centene's strategies on other similar deals
11. Section 9.2(a)	Sets forth a key provision of the deal

Comment from Division	Response
	allocating risk that the parties were willing to undertake; Centene derives economic value from protecting this information so that third parties cannot undercut the present deal or know Centene's strategies on other similar deals
12. Section 9.2(c) (including all subsections)	Sets forth a key provision of the deal allocating risk that the parties were willing to undertake; Centene derives economic value from protecting this information so that third parties cannot undercut the present deal or know Centene's strategies on other similar deals
13. Section 9.3(a)	Sets forth a key provision of the deal allocating risk that the parties were willing to undertake; Centene derives economic value from protecting this information so that third parties cannot undercut the present deal or know Centene's strategies on other similar deals
14. Section 10.3 (including all subsections)	Sets forth a key provision of the deal regarding termination rights that third parties could use to understand opportunities to undermine the current deal and the reflect Centene's strategies in other deals; Centene derives economic value from protecting this information so that third parties cannot undercut the present deal or know Centene's strategies on other similar deals
15. Section 10.4 (including all subsections)	Sets forth a key provision of the deal regarding termination rights that third parties could use to understand opportunities to undermine the current deal and the reflect Centene's strategies in other deals; Centene derives economic value from protecting this information so that third parties cannot undercut the present deal or know Centene's strategies on other similar deals

Comment from Division	Response
16. Section 10.7 (including all subsections)	Sets forth a key provision of the deal regarding termination rights that third parties could use to understand opportunities to undermine the current deal and the reflect Centene's strategies in other deals; Centene derives economic value from protecting this information so that third parties cannot undercut the present deal or know Centene's strategies on other similar deals
17. Section 11.1(a) (including all subsections)	Sets forth a key provision of the deal regarding remedies the reflect Centene's strategies in its deals; Centene derives economic value from protecting this information so that third parties cannot undercut the present deal or know Centene's strategies on other similar deals
18. Section 11.1(b) (including all subsections)	Sets forth a key provision of the deal regarding remedies the reflect Centene's strategies in its deals; Centene derives economic value from protecting this information so that third parties cannot undercut the present deal or know Centene's strategies on other similar deal
19. Form of Consideration Spreadsheet (unredacted version not provided)	The original "Form A" submission contains the unredacted version
20. Working Capital Schedule (unredacted version not provided)	The original "Form A" submission contains the unredacted version
21. Bonus Target Schedule (unredacted version not provided	The original "Form A" submission contains the unredacted version
C. <u>Unlikely a Trade Secret because it is not a unique or unusual Business Term of this Transaction</u>	
1. Section 3.8	Sets forth thresholds and risk tolerances the parties were willing to undertake; Centene derives economic value from protecting this information so that third

Comment from Division	Response
	parties cannot undercut the present deal or know Centene's strategies on other similar deals
2. Section 3.11	Sets forth thresholds and risk tolerances the parties were willing to undertake; Centene derives economic value from protecting this information so that third parties cannot undercut the present deal or know Centene's strategies on other similar deals
3. Section 3.11(a)	Sets forth thresholds and risk tolerances the parties were willing to undertake; Centene derives economic value from protecting this information so that third parties cannot undercut the present deal or know Centene's strategies on other similar deals
4. Section 3.14(a)(ix)	Sets forth thresholds and risk tolerances the parties were willing to undertake; Centene derives economic value from protecting this information so that third parties cannot undercut the present deal or know Centene's strategies on other similar deals
5. Section 3.14(a)(x)	Sets forth thresholds and risk tolerances the parties were willing to undertake; Centene derives economic value from protecting this information so that third parties cannot undercut the present deal or know Centene's strategies on other similar deals
6. Section 3.14(a)(xii)	Sets forth thresholds and risk tolerances the parties were willing to undertake; Centene derives economic value from protecting this information so that third parties cannot undercut the present deal or know Centene's strategies on other similar deals
7. Section 3.14(a)(xv)	Sets forth thresholds and risk tolerances

Comment from Division		Response
		the parties were willing to undertake; Centene derives economic value from protecting this information so that third parties cannot undercut the present deal or know Centene's strategies on other similar deals
8.	Section 3.14(a)(xvi)	Sets forth thresholds and risk tolerances the parties were willing to undertake; Centene derives economic value from protecting this information so that third parties cannot undercut the present deal or know Centene's strategies on other similar deals
9.	Section 3.14(a)(xvii)	Sets forth thresholds and risk tolerances the parties were willing to undertake; Centene derives economic value from protecting this information so that third parties cannot undercut the present deal or know Centene's strategies on other similar deals
10.	Section 3.14(a)(xviii)	Sets forth thresholds and risk tolerances the parties were willing to undertake; Centene derives economic value from protecting this information so that third parties cannot undercut the present deal or know Centene's strategies on other similar deals
11.	Section 3.14(a)(xxiii)	Sets forth thresholds and risk tolerances the parties were willing to undertake; Centene derives economic value from protecting this information so that third parties cannot undercut the present deal or know Centene's strategies on other similar deals
12.	Section 3.15(a)	Sets forth thresholds and risk tolerances the parties were willing to undertake; Centene derives economic value from protecting this information so that third parties cannot undercut the present deal or know Centene's strategies on other

Comment from Division	Response
	similar deals
13 Section 3.28	Sets forth thresholds and risk tolerances the parties were willing to undertake; Centene derives economic value from protecting this information so that third parties cannot undercut the present deal or know Centene's strategies on other similar deals
14. Section 5.2	Sets forth requirements for closing this transaction that Centene does not want third parties to know about that could cause this transaction to fail and another bidder to enter into the picture and undercut Centene;
15. Section 5.4	Sets forth thresholds and risk tolerances the parties were willing to undertake; Centene derives economic value from protecting this information so that third parties cannot undercut the present deal or know Centene's strategies on other similar deals
16. Section 5.5	Sets forth thresholds and risk tolerances the parties were willing to undertake; Centene derives economic value from protecting this information so that third parties cannot undercut the present deal or know Centene's strategies on other similar deals
17. Section 5.6	Sets forth information concerning conditions that could prevent the transaction from closing; if third parties where to know about that information, it could contribute to causing another bidder to enter into the picture and undercut Centene, and therefore Centene derives economic value from that information not generally being known
18. Section 5.7	Sets forth information concerning conditions that could prevent the

Comment from Division	Response
	transaction from closing; if third parties where to know about that information, it could contribute to causing another bidder to enter into the picture and undercut Centene, and therefore Centene derives economic value from that information not generally being known
19. Section 5.8	Sets forth information concerning conditions that could prevent the transaction from closing; if third parties where to know about that information, it could contribute to causing another bidder to enter into the picture and undercut Centene, and therefore Centene derives economic value from that information not generally being known
20. Section 5.9	Sets forth information concerning conditions that could prevent the transaction from closing; if third parties where to know about that information, it could contribute to causing another bidder to enter into the picture and undercut Centene, and therefore Centene derives economic value from that information not generally being known
21. Section 5.10	Sets forth information concerning conditions that could prevent the transaction from closing; if third parties where to know about that information, it could contribute to causing another bidder to enter into the picture and undercut Centene, and therefore Centene derives economic value from that information not generally being known
22. Section 5.11	Sets forth information concerning conditions that could prevent the transaction from closing; if third parties where to know about that information, it could contribute to causing another bidder to enter into the picture and undercut Centene, and therefore Centene derives

Comment from Division	Response
	economic value from that information not generally being known
23. Section 5.12	Sets forth information concerning conditions that could prevent the transaction from closing; if third parties where to know about that information, it could contribute to causing another bidder to enter into the picture and undercut Centene, and therefore Centene derives economic value from that information not generally being known
24. Section 10.2(b)	Very sensitive information that could be used by 3rd parties to undercut Centene in the event closing does not occur by a specified date; if third parties where to know about that information, it could contribute to causing another bidder to enter into the picture and undercut Centene, and therefore Centene derives economic value from that information not generally being known
25 Section 10.5	Very sensitive information that could be used by third parties to enter into the picture and use the information to undercut Centene for this transaction; if third parties where to know about that information, it could contribute to causing another bidder to enter into the picture and undercut Centene, and therefore Centene derives economic value from that information not generally being known
26. Section 10.8	if third parties where to know about that information, it could contribute to causing another bidder to enter into the picture and undercut Centene, and therefore Centene derives economic value from that information not generally being known

May 22, 2015

Via Email to THEODORE.FALK@DOJ.STATE.OR.US

Theodore C. Falk, Esq., PhD
Sr. Assistant Attorney General
Oregon Department of Justice
1162 Court Street NE
Salem, OR 97301-4096

Subject: Protecting personal financial information of Agate Resources, Inc. shareholders

Dear Mr. Falk:

On behalf of individual shareholders of Agate Resources, Inc. (the "Agate Shareholders"), we object to the scope of the public disclosure requests submitted to the Department of Business and Consumer Services by Nick Budnick and Sherri Buri McDonald (the "Records Requests"). Although the Records Requests generally seek information about Centene Corporation, to the extent they could be read to seek public disclosure of personal and confidential information of the Agate Shareholders, Oregon public records laws require DBCS to protect this information.

In addition to joining the objections raised by Peter Ricoy on behalf of Centene Corporation,[1] we specifically request nondisclosure and protection of the Agate Shareholders' personal financial information contained in records submitted by Mr. Ricoy on Tuesday, May 21, 2015. These records are the Agate – Ownership Details document, Stockholders' Support Agreement, and Estimated Consideration document (collectively, the "Individual Shareholders' Records"). As submitted to DBCS, these records contain redactions of personal financial information, including shareholder names, personal contact information, the types and quantities of shares held by each shareholder, and the estimated consideration to be received by shareholders as a result of the merger. This redacted information should not be publicly disclosed.

The personal financial information redacted from the Individual Shareholder Records is protected from disclosure under ORS 192.502(2) and ORS 192.502(4) as discussed below. If DBCS intends to publicly disclose this personal financial information, the Agate Shareholders respectfully request reasonable notice of at least five business days in order to seek judicial intervention to prevent the harm resulting from public disclosure.

[1] We join the specific objections on the basis of trade secrets, personal information, and confidential information raised in in correspondence from Mr. Ricoy dated May 18, 2015, May 20, 2015, and May 22, 2015.

1. Background on Agate Resources, Inc. shareholders

Agate Resources, Inc. ("Agate") is a private corporation that wholly owns Trillium Community Health Plan, Inc. ("Trillium").[2] A minority of Agate shareholders actively participate in the management of the Trillium business, as employees and directors. The vast majority of the remaining shareholders actively participate in the business of Trillium through contracts for healthcare services with Trillium. Many of the healthcare providers who own shares in Agate work shoulder-to-shoulder with healthcare providers under contract with Trillium who do not own Agate shares.

2. ORS 192.502(2) protects personal financial information from public disclosure

ORS 192.502(2) protects the personal information of persons working for or in association with the government. This provision prohibits disclosure by state agencies of "information of a personal nature such as but not limited to that kept in a personal, medical or similar file, if public disclosure would constitute an unreasonable invasion of privacy, unless the public interest by clear and convincing evidence requires disclosure in the particular instance." ORS 192.505(2). Oregon courts use a three-part analysis to determine whether public disclosure is appropriate, focusing on (1) whether the information is person, (2) whether disclosure would constitute an unreasonable invasion of privacy, and (3) whether the public interest—by clear and convincing evidence—requires disclosure.

A. The Agate Shareholders' financial information is personal

The Individual Shareholders' Records contain information on particular persons, including their names, type and quantity of shares owned, home addresses, telephone numbers, email addresses, and estimated financial consideration received from the merger. *Jordan v. Motor Vehicles Div.*, 308 Or 433, 441 (1989) (denying an individual's request to the Oregon Motor Vehicles Division for a former friend's address because the information fell within the exemption in ORS 192.502(2)); *see also* Oregon Attorney General's Public Records and Meetings Manual at 75 (2014) (recognizing that all information "relating to a particular person," including a person's home address and phone number, is "personal."). Personal financial information—including whether one owns stock in a private corporation with high visibility in the community—is not the type of information that one shares with strangers. *See Morrison v. School Dist. No. 48*, 53 Or App 148 (1981) (recognizing that the information covered by this exemption is information about a person or a person's affairs that is not ordinarily shared with strangers). In previous orders, the Oregon Attorney General's office has recognized that personal financial information is "personal". *See* Public Records Order, January 2, 1985, Snell (involving personal financial statements submitted with application for racing license). This is true for personal financial information relating to one's interest in a private corporation, particularly when such information was provided in confidence as part of a merger transaction.

[2] Agate directly owns 40% of Trillium. LIPA, another Oregon corporation wholly owned by Agate, owns the remaining 60% of Trillium.

B. Disclosure of the Agate Shareholders' personal financial information is an unreasonable violation of privacy

Disclosure of personal financial information would constitute an unreasonable invasion of privacy. Under Oregon law, for an invasion of privacy to rise to an unreasonable level, an "ordinary reasonable person" must deem it "highly offensive." *Jordan*, 308 Or at 442. Disclosure is unreasonable if the agency's act of releasing the information is reasonably anticipated to lead to invasions of privacy committed by persons obtaining the information. *Id*. at 444 (Gillette, J., concurring). The disclosure of the Agate Shareholders' personal financial information is "per se" an unreasonable invasion of privacy. Public Records Order, January 2, 1985, Snell at 4. Providing to the public the individual shareholders' names, contact information, stock ownership, and estimated consideration from the transaction is an unreasonable and offensive invasion of privacy into the personal lives of the shareholders. Detractors, competitors, and even identity thieves could seize on the personal financial information to the detriment of the shareholders. Disclosing this personal information would subject shareholders to harassment from media sources, leading to invasive inquiries about stock ownership and compensation from the media and parties who contract with Trillium Community Health Plan. In addition, many Agate shareholders are healthcare providers who work alongside healthcare providers who are not shareholders. Disseminating the private financial information of the shareholders would threaten to destabilize these working relationships and ultimately undermine the delivery of health-care services to community members.

C. There is no clear and convincing evidence that a public interest compels disclosure

DBCS must protect the redacted information in the Individual Shareholders' Records from public disclosure, unless, under the third part of ORS 192.502(2), the party seeking disclosure has shown by clear and convincing evidence that public interest compels disclosure. Here, there is no public interest in knowing the names, contact information, and personal financial information of the Agate Shareholders. Prying into the personal financial lives of the Agate Shareholders' furthers no public interest. As documented in Mr. Ricoy's correspondence of May 18, 2015, neither of the Records Request set for a specific need or basis for obtaining the redacted information. The Records Requests fail to set for any reason the public needs to know who the Agate shareholders are, where the live, and how many shares they own. Disclosure of this information is not necessary to evaluate the merger transaction at issue, or to determine whether the acquisition meets the approval requirements of ORS 732.528.

3. ORS 192.502(4) also protects confidential financial information from disclosure

ORS 192.502(4) protects the Agate Shareholders' personal financial information as confidential:

> "Information submitted to a public body in confidence and not otherwise required by law to be submitted, where such information should reasonably be considered confidential, the public body has obliged itself in good faith not to disclose the information, and when the public interest would suffer by the disclosure."

The Agate Shareholders submitted their personal financial information in confidence to Centene Corporation, protected by nondisclosure and confidentiality agreements. Centene Corporation in

turn submitted the information in the Individual Shareholders' Records in confidence to DBCS, with redactions in the records to protect the personal financial information at issue. DBCS has an obligation to keep this information private. The information contained in the Individual Shareholders' Records was not listed as a required record in a "Form A" filing, nor is it listed as a requirement under the statutes and regulations implementing the "Form A" requirements. Rather, Centrene Corporation provided this information to DBCS in good faith in response to a request well after the "Form A" had been filed. We are not aware of any law that would "otherwise" compel the Agate Shareholders to publicly disclose their personal financial information. Furthermore, as discussed above, the public interest in the provision of healthcare services would be hindered, not furthered, by disclosure.

4. Disclosure is not permitted under ORS 732.586

ORS 732.586 does not require disclosure of the Individual Shareholder Records. That statute relates to records obtained in an examination or investigation under ORS 732.584, and does not relate to the merger transaction filing at issue. We agree with Mr. Ricoy's analysis that the governing statute is ORS 192.501, not ORS 732.586. But even in the event that ORS 732.586 applies, other interests do not outweigh the compelling interests of the individual shareholders. See ORS 732.586(2) (requiring the Director to consider the interests of shareholders, along with interests of policyholders and the public). Again, there is no public interest in prying into the private matters and financial information of Agate Shareholders.

In summary, we respectfully request that the personal financial information in the Individual Shareholder Records remain redacted in any document disclosed to the public. If DBCS intends to disclose the information in contravention of Oregon public records laws, we ask DBCS to provide reasonable notice of at least five business days to seek judicial relief.

Thank you for your consideration of our request. Please let me know if you have any questions about this matter.

Sincerely,

John C. Rake
jrake@larkinsvacura.com

JCR/nes

cc: Terry Coplin, by email

EXECUTION VERSION

AGREEMENT AND PLAN OF MERGER

BY AND AMONG

CENTENE CORPORATION,

PREFONTAINE MERGER SUB, INC.,

AGATE RESOURCES, INC.

AND

JAMES DALTON,

AS THE STOCKHOLDER REPRESENTATIVE

January 25, 2015

TABLE OF CONTENTS

EXHIBITS AND SCHEDULES

Exhibits:

Exhibit A	-	Form of Stockholder Support Agreement
Exhibit B	-	Form of Articles of Incorporation of Surviving Corporation
Exhibit C	-	Form of Consideration Spreadsheet
Exhibit D	-	Form of Letter of Transmittal
Exhibit E	-	Form of Escrow Agreement
Exhibit F	-	Form of Paying Agent Agreement
Exhibit G	-	Form of Company Recommendation
Exhibit H	-	Bonus Target Covenants

Schedules:

Company Disclosure Schedule
Purchaser Disclosure Schedule
Working Capital Schedule
Bonus Target Schedule
RBC Schedule

AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER (this "**Agreement**") is made and entered into as of January 25, 2015, by and among Agate Resources, Inc., an Oregon corporation (the "**Company**"), Centene Corporation, a Delaware corporation ("**Purchaser**"), Prefontaine Merger Sub, Inc., a Delaware corporation and a wholly-owned direct subsidiary of Purchaser ("**Merger Sub**"), and James Dalton (the "**Stockholder Representative**"), as agent for the Company Holders. The Company, Purchaser, Merger Sub and the Stockholder Representative are sometimes collectively referred to herein as the "**Parties**" and individually as a "**Party**." Capitalized terms used herein and not otherwise defined herein have the meanings given to such terms in Article I.

The board of directors of the Company (the "**Company Board**"), at a meeting duly called and held at which all directors were present, has unanimously adopted resolutions (i) determining that this Agreement and the transactions provided for herein, including the consideration to be paid for each share of the Company's Common Stock in the merger of Merger Sub with and into the Company (the "**Merger**") is fair to the Stockholders, (ii) approving and adopting this Agreement and the transactions and agreements contemplated hereby, (iii) declaring this Agreement and the Merger advisable and directing that this Agreement be submitted to the Stockholders for their approval and adoption, (iv) recommending to the Stockholders that they vote in favor of and approve and adopt this Agreement in accordance with the terms hereof and (v) subject to the approval and adoption of this Agreement by the Stockholders, approving the filing of the Articles of Merger on the Closing Date ((i), (ii), (iii), (iv) and (v), collectively, the "**Company Recommendation**"), a copy of which is attached as Exhibit G.

The board of directors of each of Purchaser and Merger Sub has approved, and Purchaser, in its capacity as the sole stockholder of Merger Sub, and following the recommendation of the board of directors of Merger Sub, has approved, the Merger upon the terms and subject to the conditions set forth in this Agreement.

Concurrent with the execution and delivery of this Agreement, as a condition and an inducement to Purchaser's and Merger Sub's willingness to enter into this Agreement, certain Stockholders who hold as of the date of this Agreement in the aggregate no less than [redacted]% of the voting power of the outstanding Common Stock as of such time are entering into a stockholder support agreement, in the form attached as Exhibit A (the "**Stockholder Support Agreement**"), pursuant to which they have agreed, among other things, to vote all of their Common Stock in favor of this Agreement and the Merger and the transactions and agreements contemplated hereby.

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

In consideration of the mutual covenants, agreements and understandings contained herein, and intending to be legally bound, the Parties hereby agree as follows:

ARTICLE I

DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1 Definitions. For the purposes of this Agreement, the following terms have the meanings set forth below:

"**ACA Gross-Up**" means, [redacted]

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

"**Acceptable Confidentiality Agreement**" means a confidentiality agreement containing terms no less favorable to the Company than those contained in the Confidentiality Agreement.

"**Accounts Receivable**" has the meaning set forth in Section 3.9.

"**Acquisition Agreement**" means any letter of intent, agreement in principle, merger agreement, stock purchase agreement, asset purchase agreement, acquisition agreement, joint venture agreement, recapitalization agreement, support agreement, option agreement or similar agreement relating to an Acquisition Proposal.

"**Acquisition Proposal**" [redacted]

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

"**Action**" means any action, litigation (in Law or in equity), arbitration, mediation, suit, proceeding, indictment, demand, hearing, inquiry, investigation, examination, charge, complaint, audit, assessment or claim, whether civil, criminal, administrative, judicial or arbitrative in nature.

"**Additional Company Termination Fee**" means $[redacted]

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

"Additional Stockholder Representative Holdback Amount" means an amount, not to exceed 10% of any Deferred Purchase Price actually paid, that the Stockholder Representative reasonably requests, by written notice to Purchaser and the Escrow Agent at least five Business Days prior to Purchaser's distribution of any Deferred Purchase Price to the Paying Agent in accordance with this Agreement, to be deposited in the Representative Holdback Account.

"**Affiliate**" means (i) as to any Person, any other Person that directly or indirectly is in Control of, is Controlled by or is under common Control with such Person or (ii) as to any Person that is a natural Person, any such Person's spouse, parents, children or siblings, whether by blood, adoption or marriage, residing in such Person's home or any trust or similar entity for the benefit of any of the foregoing Persons.

"**Affiliated Group**" means any affiliated group as defined in Code §1504 that has filed a consolidated return for federal income Tax purposes (or any similar group under Law) for a period during which a Target Entity was a member.

"**Aggregate Merger Consideration**" means (i) the Initial Merger Consideration *plus* (ii) the Subsequent Merger Consideration.

"**Aggregate Option Exercise Price**" means the aggregate amount that would be paid to the Company in respect of all Options outstanding at the Closing if the holders thereof were exercising such Options for Option Shares at the Closing (whether such exercise price is in fact paid in cash or by cashless exercise of such Options).

"**Agreement**" has the meaning set forth in the preamble.

"**Antitakeover Laws**" means any "moratorium," "control share," "fair price," "affiliate transaction," "business combination" or other antitakeover Laws of any state or other jurisdiction.

"**Articles of Merger**" has the meaning set forth in Section 2.2.

"**Authorized Control Level RBC**" means, as of any particular time of determination, the number determined under the risk-based capital formula in accordance with the RBC Instructions applicable to the Regulated Target Entity.

"**Benefit Plan**" has the meaning set forth in Section 3.20(c).

"**Bonus Amount**" means $[redacted].

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

"**Bonus Amount Per Share**" means the product obtained by multiplying (i) the Bonus Amount and (ii) the Per Share Portion.

"**Bonus Target**" means (a) with respect to the calendar year ended December 31, 2015, Underwriting Margin of at least $[redacted] (b) with respect to the calendar year ended December 31, 2016, Underwriting Margin of at least $[redacted] and (c) with respect to the calendar year ended December 31, 2017, Underwriting Margin of at least $[redacted]

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

"**Business Day**" means a day that is not a Saturday, Sunday, legal holiday or other day on which banks are required to be closed in New York, New York.

"**Cash**" means, [redacted]

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

[redacted]

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

"**Certificates**" means the original certificates representing shares of Common Stock.

"**Closing**" has the meaning set forth in Section 2.11.

"**Closing Certificate**" has the meaning set forth in Section 2.8(a).

"**Closing Date**" has the meaning set forth in Section 2.11.

"**Closing Working Capital**" means the Working Capital of the Unregulated Target Entities as of the Closing.

"**COBRA**" has the meaning set forth in Section 3.20(b).

"**Code**" means the Internal Revenue Code of 1986, as amended, and any reference to any particular Code section shall be interpreted to include any revision of or successor to that section regardless of how numbered or classified.

"**Common Stock**" means the Company's Class A Common Stock and Class B Common Stock.

"**Community Investment Fund Amount**" means $[redacted]

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

"**Company**" has the meaning set forth in the preamble.

"**Company Action Level Event**" has the meaning given to that term under the state of Oregon Administrative Rules Section 836-011-0515.

"**Company Adverse Recommendation Change**" has the meaning set forth in Section 7.5(c)(i).

"**Company Board**" has the meaning set forth in the preamble.

"**Company Disclosure Schedule**" means the disclosure schedule delivered by the Company to Purchaser and Merger Sub and attached hereto.

"**Company Financial Advisor**" has the meaning set forth in Section 3.17.

"**Company Holders**" means, collectively, the Stockholders and Optionholders.

"**Company Indemnified Party**" has the meaning set forth in Section 9.2(b).

"**Company Material Adverse Effect**" means [redacted]

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

[redacted]

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

"**Company Recommendation**" has the meaning set forth in the preamble.

"**Company Systems**" has the meaning set forth in Section 3.15(d).

"**Company Target RBC Calculation**" has the meaning set forth in Section 2.8(a).

"**Company Termination Fee**" means [redacted]

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

"**Company Transaction Expenses**" means all fees, costs and expenses incurred by any of the Target Entities on or before the Closing in connection with this Agreement (including the negotiation thereof and discussions leading thereto) or the transactions contemplated hereby, including (i) fees and expenses of legal counsel, accountants, investment bankers and financial advisers (including the Company Financial Advisor), [redacted]% of the fees payable to the Paying Agent, [redacted]% of the fees payable to the Escrow Agent, counsel to the Stockholder Representative and any other representatives and consultants engaged by the Company, the Stockholders or the Stockholder Representative, (ii) (A) all change of control, stay, transaction bonus or similar payments (including, for the avoidance of doubt, any amounts paid to the Company's board of directors, Terry W. Coplin or David L. Cole in connection with the

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

Transaction), and (B) without duplication, all Liabilities or other obligations of the Target Entities under employee benefit arrangements, employment agreements, pension plans, incentive plans, deferred compensation or similar arrangements (including severance plans or bonus plans) that become due as a result of the consummation of the transactions contemplated hereby, (iii) (a) any payroll Taxes payable by any Target Entity with respect to the exercise or cancellation of Options in connection with the transactions contemplated by this Agreement and (b) all unpaid income and other Taxes for any Pre-Closing Tax Period, (iv) the cost of the D&O Insurance pursuant to Section 8.5(b) and (v) [redacted]% of any Transfer Taxes.

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

"**Confidentiality Agreement**" means the Confidentiality Agreement, dated as of January 16, 2013, by and between Purchaser and the Company, as amended from time to time in accordance with its terms.

"**Consideration Spreadsheet**" has the meaning set forth in Section 2.8(b).

"**Continuing Employees**" has the meaning set forth in Section 8.8(a).

"**Contract**" means any contract, indenture, instrument, note, bond, loan, lease, deed, mortgage, license, joint venture or other agreement or any agreement or commitment to enter into any of the foregoing (in each case, whether written or oral).

"**Control**" means the power to direct the management and policies of a Person by reason of ownership of voting securities, by Contract, by Order or otherwise.

"**County Loan**" means the Agreement (No. 50602) effective as of August 1, 2012 between the Company and Lane County, a political subdivision of the State of Oregon.

"D&O Insurance" has the meaning set forth in Section 8.5.

"**Deferred Purchase Price**" means $[redacted]

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

"**Deferred Purchase Price Per Share**" means the product obtained by multiplying (i) the Deferred Purchase Price and (ii) the Per Share Portion.

"**Dissenting Shares**" mean any shares of Common Stock that are issued and outstanding at the Closing and in respect of which dissenters' rights have been perfected in accordance with Sections 60.551 through 60.594 of the OBCA in connection with the Merger.

"**Divestiture Action**" has the meaning set forth in Section 7.4(b).

"**Effective Time**" has the meaning set forth in Section 2.2.

"**Employee Optionholder Percentage**" means a fraction, (i) the numerator of which is the total number of Option Shares held by employees of the Surviving Corporation, and (ii) the denominator of which is (a) the total number of shares of Common Stock issued and outstanding as of the Closing (for the avoidance of doubt, including all Dissenting Shares) plus (b) the total number of Option Shares as of the Closing.

"**Environmental and Safety Requirements**" means all federal, state, local and foreign statutes, regulations, ordinances and other provisions having the force or effect of Law, all judicial and administrative Orders and determinations and all common law, in each case concerning public health and safety, worker health and safety (but only to the extent such worker health and safety Laws relate to or regulate workplace exposures to Hazardous Materials), pollution or protection of the environment (including all those relating to the presence, use, production, generation, handling, transport, treatment, storage, disposal, distribution, labeling, testing, processing, discharge, Release, threatened Release, control or cleanup of any hazardous or otherwise regulated materials, substances or wastes, chemical substances or mixtures, pesticides, pollutants, contaminants, toxic chemicals, petroleum products or byproducts, asbestos, polychlorinated biphenyls, radiation or radon), each as are enacted and in effect on or before the Closing Date.

"**Equity Interest**" means, with respect to any Person, any share, capital stock or partnership, member or similar interest and any option, warrant, right or security convertible, exchangeable or exercisable therefor or other instrument or right the value of which is based on any of the foregoing.

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

"**ERISA Affiliate**" means a Person, other than a Target Entity, who would at any relevant time be treated as a single employer with any Target Entity under Section 414 of the Code.

"**Escrow Agent**" means Wilmington Trust, N.A., as the Escrow Agent under the Escrow Agreement.

"**Escrow Agreement**" has the meaning set forth in Section 5.4.

"**Estimated Indebtedness**" has the meaning set forth in Section 2.8(a).

"**Estimated RBC**" has the meaning set forth in Section 2.8(a).

"**Estimated Transaction Expenses**" has the meaning set forth in Section 2.8(a).

"**Estimated Working Capital**" has the meaning set forth in Section 2.8(a).

"**Excess Cash Amount**" means, without duplication, the aggregate amount of cash distributed by the Regulated Target Entity and Lane Individual Practice Association, Inc. to the Company pursuant to Section 7.3 and held by the Company at the Closing.

"**Excess Cash Amount Per Share**" means the product obtained by multiplying (i) the Excess Cash Amount and (ii) the Per Share Portion.

"**Exchange Act**" means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"**Exchange Fund**" has the meaning set forth in Section 2.8(d)(i).

"**Final Indebtedness**" has the meaning set forth in Section 2.12(g).

"**Final Merger Consideration**" means, as finally determined pursuant to Section 2.12, the sum of:

(i) $[redacted] ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

plus (ii) the Aggregate Option Exercise Price;

minus (iii) the excess, if any, of the Working Capital Target over the Final Working Capital;

plus (iv) the excess, if any, of the Final Working Capital over the Working Capital Target;

minus (v) the excess, if any, of the Target RBC over the Final RBC;

plus (vi) the excess, if any, of the Final RBC over the Target RBC;

minus (vii) the Final Indebtedness;

minus (viii) the Final Transaction Expenses;

minus (ix) the Stockholder Representative Holdback Amount; and

minus (x) [redacted]% of the Community Investment Fund Amount.
ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

"**Final Merger Consideration Adjustment Statement**" has the meaning set forth in Section 2.12(g).

"**Final RBC**" has the meaning set forth in Section 2.12(g).

"**Final Transaction Expenses**" has the meaning set forth in Section 2.12(g).

"**Final Working Capital**" has the meaning set forth in Section 2.12(g).

"**Financial Statements**" has the meaning set forth in Section 3.7(b).

"**Firm**" has the meaning set forth in Section 2.12(e).

"**Firm's Report**" has the meaning set forth in Section 2.12(e).

"**Fundamental Representations**" means [redacted]
ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

[redacted] ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

"**GAAP**" means United States generally accepted accounting principles, consistently applied.

"**Governing Documents**" means, with respect to any entity, the certificate or articles of incorporation, bylaws, certificate of formation, articles of organization, limited liability company agreement, operating agreement, certificate of partnership, partnership agreement and any other similar governing document.

"**Governmental Authority**" means any federal, state, local, provincial, municipal, national, international or other (i) government, (ii) governmental or quasi-governmental authority of any nature (including any governmental agency, department, official or entity and any court or other tribunal) or (iii) body exercising any arbitrative, administrative, executive, judicial, legislative, police or regulatory authority or Taxing Authority.

"**Hazardous Material(s)**" means any substance, material or waste, including special waste, that is characterized, classified, regulated or designated under any Environmental and Safety Requirements as hazardous, toxic, a pollutant or radioactive, including petroleum, asbestos, radiation, toxic mold and pesticides, or otherwise subject to imposition of liability or standards of conduct under any Environmental and Safety Requirements.

"**Health Care Laws**" means all federal, state and local health care Laws applicable to any Target Entity, including: the federal Anti-kickback Statute (42 U.S.C. § 1320a-7b(b)); any applicable state fraud and abuse prohibitions, including those that apply to all payors (governmental, commercial insurance and self-payors); the Anti-Inducement Law (42 U.S.C. § 1320a-7a(a)(5)); the Stark laws (42 U.S.C. § 1395nn); the civil False Claims Act (31 U.S.C. §§ 3729 et seq.); the administrative False Claims Law (42 U.S.C. § 1320a-7b(a)); the civil monetary penalty Laws (42 U.S.C. § 1320a-7a); the exclusion Laws (42 U.S.C. 1320a-7); the Federal Program Fraud Civil Remedies Act (31 U.S.C. § 3801 et. Seq.); ownership and control (42 C.F.R. 455.104); business transactions (42 C.F.R. 455.105); conviction of crimes (42 C.F.R. 455.106); public entity crimes; the Patient Protection and Affordable Care Act (Pub. L. 111-148) as amended by the Health Care and Education Reconciliation Act of 2010 (Pub. L. 111-152); the Medicare Program Laws (including Title XVIII of the Social Security Act) and Laws relating to Medicaid programs (including Title XIX of the Social Security Act) and the regulations adopted thereunder including 42 C.F.R. Parts 422 and 423 and the Centers for Medicare and Medicaid Services guidance found in the Medicare Managed Care Manual and the Medicare Prescription Drug Manual; and disbarment and suspension (52 Fed. Reg., pages 20360- 20369, and Section 4707 of the Balanced Budget Act of 1997); all Laws relating to the licensure, certification, qualification or authority to transact business in connection with the provision of, payment for or arrangement of health care services or supplies, health benefits or health insurance; state Laws governing the participation in or operation of a Coordinated Care Organization under ORS Chapter 414 (including the regulations promulgated thereunder) or a Health Care Service Contractor under ORS Chapter 750 (including the other statutes cross referenced and the regulations promulgated thereunder); all state medical practice and corporate practice of medicine Laws and regulations (including common law), and state professional fee-splitting Laws and regulations (including

common law); HIPAA, and any comparable state or local Laws; all Laws relating to coding, coverage, reimbursement, claims submission, billing and collections related to third party payors including government programs or otherwise related to insurance fraud; any applicable state pharmacy board Laws and the regulations promulgated pursuant to such Laws, each as amended from time to time.

"**Health Care Programs**" has the meaning set forth in Section 3.28.

"**HIPAA**" means the Health Insurance Portability and Accountability Act of 1996, as amended, including the corresponding federal privacy regulations and security regulations codified in the Code of Federal Regulations at 45 C.F.R. parts 160 and 164, and the Health Information Technology for Economic and Clinical Health Act provisions of the American Recovery and Reinvestment Act of 2009, Pub. Law No. 111-5 and its implementing regulations.

"**HSR Act**" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

"**Indebtedness**" means, [redacted]

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

"**Indemnified Party**" has the meaning set forth in Section 9.2(c).

"**Indemnifying Party**" has the meaning set forth in Section 9.2(c).

"**Individual Matter**" means any (i) indemnification claim or (ii) series of indemnification claims arising from the same underlying facts, events, occurrences or circumstances.

"**Initial Merger Consideration**" means an initial cash amount, payable at the Effective Time in accordance with Section 2.8, equal to:

(i) $[redacted] ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

plus (ii) the Aggregate Option Exercise Price;

minus (iii) the excess, if any, of the Working Capital Target over the Estimated Working Capital;

plus (iv) the excess, if any, of the Estimated Working Capital over the Working Capital Target;

minus (v) the excess, if any, of the Target RBC over the Estimated RBC;

plus (vi) the excess, if any, of the Estimated RBC over the Target RBC;

minus (vii) the Estimated Indebtedness;

minus (viii) the Estimated Transaction Expenses;

minus (ix) the Stockholder Representative Holdback Amount; and

minus (x) [redacted]% of the Community Investment Fund Amount. ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

"**Initial Merger Consideration Per Share**" means the product obtained by multiplying (i) the Initial Merger Consideration and (ii) the Per Share Portion.

"**Intellectual Property Rights**" means all intellectual property and proprietary rights throughout the world, including all of the following: (i) patents, patent applications, patent disclosures and inventions; (ii) Internet domain names, trademarks, service marks, trade dress, trade names, logos and corporate names and registrations and applications for registration thereof together with all of the goodwill associated therewith; (iii) copyrights (registered or unregistered) and copyrightable works and registrations and applications for registration thereof; (iv) mask works and registrations and applications for registration thereof; (v) computer software, data, data bases and documentation thereof; (vi) trade secrets and other confidential information (including ideas, formulas, compositions, inventions (whether patentable or unpatentable and whether or not reduced to practice), know how, manufacturing and production processes and techniques, research and development information, drawings, specifications, designs, plans, proposals, technical data, financial and marketing plans and customer and supplier lists and information); and (vii) copies and tangible embodiments thereof (in whatever form or medium).

"**Inter-Party Claim**" has the meaning set forth in Section 9.4.

"**Knowledge**" (i) with respect to the Company, means: the actual knowledge, after due inquiry, of Terry Coplin, David Cole, Patrice Korjenek, Shannon Conley, Colleen Connelly or Kristi Seidel; and (ii) with respect to Purchaser or Merger Sub, means the actual knowledge, after due inquiry, of Keith Williamson. Due inquiry for this purpose means using reasonable diligence with respect to the particular matter in question.

"**Latest Balance Sheet**" has the meaning set forth in Section 3.7(a)(ii).

"**Latest STAT Balance Sheet**" has the meaning set forth in Section 3.6(a).

"**Law**" means all foreign, national, federal, provincial, state or local laws, statutes, rules, regulations, codes, principles of common law in the applicable jurisdiction, Orders or requirements of any Governmental Authority.

"**Leased Real Property**" means all leasehold or subleasehold estates and other rights to use or occupy any land, buildings, structures, improvements, fixtures or other interests in real property held by any Target Entity.

"**Leases**" has the meaning set forth in Section 3.26.

"**Letter of Transmittal**" has the meaning set forth in Section 7.9(d).

"**Liabilities**" mean all liabilities, debts, interest, obligations, Taxes, commitments, demands, penalties, judgments, awards, settlements, assessments, fines, costs, expenses (including attorneys', professionals' and consultants' fees and expenses and all other amounts paid in investigation, defense or settlement), losses, damages, claims, causes of action, deficiencies, guaranties or endorsements, in each case whether direct or indirect, whether absolute or contingent, whether known or unknown, whether asserted or unasserted, whether accrued or unaccrued, whether liquidated or unliquidated, and whether due or to become due, whenever arising and regardless of when asserted, including all fees, costs and expenses relating thereto.

"**Lien**" or "**Liens**" means any lien (statutory or other), mortgage, pledge, security interest, lease, easement, restriction, covenant, condition, option, claim, deed of trust, deed to secure debt, right of first refusal, right of first offer, charge, Tax or other encumbrance of any kind, or any filing or agreement to file any financing statement as a debtor under the Uniform Commercial Code or any similar Law.

"**Loss**" or "**Losses**" means, collectively, with respect to any Person, all damages, Liabilities, demands, claims, actions, causes of action, costs, deficiencies, penalties, fines or other losses or expenses (including attorneys' fees and disbursements, court costs and other out-of-pocket expenses), whether or not arising out of a third party claim (including interest, penalties and expenses), against or affecting such Person, and including all amounts paid in investigation, defense or settlement of any of the foregoing.

"**Material Contract**" has the meaning set forth in Section 3.14(b).

"**Maximum Merger Consideration Per Share**" means the sum of the Initial Merger Consideration Per Share, the Deferred Purchase Price Per Share and the Bonus Amount per Share, assuming full payment of the Deferred Purchase Price and the Bonus Amount to the Company Holders.

"**Maximum Premium Amount**" has the meaning set forth in Section 8.5(b).

"**Merger**" has the meaning set forth in the preamble.

"**Merger Consideration Adjustment Statement**" has the meaning set forth in Section 2.12(a).

"**Merger Consideration Per Option**" has the meaning set forth in Section 2.7(b).

"**Merger Consideration Per Share**" has the meaning set forth in Section 2.7(a).

"**Merger Sub**" has the meaning set forth in the preamble.

"**Merger Sub Common Stock**" means the common stock, par value $0.01 per share, of Merger Sub.

"**Multiemployer Plan**" means a multiemployer plan within the meaning of Section 3(37) of ERISA.

"**Necessary Stockholder Approval**" has the meaning set forth in Section 3.4(a).

"**Negative Merger Consideration Adjustment Amount**" has the meaning set forth in Section 2.12(i).

"**Non-Employee Optionholder Percentage**" means a fraction, (i) the numerator of which is the total number of Option Shares held by non-employees of the Surviving Corporation, and (ii) the denominator of which is (a) the total number of shares of Common Stock issued and outstanding as of the Closing (for the avoidance of doubt, including all Dissenting Shares) plus (b) the total number of Option Shares as of the Closing.

"**Notice Period**" has the meaning set forth in Section 7.5(d)(iii).

"**OBCA**" has the meaning set forth in Section 2.1.

"**Objection Notice**" has the meaning set forth in Section 2.12(c).

"**Option Plan**" means the 2004 Stock Incentive Plan.

"**Option Shares**" means the shares of Common Stock issuable upon exercise of the Options in full, assuming that the Options are exercisable for shares of Common Stock whether or not vested in accordance with the terms of the Options (and assuming exercise immediately before the Closing on a cash basis, not a net exercise or other cashless basis).

"**Optionholder**" means each holder, as of the Closing, of an Option exercisable for Option Shares.

"**Options**" means options to purchase shares of Common Stock, whether issued under the Option Plan or otherwise.

"**Order**" means any order, writ, judgment, injunction, consent, directive, decision, decree, stipulation, ruling, assessment or award of, or agreement with or by, any Governmental Authority.

"**Ordinary Course of Business**" means the usual and ordinary course of business, consistent with past practice, including with respect to quantity and frequency.

"**Owned Real Property**" means all land, together with all buildings, structures, improvements and fixtures located thereon, and all easements and other rights and interests appurtenant thereto, owned by any Target Entity.

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

"**Paying Agent**" means Wilmington Trust, N.A., as paying agent under the Paying Agent Agreement.

"**Paying Agent Agreement**" has the meaning set forth in Section 5.5.

"**Payment Program**" has the meaning set forth in Section 3.23(e).

"**Payoff Letters**" has the meaning set forth in Section 5.13.

"**Per Share Portion**" means a fraction, the numerator of which is one, and the denominator of which is (i) the total number of shares of Common Stock issued and outstanding as of the Closing (for the avoidance of doubt, including all Dissenting Shares) plus (ii) the total number of Option Shares.

"**Permits**" means all permits, licenses, approvals, consents, certifications, registrations, accreditations and authorizations from any Governmental Authority that are required in order for the Target Entities to conduct the business of the Target Entities in the manner and in the jurisdictions as presently conducted.

"**Permitted Liens**" means (i) Liens for current Taxes not yet due and payable or the amount or validity of which is being contested in good faith by appropriate proceedings by the Company and for which appropriate reserves have been established in accordance with GAAP; (ii) mechanics', carriers', workers', repairers' and similar statutory Liens arising or incurred in the Ordinary Course of Business for amounts which are not yet due and payable or the amount or validity of which is being contested in good faith by appropriate proceedings by the Company and for which appropriate reserves have been established in accordance with GAAP; (iii) zoning ordinances regulating the use or occupancy of any Real Property that are imposed by any Governmental Authority having jurisdiction over such Real Property that are not violated by the current use or occupancy of such Real Property; (iv) covenants, conditions, restrictions, easements and other similar matters of record affecting title to the Owned Real Property or Leased Real Property that do not materially impair the occupancy or use of the Owned Real Property or Leased Real Property for the purposes for which it is currently used or proposed to be used in connection with the Company's business; (v) the mortgages and trust deeds affecting the interest of the landlord/lessor under the Leases (or affecting the interest of the landlord/lessor under any ground lease referenced in the Leases) in the real property that is leased or subleased by the Leases, each as set forth on Section 1.1(a) of the Company Disclosure Schedule; and (vi) the ground leases and other leases referenced in the Leases and affecting the Leased Real Property, each as set forth on Section 1.1(b) of the Company Disclosure Schedule.

"**Person**" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a general partnership, a limited partnership, a limited liability partnership, a trust (including a business trust), an estate, a joint venture, an unincorporated organization or a governmental entity or any department, agency or political subdivision thereof.

"**Personally Identifiable Information**" has the meaning set forth in Section 3.15(e).

"**Positive Merger Consideration Adjustment Amount**" has the meaning set forth in Section 2.12(h).

"**Positive Merger Consideration Adjustment Amount Per Share**" means the product obtained by multiplying (i) the Positive Merger Consideration Adjustment Amount and (ii) the Per Share Portion.

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

"**Pre-Closing Tax Period**" has the meaning set forth in Section 8.1(a).

"**Pro Rata Share**" means, with respect to each Company Holder, a fraction, (i) the numerator of which is (a) the total number of shares of Common Stock outstanding as of the Closing and held by such Company Holder (for the avoidance of doubt, less Dissenting Shares as of the time of measurement) plus (b) the total number of Option Shares held by such Company Holder, and (ii) the denominator of which is (x) the total number of shares of Common Stock issued and outstanding as of the Closing (for the avoidance of doubt, including all Dissenting Shares) plus (y) the total number of Option Shares as of the Closing.

"**Provider**" has the meaning set forth in Section 3.27(a).

"**Provider Agreement**" means a Contract with a physician, health care provider group, independent practice association, physician-hospital organization, ancillary health care service provider or other health care service provider to provide or arrange for the provision of health care services to individuals enrolled in a health care benefit program offered by a Target Entity.

"**Proxy Statement**" has the meaning set forth in Section 7.9(a).

"**Purchaser**" has the meaning set forth in the preamble.

"**Purchaser Disclosure Schedule**" means the disclosure schedule delivered by Purchaser to the Company and attached hereto.

"**Purchaser Indemnified Party**" or "**Purchaser Indemnified Parties**" has the meaning set forth in Section 9.2(a).

"**Qualifying Acquisition Proposal**" means [redacted]

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

"**RBC Instructions**" means the risk based capital report, including risk based capital instructions adopted by the National Association of Insurance Commissioners, as such RBC Instructions may be amended from time to time by the National Association of Insurance Commissioners.

"**RBC Measurement Time**" means (a) with regard to RBC TTM Components, (i) if the Closing occurs on or before April 1, 2015, then December 31, 2014, or (ii) if the Closing occurs after April 1, 2015, then the last day of the calendar month in which the Closing occurs and (b) with regard to all other components of Risk Based Capital, the Closing.

"**RBC TTM Components**" means components of Risk Based Capital or Authorized Control Level RBC, as the case may be, that require a 12-month income statement value or metric for determination.

"**Real Property**" has the meaning set forth in Section 3.26.

"**Record Date**" has the meaning set forth in Section 7.9(e)(ii).

"Regulated Target Entity" means Trillium Community Health Plan, Inc.

"**Reimbursement Claims**" has the meaning set forth in Section 3.28.

"**Release**" has the meaning set forth in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended.

"**Representative Holdback Account**" means a bank account designated in writing by the Escrow Agent into which the Stockholder Representative Holdback Amount and the Additional Stockholder Representative Holdback Amount shall be deposited.

"**Representatives**" means officers, directors, agents, employees, auditors, attorneys, accountants, financial advisors and other advisors and representatives of a Person.

"**Risk Based Capital**" means, as of any particular time of determination, the amount of capital (assets minus liabilities) that the Regulated Target Entity maintains based on the inherent risks (and the degree of risk) in the insurance operations of the Regulated Target Entity associated with its operations and investments, calculated in accordance with the NAIC's Risk-Based Capital (RBC) for Health Organizations Model Act and the formula set forth in the RBC Instructions, consistent with the covenants set forth on the RBC Schedule and, to the extent not inconsistent therewith, the past practice of the Regulated Target Entity.

"**Securities Act**" shall mean the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"**STAT**" means the statutory accounting practices prescribed or permitted by the Oregon Insurance Division applied on a consistent basis.

"**STAT Financial Statements**" has the meaning set forth in Section 3.6(a).

"**Stockholder**" means a stockholder of the Company and "**Stockholders**" means all of the stockholders of the Company.

"**Stockholder Percentage**" means a fraction, (i) the numerator of which is the total number of shares of Common Stock outstanding as of the Closing (for the avoidance of doubt, including all Dissenting Shares) and (ii) the denominator of which is (a) the total number of shares of Common Stock issued and outstanding as of the Closing (for the avoidance of doubt, including all Dissenting Shares) *plus* (b) the total number of Option Shares as of the Closing.

"**Stockholder Representative**" has the meaning set forth in the preamble.

"**Stockholder Representative Holdback Amount**" means [redacted].
ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

"**Stockholder Representative Statement**" has the meaning set forth in Section 2.12(j).

"**Stockholder Support Agreement**" has the meaning set forth in the preamble.

"**Stockholders Meeting**" has the meaning set forth in Section 7.9(e)(i).

"**Stoel Rives**" has the meaning set forth in Section 8.7(b).

"**Straddle Period**" has the meaning set forth in Section 8.1(b).

"**Subsequent Merger Consideration**" means contingent cash amounts, payable after the Effective Time, consisting of (i) the Deferred Purchase Price, if any, and the Bonus Amount, if any, in each case paid in accordance with Section 2.9 and (ii) the amount released from the Representative Holdback Account, if any, in accordance with Section 2.13.

"**Subsidiary**" means, with respect to any Person, any corporation, limited liability company, partnership, association or other business entity of which (i) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof or (ii) if a limited liability company, partnership, association or other business entity, a majority of the partnership or other similar ownership interest thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more Subsidiaries of that Person or a combination thereof. For purposes hereof, a Person or Persons shall be deemed to have a majority ownership interest in a limited liability company, partnership, association or other business entity if such Person or Persons shall be allocated a majority of the limited liability

company, partnership, association or other business entity gains or losses or shall be or Control any managing director or general partner of such limited liability company, partnership, association or other business entity.

"**Successor Benefit Plans**" has the meaning set forth in Section 8.8(b).

"**Superior Proposal**" means a bona fide written Acquisition Proposal (in each case for [redacted]% of the issued and outstanding Equity Interests or [redacted]% of the assets of the Target Entities on a consolidated basis) that (a) was not solicited in violation of Section 7.5, (b) is not subject to any financing condition to close and (c) the Company Board determines in good faith, after consultation with its independent financial advisor and outside legal counsel, and taking into consideration, among other things, all of the terms, conditions, impact and all legal, financial, regulatory and other aspects of such Acquisition Proposal and this Agreement (in each case taking into account any revisions to this Agreement made or proposed in writing by Purchaser prior to the time of determination), including financing, regulatory approvals, identity of the Person or group making the Acquisition Proposal, and breakup fee and expense reimbursement provisions, (i) is reasonably likely to be consummated in accordance with its terms and (ii) would result in a transaction that is more favorable to the Stockholders from a financial point of view than the transactions provided for in this Agreement (after taking into account the expected timing and risk and likelihood of consummation). ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

"**Surviving Corporation**" has the meaning set forth in Section 2.1.

"**Target Entities**" means the Company and its Subsidiaries.

"**Target RBC**" means the product of [redacted] and the Authorized Control Level RBC as of the Target RBC Time. For purposes of the Initial Merger Consideration, Target RBC will be determined and agreed to by the Parties at or prior to the Closing, and, if the parties are unable to agree on the Target RBC prior to the Closing, then the Target RBC will be as reflected in the Company Target RBC Calculation, delivered by the Company pursuant to Section 2.8(a). For purposes of the Final Merger Consideration, Target RBC will be the same as used in the calculation of the Initial Merger Consideration, provided that, if Purchaser disagrees with the Company Target RBC Calculation, then Purchaser may, in its sole discretion, submit its own calculation of the Target RBC together with the Merger Consideration Adjustment Statement to the Firm for resolution and determination of the Target RBC. In the event of such submission, the parties shall follow the dispute resolution procedures set forth in Section 2.12(e)-(f), and (i) the Target RBC shall be as determined by the Firm, (ii) the Final Merger Consideration shall be calculated using the Target RBC as so determined and (iii) the Positive Merger Consideration Adjustment Amount or Negative Merger Consideration Adjustment Amount, as the case may be, shall be calculated after taking into account the preceding clauses (i) and (ii).
ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

"**Target RBC Time**" means (a) with regard to RBC TTM Components, (i) if the Closing occurs on or before April 1, 2015, then December 31, 2014, or (ii) if the Closing occurs after April 1, 2015, then the last day of the calendar month prior to the calendar month in which the Closing occurs and (b) with regard to all other components of Authorized Control Level RBC, the Closing Date.

"**Tax**" or "**Taxes**" means federal, state, county, local, foreign or other income, gross receipts, ad valorem, franchise, profits, sales or use, transfer, registration, excise, utility, environmental, communications, real or personal property, capital stock, escheat, license, payroll, wage or other withholding, employment, social security, severance, stamp, occupation, alternative or add-on minimum, estimated and other taxes of any kind whatsoever (including deficiencies, penalties, additions to tax and interest attributable thereto).

"**Tax Return**" means any return, claim for refund, information report or filing with respect to Taxes, including any schedules attached thereto and including any amendment thereof.

"**Taxing Authority**" means the Internal Revenue Service and any other state, local or foreign Governmental Authority responsible for the collection of or enforcement of the payment of Taxes.

"**Termination Date**" has the meaning set forth in Section 10.2(a).

"**Third Party**" means any Person or group (as defined in Section 13(d)(3) of the Exchange Act) other than the Company, Purchaser, Merger Sub or any Affiliate of any of the foregoing.

"**Third Party Approvals**" has the meaning set forth in Section 5.7.

"**Threshold**" has the meaning set forth in Section 9.2(c)(i).

"**Transfer Taxes**" has the meaning set forth in Section 8.1(g).

"**Underwriting Margin**" means [redacted]

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

"**Unregulated Target Entities**" means the Company and its Subsidiaries, other than the Regulated Target Entity.

"**Unresolved Claim Amount**" has the meaning set forth in Section 2.9.

"**Unsurrendered Shares**" means, as of any payment date, the shares of Common Stock that were outstanding at the Closing and for which a Certificate has not been properly surrendered as of the close of business on the day preceding such payment date (other than Dissenting Shares).

"**Unused Stockholder Representative Holdback Amount**" means the aggregate of all amounts released from the Representative Holdback Account to the Company Holders pursuant to Section 2.13.

"**Unused Stockholder Representative Holdback Amount Per Share**" means the product obtained by multiplying (i) the Unused Stockholder Representative Holdback Amount and (ii) the Per Share Portion.

"**WARN Act**" has the meaning set forth in Section 3.19.

"**Working Capital**" means [redacted]

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

"**Working Capital Target**" means $[redacted]

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

Section 1.2 Interpretive Provisions. Unless the express context otherwise requires:

(a) the words "hereof," "herein," "hereunder," "hereto" and "herewith" and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement;

(b) words defined in the singular shall have a comparable meaning when used in the plural, and vice versa;

(c) the words "Dollars" and "$" mean U.S. dollars, and the aggregate of each payment to a Company Holder will be rounded to the nearest penny;

(d) references herein to a specific Section, Subsection, Recital or Exhibit shall refer, respectively, to the Sections, Subsections, Recitals or Exhibits of this Agreement;

(e) unless otherwise specified, the use herein of the word "include" or "including" when following any statement, term or matter shall not be construed to limit such statement, term or matter to the specific items or matters set forth following such word or to similar items or matters, whether or not non-limiting language (such as "without limitation," "but not limited to" or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that fall within the broadest possible scope of such general statement, term or matter;

(f) references herein to any gender shall include each other gender;

(g) references herein to any Person shall include such Person's heirs, executors, personal representatives, administrators, successors and assigns; *provided*, *however*, that nothing

contained in this clause (g) is intended to authorize any assignment or transfer not otherwise permitted by this Agreement;

(h) the word "or" shall be disjunctive but not exclusive;

(i) references herein to any Law shall be deemed to refer to such Law as amended, reenacted, supplemented or superseded in whole or in part and in effect from time to time and also to all rules and regulations promulgated thereunder;

(j) the phrase "made available" shall mean that the referenced document or other material was posted and continuously accessible to Purchaser and its Representatives in the electronic data room located at https://sp.agatehealthcare.com/mateam/default.aspx no less than five calendar days prior to the date of this Agreement and remained so posted and accessible through the date of this Agreement;

(k) the headings and captions contained in this Agreement and the table of contents to this Agreement are intended solely for convenience and shall not affect the rights of the parties to this Agreement or the meaning or interpretation of this Agreement;

(l) any capitalized terms used in any Schedule or Exhibit attached hereto and not otherwise defined therein shall have the meanings set forth in this Agreement;

(m) the Parties intend that each representation, warranty and covenant contained herein shall have independent significance; if any Party has breached any representation, warranty or covenant contained herein in any respect, the fact that there exists another representation, warranty or covenant relating to the same subject matter (regardless of the relative levels of specificity) that the Party has not breached shall not detract from or mitigate the fact that the Party is in breach of the first representation, warranty or covenant;

(n) the word "extent" in the phrase "to the extent" shall mean the degree to which a subject or other thing extends, and such phrase shall not simply mean "if";

(o) except with respect to the STAT Financial Statements, any accounting term used in this Agreement shall have, unless otherwise specifically provided herein, the meaning customarily given to such term in accordance with GAAP and, except with respect to the STAT Financial Statements, all financial computations hereunder shall be computed, unless otherwise specifically provided herein, in accordance with GAAP, and, with respect to the STAT Financial Statements, any accounting term used in this Agreement shall have, unless otherwise specifically provided herein, the meaning customarily given to such term in accordance with STAT to the extent applicable;

(p) all references herein to any period of days shall mean the relevant number of calendar days unless otherwise specified;

(q) if the last day for the giving of any notice or the performance of any act required or permitted under this Agreement is a day that is not a Business Day, then the time for the giving of such notice or the performance of such action shall be extended to the next succeeding Business Day; and

(r) where any provision in this Agreement refers to action to be taken by any Person, or that such Person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such Person, including actions taken by or on behalf of any Affiliate of such Person.

The parties to this Agreement have been represented by counsel during the negotiation and execution of this Agreement and waive the application of any laws or rule of construction providing that ambiguities in any agreement or other document shall be construed against the party drafting such agreement or other document.

ARTICLE II

MERGER AND OTHER TRANSACTIONS

Section 2.1 Merger. Upon the terms and subject to the conditions of this Agreement, at the Effective Time, and in accordance with the applicable provisions of the Oregon Business Corporation Act (the "**OBCA**"), Merger Sub shall merge with and into the Company, the separate corporate existence of Merger Sub shall cease and the Company shall continue as the surviving corporation in the Merger. The Company, in its capacity as the corporation surviving the Merger, is hereinafter sometimes referred to as the "**Surviving Corporation.**"

Section 2.2 Effective Time. On the Closing Date, Purchaser and the Company shall cause the Merger to be consummated by filing articles of merger as required by the OBCA (the "**Articles of Merger**") with the Secretary of State of the State of Oregon, in such form as required by, and executed in accordance with, the relevant provisions of the OBCA, effective as of 12:01 a.m. on the first day of the calendar month immediately following the calendar month in which the Closing occurs (such time, or such other time (if any) as Purchaser and the Company shall agree upon and specify in the Articles of Merger, being the "**Effective Time**").

Section 2.3 Effects of the Merger. At the Effective Time, the effect of the Merger shall be as provided in this Agreement and the Articles of Merger and as specified in the OBCA. Without limiting the generality of the foregoing, and subject thereto, at the Effective Time all of the properties, rights, privileges, powers and franchises of the Company and Merger Sub shall vest in the Surviving Corporation and all of the debts, liabilities and duties of the Company and Merger Sub shall become the debts, liabilities and duties of the Surviving Corporation.

Section 2.4 Articles of Incorporation. The Articles of Incorporation of the Company as in effect at the Closing shall by virtue of the Merger be amended and restated in its entirety to read as set forth in Exhibit B and become the Articles of Incorporation of the Surviving Corporation and, as so amended and restated, shall be the Articles of Incorporation of the Surviving Corporation until duly amended in accordance with the provisions thereof and applicable Law.

Section 2.5 Bylaws. The bylaws of the Company as in effect at the Closing shall by virtue of the Merger be amended and restated in their entirety to be identical to the bylaws of Merger Sub (except that the corporation's name will be the name of the Surviving Corporation) and, as so amended and restated, shall be the bylaws of the Surviving Corporation until duly

amended in accordance with the provisions thereof, the provisions of the Articles of Incorporation of the Surviving Corporation and applicable Law.

Section 2.6 Officers and Directors. Subject to applicable Law, the officers and directors of Merger Sub at the Closing shall be the officers and directors of the Surviving Corporation, and shall hold office until their respective successors are duly elected and qualified or their earlier death, resignation or removal.

Section 2.7 Effect on Common Stock and Options. As of the Effective Time, by virtue of the Merger and without any action on the part of any Party:

(a) Common Stock. Each share of Common Stock issued and outstanding as of the Closing (other than (i) any Dissenting Shares and (ii) any Common Stock owned by Purchaser or any of its Affiliates) shall, by virtue of the Merger, be converted into the right to receive from (A) the Company in accordance with the provisions hereof the Excess Cash Amount Per Share and (B) from Purchaser in accordance with the provisions hereof (1) the Initial Merger Consideration Per Share, (2) the Deferred Purchase Price Per Share, if any, (3) the Bonus Amount Per Share, if any, and (4) the Unused Stockholder Representative Holdback Amount Per Share, if any, in each case, that becomes payable hereunder with respect to such share of Common Stock ((A) and (B), collectively, the "**Merger Consideration Per Share**"), each without interest or dividends thereon, upon the proper surrender of the Certificate formerly representing such share of Common Stock in the manner provided in the Letter of Transmittal. From and after the Effective Time, all such shares of Common Stock shall no longer be outstanding and shall automatically be canceled and shall cease to exist, and each holder of a Certificate representing any such shares shall cease to have any rights with respect thereto, except the right pursuant to this Section 2.7(a) to receive the Merger Consideration Per Share.

(b) Options. Prior to the Closing, the Company shall take all actions that are necessary to cause, effective at the Effective Time, each Option to become fully vested and exercisable, and to be canceled in exchange for the right to receive, less any applicable withholding Taxes, in the manner provided in Section 2.14, an amount per Option Share equal to: (A) the excess of the Initial Merger Consideration Per Share over the exercise price of such Option, (B) the Deferred Purchase Price Per Share, if any, (C) the Bonus Amount Per Share, if any, (D) the Unused Stockholder Representative Holdback Amount Per Share, if any, and (E) the Excess Cash Amount Per Share ((A), (B), (C), (D) and (E), collectively, the "**Merger Consideration Per Option**"), in each case without interest or dividends thereon and upon the delivery of a completed and duly executed Letter of Transmittal in accordance with the terms thereof.

(c) Merger Sub Common Stock. Each share of Merger Sub Common Stock issued and outstanding at the Closing shall be converted into and become one fully paid and nonassessable share of voting common stock, par value $0.01 per share, of the Surviving Corporation.

(d) Cancellation of Purchaser-Owned Stock. Each share of Common Stock that is owned by Purchaser or any of its Affiliates at the Closing shall automatically be cancelled and

retired and shall cease to exist at the Effective Time without payment of any consideration therefor.

(e) Dissenting Shares. Notwithstanding any provision to the contrary contained in this Agreement, any Dissenting Shares shall not be converted into the right to receive the Merger Consideration Per Share, but shall instead be converted into the right to receive such consideration as may be determined to be due with respect to any such Dissenting Shares pursuant to the OBCA. Each holder of Dissenting Shares who, pursuant to the provisions of the OBCA, becomes entitled to payment thereunder for such shares shall receive payment therefor in accordance with the OBCA (but only after the value therefor shall have been agreed upon or finally determined pursuant to the OBCA). If, after the Effective Time, any Dissenting Share shall lose its status as a Dissenting Share, then any such share shall immediately be converted into the right to receive the Merger Consideration Per Share in respect of such previously Dissenting Share as if such share of Common Stock had never been a Dissenting Share, and the Paying Agent shall issue and deliver to the holder thereof at (or as promptly as reasonably practicable after) the applicable time or times specified in this Agreement the Merger Consideration Per Share as if such share had never been a Dissenting Share. The Company shall give Purchaser prompt notice of any demands for payment received by the Company pursuant to Sections 60.564, 60.571 or 60.587 of the OBCA, and withdrawals of such demands. Except (i) prior to Closing, with the prior written consent of Purchaser (not to be unreasonably withheld, conditioned or delayed), and (ii) after Closing, with prior consultation with the Stockholder Representative, the Company shall not voluntarily make any payment or offer to make any payment with respect to, or settle or offer to settle, any Action in respect of any Dissenting Shares.

Section 2.8 Payment of Initial Merger Consideration and Deliveries.

(a) At least 10 Business Days (but no more than 20 days) prior to the Closing, the Company shall deliver to Purchaser a statement duly certified by the Company's Chief Financial Officer on behalf of the Company setting forth in reasonable detail the Company's good faith calculation of the Target RBC (the "**Company Target RBC Calculation**"). At least five Business Days (but no more than ten Business Days) prior to the Closing, the Company shall deliver to Purchaser a statement (the "**Closing Certificate**") duly certified by the Company's Chief Financial Officer on behalf of the Company setting forth in reasonable detail the Company's good faith calculation of, as of the Closing (other than as to the Risk Based Capital of the Regulated Target Entity), (i) Working Capital ("**Estimated Working Capital**"), (ii) Indebtedness ("**Estimated Indebtedness**"), (iii) unpaid Company Transaction Expenses ("**Estimated Transaction Expenses**"), (iv) Risk Based Capital of the Regulated Target Entity as of the RBC Measurement Time ("**Estimated RBC**") and (v) the resulting Initial Merger Consideration, each based upon the most recent ascertainable financial information and records of the Target Entities and, to the extent available, the applicable Payoff Letters in accordance with Section 5.13.

(b) At least five Business Days (but no more than seven Business Days) prior to the Closing, the Company shall deliver to Purchaser a spreadsheet (the "**Consideration Spreadsheet**") duly certified by the Company's Chief Financial Officer on behalf of the Company, in substantially the form of Exhibit C, which spreadsheet shall set forth all of the following information, as of the Closing: (i) the names of all the Company Holders; (ii) the number and kind of shares of Common Stock held by such Persons and the respective Certificate numbers; (iii) for

each Option held by such Person, the number of Option Shares underlying such Option, the number of Option Shares underlying such Option and the exercise price of the Option Shares; (iv) a schedule setting forth, for each Company Holder, such Person's Pro Rata Share of (A) the Initial Merger Consideration, (B) the Deferred Purchase Price, (C) the Bonus Amount, (D) the Stockholder Representative Holdback Amount and (E) the Excess Cash Amount; and (v) a schedule setting forth the respective amounts of the payments and deliveries to be made to each recipient pursuant to clauses (i) through (vi) of Section 2.8(d). The Company may amend the Consideration Spreadsheet before the Closing to reflect changes in Dissenting Shares between delivery and the Closing.

(c) Each item included in the Closing Certificate and the Consideration Spreadsheet shall be calculated in accordance with the corresponding definitions in this Agreement. The Closing Certificate shall be prepared in accordance with GAAP (as applied in the Working Capital Schedule), except with respect to the Risk Based Capital, which shall be prepared in accordance with STAT. In the event Purchaser notifies the Company prior to the Closing that it disputes any amount set forth in the Closing Statement or the Consideration Spreadsheet, Purchaser and the Company shall cooperate in good faith to resolve any such dispute as promptly as practicable prior to the Closing Date. If, prior to the Closing, Purchaser and the Company agree in writing to any disputed component on the Closing Certificate or the Consideration Spreadsheet, then such component shall be modified as so agreed. If Purchaser and the Company are unable to agree on all of the components of the Closing Statement and the Consideration Spreadsheet then the Closing Statement and the Consideration Spreadsheet as delivered by the Company shall control.

(d) At the Closing, or as promptly as practicable thereafter:

(i) (A) Purchaser shall, pursuant to the Paying Agent Agreement, deliver to the Paying Agent by wire transfer of immediately available funds to accounts designated in writing by the Paying Agent (1) an amount in cash equal to the portion of the Initial Merger Consideration payable to the Stockholders pursuant to Section 2.7(a) (other than in respect of shares canceled pursuant to Section 2.7(d) and any Dissenting Shares), (2) an amount in cash equal to the portion of the Initial Merger Consideration payable to the Optionholders who are not employees of the Surviving Corporation pursuant to Section 2.7(b) and (3) the fees of the Paying Agent and (B) the Company shall, pursuant to the Paying Agent Agreement, deliver to the Paying Agent by wire transfer of immediately available funds to accounts designated in writing by the Paying Agent (1) an amount in cash equal to the portion of the Excess Cash Amount payable to the Stockholders pursuant to Section 2.7(a) (other than in respect of shares canceled pursuant to Section 2.7(d) and any Dissenting Shares) and (2) an amount in cash equal to the portion of the Excess Cash Amount payable to the Optionholders who are not employees of the Surviving Corporation pursuant to Section 2.7(b) (the amounts in clauses (A)(1)-(2) and (B)(1)-(2) above, the **"Exchange Fund"**);

(ii) Purchaser shall deliver to the Surviving Corporation an amount in cash equal to the portion of the Initial Merger Consideration payable to the Optionholders who are employees of the Surviving Corporation pursuant to Section 2.7(b), and cause the Surviving Corporation to pay each such Optionholder promptly after the Effective Time his

or her portion of the Initial Merger Consideration pursuant to Section 2.7(b) and his or her portion of the Excess Cash Amount payable to the Optionholders pursuant to Section 2.7(b);

(iii) Purchaser shall, pursuant to the Escrow Agreement, deliver to the Escrow Agent, by wire transfer of immediately available funds, the Stockholder Representative Holdback Amount to the Representative Holdback Account and the fees of the Escrow Agent;

(iv) Purchaser shall pay to each Person to whom any Indebtedness for borrowed money is owed an amount in cash equal to the amount required to be paid in order to satisfy and terminate such Indebtedness as required by the Payoff Letters delivered pursuant to Section 5.13;

(v) Purchaser shall pay to each Person to whom any Company Transaction Expenses are owed an amount in cash equal to the amount provided for in the Estimated Transaction Expenses set forth in the Closing Certificate; and

(vi) Purchaser shall deliver the Community Investment Fund Amount to a non-profit entity recognized as exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, to be formed or selected by the Company and Purchaser prior to Closing for the benefit of the Medicaid population in Lane County, Oregon.

(e) All cash payments to be made after the Closing from the Exchange Fund shall be made by the Paying Agent by check or by wire transfer of immediately available funds to the account set forth in the applicable Letter of Transmittal within two Business Days after the proper delivery thereof and the associated Certificates or affidavit pursuant to Section 2.10(e) to the Paying Agent. All cash payments to be made after the Closing by the Company to the Optionholders who are employees of the Surviving Corporation shall be made by the Company by check or payroll within three Business Days after the proper delivery of a Letter of Transmittal to the Paying Agent.

(f) Whether or not specified herein, in order for a Certificate to be "properly surrendered" pursuant to this Agreement, the Certificate shall be (i) duly endorsed for transfer or accompanied by a stock transfer power duly executed in blank, (ii) accompanied by a completed and duly executed Letter of Transmittal and (iii) delivered to the Paying Agent.

Section 2.9 Post-Closing Payments. On each of the first, second and third anniversaries of the Effective Time, Purchaser shall, or shall cause the Surviving Corporation to, subject to offset and reduction, and without duplication of amounts as between Losses and Unresolved Claim Amounts arising from the same Individual Matter, (i) for Losses payable to any Purchaser Indemnified Party in accordance with Article IX and (ii) in accordance with Section 2.12 (any offsets or reduction pursuant to clauses (i) and (ii), a "**Reduction Amount**") (it being understood and agreed that, to the extent a claim for Losses by a Purchaser Indemnified Party exists as of any such anniversary date an amount equal to such claim (the "**Unresolved Claim Amount**") shall be withheld from and reduce any payments to be made pursuant to this Section 2.9

until such claim is fully and finally resolved either by a written agreement between the Parties or by a final order of a court of competent jurisdiction):

(a) Deferred Purchase Price.

(i) Deliver to the Paying Agent, by wire transfer of immediately available funds to an account designated in writing by the Paying Agent an amount in cash equal to the product of (x) 1/3 of the Deferred Purchase Price *less* (A) any Reduction Amounts, (B) any Unresolved Claim Amounts, in each case, not previously deducted from payments made hereunder, and/or (C) any Additional Stockholder Representative Holdback Amount and (y) the Stockholder Percentage, for distribution to the Stockholders.

(ii) Deliver to the Paying Agent, by wire transfer of immediately available funds to an account designated in writing by the Paying Agent an amount in cash equal to the product of (x) 1/3 of the Deferred Purchase Price *less* (A) any Reduction Amounts, (B) any Unresolved Claim Amounts, in each case, not previously deducted from payments made hereunder, and/or (C) any Additional Stockholder Representative Holdback Amount and (y) the Non-Employee Optionholder Percentage, for distribution to the Optionholders who are not employees of the Surviving Corporation.

(iii) Deliver to the Surviving Corporation, by wire transfer of immediately available funds an amount in cash equal to the product of (x) 1/3 of the Deferred Purchase Price *less* (A) any Reduction Amounts, (B) any Unresolved Claim Amounts, in each case, not previously deducted from payments made hereunder, and/or (C) any Additional Stockholder Representative Holdback Amount and (y) the Employee Optionholder Percentage, for distribution to the Optionholders who are employees of the Surviving Corporation.

(iv) Deliver to the Escrow Agent by wire transfer of immediately available funds the Additional Stockholder Representative Holdback Amount, if any.

(v) The Surviving Corporation shall pay within three Business Days of receipt to each Optionholder for whom payment was received under clause (iii) above his or her Pro Rata Share of the payment made under clause (iii).

(b) Bonus. If the Surviving Corporation has achieved the applicable Bonus Target for the calendar year (meaning January through December) immediately preceding such anniversary date, then:

(i) Deliver to the Paying Agent, by wire transfer of immediately available funds to an account designated in writing by the Paying Agent an amount in cash equal to the product of (x) 1/3 of the Bonus Amount *less* (A) any Reduction Amounts and/or any (B) Unresolved Claim Amounts, in each case, not previously deducted from payments made hereunder and (y) the Stockholder Percentage, for distribution to the Stockholders.

(ii) Deliver to the Paying Agent, by wire transfer of immediately available funds an amount in cash equal to the product of (x) 1/3 of the Bonus Amount *less*

(A) any Reduction Amounts and/or any (B) Unresolved Claim Amounts, in each case, not previously deducted from payments made hereunder and (y) the Non-Employee Optionholder Percentage, for distribution to the Optionholders who are not employees of the Surviving Corporation.

(iii) Deliver to the Surviving Corporation, by wire transfer of immediately available funds an amount in cash equal to the product of (x) 1/3 of the Bonus Amount *less* (A) any Reduction Amounts and/or any (B) Unresolved Claim Amounts, in each case, not previously deducted from payments made hereunder and (y) the Employee Optionholder Percentage, for distribution to the Optionholders who are employees of the Surviving Corporation.

(iv) The Surviving Corporation shall pay within three Business Days of receipt to each Optionholder for whom payment was received under clause (iii) above his or her Pro Rata Share of the payment made under clause (iii).

(c) Unresolved Claim Amount. Immediately after any Unresolved Claim Amount that has been withheld from payment pursuant to Section 2.9 is fully and finally resolved by a written agreement between the Parties or by a final order of a court of competent jurisdiction:

(i) Purchaser shall, or shall cause the Surviving Corporation to, pursuant to such written agreement or final court order, deliver to the Paying Agent, by wire transfer of immediately available funds to an account designated in writing by the Paying Agent an amount in cash equal to the product of (x) Unresolved Claim Amounts fully and finally resolved in favor of the Company Holders and (y) the Stockholder Percentage, for distribution to the Stockholders.

(ii) Purchaser shall, or shall cause the Surviving Corporation to, pursuant to such written agreement or final court order, deliver to the Paying Agent, by wire transfer of immediately available funds an account designated in writing by the Paying Agent an amount in cash equal to the product of (x) Unresolved Claim Amounts fully and finally resolved in favor of the Company Holders and (y) the Non-Employee Optionholder Percentage, for distribution to the Optionholders who are not employees of the Surviving Corporation.

(iii) Purchaser shall deliver to the Surviving Corporation, pursuant to such written agreement or final court order, by wire transfer of immediately available funds an amount in cash equal to the product of (x) Unresolved Claim Amounts fully and finally resolved in favor of the Company Holders and (y) the Employee Optionholder Percentage, for distribution to the Optionholders who are employees of the Surviving Corporation.

(iv) The Surviving Corporation shall pay within three Business Days of receipt to each Optionholder for whom payment was received under clause (iii) above his or her Pro Rata Share of the payment made under clause (iii).

Section 2.10 Additional Merger Procedures and Effects.

(a) Until properly surrendered, each share of Common Stock (other than Dissenting Shares and shares canceled pursuant to Section 2.7(d) or Section 2.7(e) , and upon cancellation each Option, shall represent solely the right to receive the Merger Consideration Per Share or Merger Consideration Per Option, as applicable. No interest or dividends shall be paid or accrued on the Merger Consideration Per Share or Merger Consideration Per Option, as applicable, payable in respect of any Common Stock or any Options.

(b) After the Effective Time, there shall be no transfers on the stock transfer books of the Surviving Corporation of any shares of capital stock that were outstanding immediately prior to the Effective Time.

(c) None of Purchaser, Merger Sub or the Surviving Corporation, to the extent permitted by Law, shall be liable to any Person for any Unsurrendered Shares (or interest, dividends or distributions with respect thereto) or any amount delivered to a public official pursuant to any applicable abandoned property, escheat or other similar Law.

(d) Any portion of the Exchange Fund that remains undistributed to the former Company Holders after the first anniversary of the Closing Date shall be delivered to, or retained by, the Surviving Corporation, as applicable, and any former Company Holders who have not theretofore properly surrendered their Certificates and complied with Section 2.8(f) shall thereafter look only to the Surviving Corporation for the Merger Consideration Per Share or Merger Consideration Per Option, as applicable, without any interest or dividends thereon.

(e) If any Certificate shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such Certificate to be lost, stolen or destroyed, Purchaser or the Paying Agent, as applicable, shall pay, in exchange for such lost, stolen or destroyed certificate, the amount and type of consideration to be paid in respect of each share of Common Stock represented by such Certificate in accordance with this Article II.

Section 2.11 Closing. Upon the terms and subject to the conditions of this Agreement, the closing of the transactions contemplated by this Agreement (the "**Closing**") shall take place by electronic exchange of documents at (a) 8:00 a.m. (Pacific Time), on the last Business Day of the calendar month in which, as of such Business Day, (i) at least 60 days have elapsed following the Oregon Insurance Division's approval of the transactions contemplated hereby and (ii) all conditions to the obligations of the Parties to consummate the transactions contemplated hereby (other than conditions that by their terms or nature are to be performed at the Closing, but subject to the satisfaction or waiver (to the extent permitted by Law) of such conditions at the Closing) have been satisfied or waived (to the extent permitted by Law) by the Party entitled to the benefit thereof, *provided* that all such conditions (other than those conditions that by their terms are to be satisfied at the Closing) continue to be satisfied at all times during such period until the Closing or (b) such other date and/or time as Purchaser and the Company may mutually agree in writing (the "**Closing Date**"). The Closing shall be deemed to occur at 11:59 p.m. (Pacific time) on the Closing Date.

Section 2.12 Adjustment to the Merger Consideration.

(a) No later than 120 days after the Closing Date, Purchaser shall cause the Surviving Corporation to prepare and deliver to the Stockholder Representative a written statement (the "**Merger Consideration Adjustment Statement**") duly certified by the Surviving Corporation's Chief Financial Officer on behalf of the Company accurately setting forth in reasonable detail the Surviving Corporation's good faith calculation of, as of the Closing (other than as to the Risk Based Capital of the Regulated Target Entity), (i) Closing Working Capital, (ii) Indebtedness, (iii) unpaid Company Transaction Expenses and (iv) Risk Based Capital of the Regulated Target Entity as of the RBC Measurement Time (minus any Excess Cash Amount), together with such schedules and data with respect to the determination thereof as may be appropriate to support the calculations set forth in the Merger Consideration Adjustment Statement.

(b) Following the delivery of the Merger Consideration Adjustment Statement and until the Merger Consideration Adjustment Statement has become final and binding as set forth in Section 2.12(g), Purchaser and the Surviving Corporation shall provide the Stockholder Representative and its Representatives with reasonable access during normal business hours to any documents or work papers used in the preparation of, or necessary to support the calculations set forth in, the Merger Consideration Adjustment Statement, as the Stockholder Representative may reasonably request.

(c) If the Stockholder Representative disagrees with the calculation of any of the items set forth in the Merger Consideration Adjustment Statement, the Stockholder Representative shall, within 60 days after receipt of the Merger Consideration Adjustment Statement, deliver a notice (an "**Objection Notice**") to Purchaser setting forth any such disagreement, which notice shall specify in reasonable detail the nature and dollar amount of any disagreement so asserted, together with the Stockholder Representative's calculation of each disputed item and supporting calculations and information. If the Stockholder Representative does not deliver an Objection Notice within such 60-day period, or if the Stockholder Representative notifies Purchaser in writing that it shall not deliver an Objection Notice, then the Merger Consideration Adjustment Statement shall be deemed final and conclusive and binding on each of the Parties and the Company Holders.

(d) If the Stockholder Representative delivers an Objection Notice, Purchaser and the Stockholder Representative shall negotiate in good faith to resolve any disagreements set forth in the Objection Notice, and any resolution agreed to in writing by Purchaser and the Stockholder Representative shall be deemed final and conclusive and binding on each of the Parties and the Company Holders. If Purchaser and the Stockholder Representative are able to resolve all of the disagreements set forth in the Objection Notice, then the Merger Consideration Adjustment Statement, adjusted to reflect such resolution, shall be deemed final and conclusive and binding on each of the Parties and the Company Holders.

(e) If Purchaser and the Stockholder Representative are unable to resolve all disagreements set forth in the Objection Notice within 30 days after Purchaser's receipt of the Objection Notice, Purchaser and the Stockholder Representative shall jointly retain an independent accounting firm of recognized national standing other than Purchaser's accounting firm (the

"**Firm**") to resolve any remaining disagreements. If Purchaser and the Stockholder Representative are unable to agree on the choice of the Firm, then the Firm shall be a "big-four" accounting firm selected by lot (after excluding one firm designated by Purchaser and one firm designated by the Stockholder Representative). Purchaser and the Stockholder Representative shall direct the Firm to render a determination within thirty 30 days of its retention and Purchaser, the Stockholder Representative and their respective agents shall cooperate with the Firm during its engagement. The Firm shall consider only those items and amounts with respect to the Merger Consideration Adjustment Statement set forth in the Objection Notice that Purchaser and the Stockholder Representative are unable to resolve. Purchaser and the Stockholder Representative shall each make written submissions to the Firm promptly (and in any event no later than 15 days after the Firm's engagement), which submissions shall contain such Party's computation of the items remaining in dispute and information, arguments and support for such Party's position. The Firm shall review such submissions and base its determination solely on such submissions and this Agreement. In resolving any disputed item, the Firm may not assign a value to any item greater than the greatest value for such item claimed by any Party or less than the smallest value for such item claimed by any Party. The Firm shall deliver to Purchaser and the Stockholder Representative, as promptly as practicable (and in any event shall endeavor to do so within 30 days after its appointment), a written report (i) setting forth (A) the resolution of each disputed item that had been submitted to it, determined in accordance with the provisions of this Section 2.12, and (B) any adjustments that are required to be made to the Merger Consideration Adjustment Statement to reflect such resolution and (ii) which shall have attached thereto a Merger Consideration Adjustment Statement that has been revised to reflect (x) the resolution of any remaining disputed items and (y) the adjustments, if any, referred to in clause (i)(B) of this sentence (the "**Firm's Report**"). The Firm's Report shall be conclusive and binding upon each of the Parties and the Company Holders.

(f) The fees, costs and expenses of the Firm shall be borne (i) by Purchaser in the proportion that the aggregate dollar amount of the items that are successfully disputed by the Stockholder Representative (as finally determined by the Firm) bear to the aggregate dollar amount of the items submitted to the Firm and (ii) by the Stockholder Representative in the proportion that the aggregate dollar amount of the disputed items that are unsuccessfully disputed by the Stockholder Representative (as finally determined by the Firm) bear to the aggregate dollar amount of the items submitted to the Firm. If the fees and expenses are to be paid by the Stockholder Representative, the fees and expenses may be paid from the Representative Holdback Account.

(g) The Merger Consideration Adjustment Statement (i) that has become final and binding pursuant to the last sentence of Section 2.12(c) or the last sentence of Section 2.12(d) or (ii) that is included in the Firm's Report, as applicable, shall be the Merger Consideration Adjustment Statement that shall be final and binding upon Purchaser, the Surviving Corporation, the Stockholder Representative and the Company Holders for purposes of this Agreement (the "**Final Merger Consideration Adjustment Statement**"). The (i) Closing Working Capital, (ii) Indebtedness, (iii) unpaid Company Transaction Expenses and (iv) Risk Based Capital of the Regulated Target Entity, each as finally determined pursuant to this Section 2.12, shall be referred to as the "**Final Working Capital**," the "**Final Indebtedness**," the "**Final Transaction Expenses**" and the "**Final RBC**," respectively.

(h) If (i) the Final Merger Consideration exceeds (ii) the Initial Merger Consideration (such excess, the "**Positive Merger Consideration Adjustment Amount**"), then Purchaser shall pay, or shall cause the Surviving Corporation to pay, an amount in cash equal to the Positive Merger Consideration Adjustment Amount in accordance with Section 2.12(k).

(i) If (i) the Initial Merger Consideration exceeds (ii) the Final Merger Consideration (such excess, the "**Negative Merger Consideration Adjustment Amount**"), then such amount shall be deemed a "Loss" subject to the setoff and reduction provisions of Section 2.9 within three Business Days after the date on which the Merger Consideration Adjustment Statement has become final and binding pursuant to Section 2.12(g).

(j) Within three Business Days after the date on which the Merger Consideration Adjustment Statement has become final and binding pursuant to Section 2.12(g), the Stockholder Representative shall deliver to Purchaser and the Surviving Corporation a written statement (the "**Stockholder Representative Statement**") setting forth:

(i) the Positive Merger Consideration Adjustment Amount Per Share, or the Negative Merger Consideration Amount Per Share, if any; and

(ii) either (A) on a Company Holder by Company Holder basis, based on their respective Pro Rata Share, either (1) such Company Holder's share of the Positive Merger Consideration Adjustment Amount or (2) such Company Holder's share of the Negative Merger Consideration Amount, or (B) stating that no such further amounts are payable to the Company Holders; and

(k) On the next anniversary of the Effective Time, following the receipt by Purchaser and the Surviving Corporation of the Stockholder Representative Statement, Purchaser or the Surviving Corporation shall:

(i) deliver to the Paying Agent, by wire transfer of immediately available funds to an account designated in writing by the Paying Agent an amount in cash equal to the product of (A) the Positive Merger Consideration Adjustment Amount, if any, and (B) the Stockholder Percentage;

(ii) deliver to the Paying Agent, by wire transfer of immediately available funds an amount in cash equal to the product of (A) the Positive Merger Consideration Adjustment Amount, if any, and (B) the Non-Employee Optionholder Percentage; and

(iii) deliver to the Surviving Corporation, by wire transfer of immediately available funds an amount in cash equal to the product of (A) the Positive Merger Consideration Adjustment Amount, if any, and (B) the Employee Optionholder Percentage, and the Surviving Corporation shall pay within three Business Days of receipt to each such Optionholder his or her Pro Rata Share of the Positive Merger Consideration Adjustment Amount.

Section 2.13 Distribution of Representative Holdback Account Balance to Company Holders. On the third anniversary of the Effective Time, the Stockholder Representative

shall instruct the Escrow Agent to disburse any amount then remaining in the Representative Holdback Account to the Paying Agent for distribution pursuant to the Paying Agent Agreement to the Company Holders (other than as to any Options held by employees of the Surviving Corporation) in accordance with their respective Pro Rata Shares, except if there exist any unresolved claims for Losses pursuant to this Agreement, in which case, the Stockholder Representative shall instruct the Escrow Agent to disburse any amount then remaining in the Representative Holdback Account to the Paying Agent for distribution pursuant to the Paying Agent Agreement to the Company Holders (other than as to any Options held by employees of the Surviving Corporation) in accordance with their respective Pro Rata Shares within five Business Days after all such unresolved claims for Losses are finally resolved; *provided* that any amounts owed to Company Holders under this Section 2.13 with respect to Options of employees of the Surviving Corporation shall be disbursed by the Escrow Agent to the Surviving Corporation for distribution to such Company Holders in accordance with their respective Pro Rata Shares.

Section 2.14 Withholding Rights. Purchaser, Merger Sub, the Company, the Surviving Corporation, the Escrow Agent, the Stockholder Representative and the Paying Agent (and any other Person that has any withholding obligation with respect to any payment made pursuant to this Agreement or any other agreement referenced herein) shall be entitled to deduct and withhold from amounts otherwise payable pursuant to this Agreement such amounts as such Persons are required to deduct and withhold under the Code or any provision of state, local or foreign Tax Law. To the extent that amounts are so withheld and paid over to the appropriate Taxing Authority, such withheld amounts shall be treated for all purposes of this Agreement as having been paid to the Persons receiving the amounts otherwise payable pursuant to this Agreement in respect of which such deduction and withholding was made.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Except as set forth in the Company Disclosure Schedule, the Company hereby represents and warrants to Purchaser and Merger Sub the following:

Section 3.1 Organization, Corporate Power and Qualification. Section 3.1 of the Company Disclosure Schedule lists each Target Entity together with its jurisdiction of organization or formation and the nature of its organization (corporation, partnership, limited liability company, etc.) Each Target Entity (a) is a corporation or limited liability company, as applicable, validly existing and, where applicable, in good standing under the Laws of the state of Oregon, (b) has all requisite corporate or similar power and authority necessary to own and operate its properties and to carry on its businesses as now conducted and (c) is qualified to do business and is in good standing, as applicable, in every jurisdiction in which its ownership of property or conduct of business requires it to qualify. Copies of each Target Entity's Governing Documents, which have been made available to Purchaser, reflect all amendments made thereto and are true, correct and complete, are in full force and effect and, other than as expressly contemplated by this Agreement, no amendment or other modification has been filed, recorded or is pending or contemplated with respect thereto. Section 3.1 of the Company Disclosure Schedule also sets forth a list of the officers and directors of each Target Entity and any outstanding powers of attorney executed on behalf of a Target Entity.

Section 3.2 Capital Stock and Related Matters.

(a) The authorized capital stock of the Company consists solely of 49,507 shares of Class A Common Stock, 500,000 shares of Class B Common Stock and 100,000 shares of Preferred Stock. The issued and outstanding capital stock of the Company consists of 25,027 shares of Class A Common Stock, 26,684 shares of Class B Common Stock and no shares of Preferred Stock. Except as described in this Section 3.2(a), there are no other shares of capital stock or other class of shares of capital stock of the Company authorized, issued or outstanding.

(b) All issued and outstanding shares of capital stock of the Company are held beneficially and of record by the Persons and in the respective amounts set forth on Section 3.2(b) of the Company Disclosure Schedule. All issued and outstanding Equity Interests of the Company are duly authorized, validly issued, fully paid and non-assessable, were issued in compliance with securities Laws or exemptions therefrom, were not issued in violation of any preemptive rights and are free and clear from any Liens (other than Liens for Taxes not yet due and payable, if any), preemptive rights, rights of first refusal or other similar rights. Except as disclosed in Section 3.2(b) of the Company Disclosure Schedule, neither the Company nor any equityholder of the Company is a party to or holds Equity Interests of the Company bound by or subject to any voting agreement, voting trust, stockholders agreement, proxy or other arrangement with respect to the voting or transfer of any shares of capital stock or other equity or equity-like interests of the Company (other than proxies provided pursuant to the Proxy Statement and arrangements pursuant to the Stockholder Support Agreement).

(c) Section 3.2(c) of the Company Disclosure Schedule contains a true, correct and complete list of each outstanding Option (whether or not granted under the Option Plan), including the holder, date of grant, exercise price per share, vesting schedule (and the terms of any acceleration thereof), number of shares of Common Stock subject thereto and the term of each Option. All of the Options set forth on Section 3.2(c) of the Company Disclosure Schedule were granted under the Option Plan and have had shares of Common Stock duly reserved for issuance in respect thereof by the Company and upon any issuance of such shares in accordance with the terms of the Option Plan such shares shall be duly authorized, validly issued, fully paid and nonassessable and, except as disclosed in Section 3.2(c) of the Company Disclosure Schedule, free and clear from any preemptive, rights of first refusal or other similar rights.

(d) All Options were granted under the Option Plan and not under any other plan, program or agreement.

(e) (i) The exercise price of each Option is greater than or equal to the fair market value of the Common Stock, as determined pursuant to Section 83 of the Code and the Treasury Regulations thereunder, issuable upon exercise thereof measured as of the date of the corporate action authorizing the grant of such Option, (ii) no Option has had its exercise date or grant date delayed or "back-dated" and (iii) all Options have been issued in compliance with all applicable Laws and properly accounted for in all material respects in accordance with GAAP.

(f) There are no:

(i) except as disclosed on Section 3.2(f)(i) of the Company Disclosure Schedule, subscriptions, options, puts, calls, warrants, convertible or exchangeable securities, or other rights, agreements, arrangements, restrictions or commitments of any character to which a Target Entity is a party or by which a Target Entity is bound that obligate any of the Target Entities to issue, purchase, acquire, deliver, sell, redeem, repurchase or exchange, or cause to be issued, purchased, acquired, delivered, sold, redeemed, repurchased or exchanged, any Equity Interests in any Person or any securities directly or indirectly convertible into or exchangeable or exercisable for any capital stock or other equity or equity-like interests (including interests with profit participation features), or any debt securities of any Person or to make any investment (in the form of a loan, capital contribution or otherwise) in any Person;

(ii) bonds, debentures, notes or other indebtedness having the right to vote on any matters on which stockholders of any Target Entity may vote (whether or not dependent on conversion or other trigger event);

(iii) registration covenants with respect to Common Stock or any other securities of the Target Entities; or

(iv) stock appreciation rights, phantom stock rights or similar stock rights outstanding with respect to a Target Entity.

(g) Except as disclosed in Section 3.2(g) of the Company Disclosure Schedule, no Target Entity is subject to any obligation (contingent or otherwise) to repurchase or otherwise acquire or retire any shares of its capital stock or any warrants, options or other rights to acquire its capital stock.

(h) Except as expressly contemplated by Section 7.3, no Target Entity has any liability or obligation to pay any dividend or other distribution in respect of any of the Target Entities' capital stock or equity awards (and none of the Target Entities have accrued or declared but unpaid dividends or other distributions or obligations to make any payments in respect of a Target Entity's capital stock or equity awards). The treatment of the Options and payments with respect thereto under this Agreement, and cancellation of the Options and Option Plan as contemplated hereby, is in compliance with the terms of the Options and Option Plan. The Company has made available to Purchaser true, correct and complete copies of the Option Plan, and any repurchases or cancellations of Common Stock and Options have been completed in accordance with such Option Plan and with applicable Law and without further liability to any Target Entity.

(i) The Stockholders party to the Stockholder Support Agreement hold in the aggregate no less than [redacted] % of the voting power of the outstanding Common Stock.

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

(j) No Option has an exercise price greater than the Initial Merger Consideration Per Share.

Section 3.3 Subsidiaries; Investments. The Target Entities (other than the Company) are all of the direct and indirect Subsidiaries of the Company. Section 3.3 of the Company Disclosure Schedule lists the amount and ownership of each Target Entity's (other than

the Company's) issued and outstanding Equity Interests. The Target Entities do not own, directly or indirectly, any Equity Interests, or rights or obligations to acquire the same, in any person that is not a Target Entity and have not entered into any letters of intent, memoranda of understanding or definitive agreements relating to the acquisition or disposition of any business (whether by merger, sale of stock, sale of assets or otherwise). All of the outstanding Equity Interests of each Target Entity (other than the Company) are owned by the Company or one or more of the other Target Entities and are free and clear of all Liens, other than Liens for Taxes not yet due and payable, if any, and restrictions under applicable securities Laws. All of the issued and outstanding Equity Interests of each Target Entity are duly authorized, validly issued, fully paid and nonassessable, were issued in compliance with securities Laws or exemptions therefrom, were not issued in violation of any preemptive rights and are free and clear from any Liens (other than Liens for Taxes not yet due and payable, if any), preemptive rights, rights of first refusal or other similar rights. No Target Entity and no equityholder of a Target Entity is a party to or holds Equity Interests of a Target Entity bound by or subject to any voting agreement, voting trust, stockholders agreement, proxy or other arrangement with respect to the voting or transfer of any Equity Interests of any Target Entity. No Target Entity Controls, directly or indirectly, or has any direct or indirect Equity Interest in, any entity that is not a Target Entity.

Section 3.4 Corporate Power and Authority; Enforceability.

(a) The Company has all requisite corporate power and authority to execute, deliver and perform this Agreement and each other agreement and instrument contemplated hereby to which it is a party and, subject to the Necessary Stockholder Approval, to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution, delivery and performance of this Agreement by the Company and each other agreement and instrument contemplated hereby to which the Company is a party and the consummation of the Merger and the other transactions contemplated hereby and thereby have been duly and validly authorized by the Company Board. The approval of the holders (whether by proxy or vote at a duly called meeting of the Stockholders) of at least a majority of the outstanding Common Stock, voting together as one class, and with each such holder having one vote is the only vote (whether by proxy or vote at a duly called meeting of the Stockholders) of the Stockholders required to approve this Agreement and the transactions contemplated hereby (the "**Necessary Stockholder Approval**"). The Company Recommendation, which has been obtained, the approval described in Section 5.10(b) and the Necessary Stockholder Approval are the only proceedings necessary on the part of any Target Entity to authorize the execution, delivery and performance of this Agreement and the other agreements and instruments contemplated hereby and the consummation by the Company of the transactions contemplated herein and therein. The affirmative vote of holders of a majority of the outstanding shares of Common Stock at the Stockholders Meeting (whether in person or by proxy) to adopt this Agreement and approve the Merger is sufficient under the OBCA, the Company's Governing Documents and all applicable Laws to meet the requirements of the Necessary Stockholder Approval.

(b) This Agreement has been, and each other agreement and instrument contemplated hereby to which the Company is a party has been or will be, duly and validly executed and delivered by the Company and, assuming the due authorization, execution and delivery thereof by Purchaser and Merger Sub, constitutes or shall constitute a legal, valid and binding agreement of the Company, enforceable against the Company in accordance with its terms,

except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting creditors' rights generally and by general equitable principles (whether considered in a proceeding at law or in equity).

Section 3.5 Consents; Non-Contravention.

(a) Except as set forth on Section 3.5(a) of the Company Disclosure Schedule, the execution, delivery and performance by the Company of this Agreement and all other agreements and instruments contemplated hereby to which the Company is or will be a party, and the consummation of the transactions contemplated hereby and thereby do not and will not, with or without the giving of notice or the lapse of time or both (i) conflict with or violate the Governing Documents of any Target Entity, (ii) conflict with or violate in any material respect any Law or Order applicable to any Target Entity or by which any of their respective properties are bound, assuming that all consents, approvals and authorizations contemplated in Section 3.5(b) have been obtained and all filings described in Section 3.5(b) have been made, or (iii) conflict with or result in a breach of or create any Lien under, or constitute a default or result in a loss of a benefit under, or give rise to any right of termination, cancellation, amendment, acceleration or similar right under, or obligation or fee under, any Material Contract, Lease or Permit to which a Target Entity is a party or by which any of their respective properties are bound or result in the creation of any Lien upon the capital stock (other than Liens for Taxes not yet due and payable) or material assets (other than a Permitted Lien) of a Target Entity.

(b) Except for (i) applicable pre-merger notification requirements of the HSR Act and the expiration or termination of any applicable waiting period thereunder, (ii) the filing of the Articles of Merger under the OBCA and (iii) as set forth on Section 3.5(b) of the Company Disclosure Schedule, the Target Entities are not and shall not be required to prepare or submit any application, notice, report or other filing or obtain any consent, authorization, approval, order, registration or confirmation from any court or Governmental Authority or from any third party in connection with the execution, delivery or performance of this Agreement by the Company and the consummation of the transactions contemplated hereby.

(c) The Company and the Company Board have taken all necessary actions so that the provisions of any Antitakeover Laws applicable to the Company or the other Target Entitles, do not, and will not, apply to this Agreement, the Merger or the other transactions contemplated hereby.

Section 3.6 Statutory Accounting.Section 3.6(a) of the Company Disclosure Schedule contains true, correct and complete copies of (x) the audited STAT balance sheets of the Regulated Target Entity for each of the fiscal years ended as of December 31, 2012 and December 31, 2013, and the related audited statements of income, retained earnings and changes in financial position, together with all related notes and schedules thereto, accompanied by the reports thereon of the Regulated Target Entity's accountants, and (y) the unaudited STAT financial statements of the Regulated Target Entity for the period ended November 30, 2014 (the "**Latest STAT Balance Sheet**" and collectively referred to herein as the "**STAT Financial Statements**"). Each of the STAT Financial Statements is consistent with the books and records of the Regulated Target Entity (which are accurate in all material respects) and presents fairly, in all material respects, the financial condition and results of operations and cash flows of the Regulated Target Entity as of

the dates thereof and for the periods covered thereby and has been prepared in accordance with STAT, in each case, consistently applied throughout the periods covered thereby and subject, in the case of the unaudited STAT Financial Statements, to normal year-end adjustments (none of which adjustments would be material, individually or in the aggregate) and the absence of footnote disclosure (none of which would be material, individually or in the aggregate).

(b) The Regulated Target Entity has devised and maintained systems of internal accounting controls with respect to its business sufficient to provide reasonable assurances that (i) all transactions are executed in all material respects in accordance with management's general or specific authorization, (ii) all transactions are recorded as necessary to permit the preparation of audited financial statements in conformity with STAT and to maintain proper accountability for items and (iii) recorded accountability for items is compared with actual levels at reasonable intervals and appropriate action is taken with respect to any differences. There have been no instances of fraud by the Regulated Target Entity, whether or not material, that occurred during any period covered by the STAT Financial Statements. The books and records of the Regulated Target Entity have been maintained in all material respects in accordance with STAT and GAAP, applied on a consistent basis, and any other Laws, are correct in all material respects and reflect only actual transactions.

(c) The aggregate actuarial reserves and other actuarial amounts held in respect of Liabilities with respect to the Regulated Target Entity as established or reflected on the Latest STAT Balance Sheet:

(i) were (A) determined in accordance with STAT, (B) fairly stated in accordance with sound actuarial principles and (C) based on sound actuarial assumptions;

(ii) met in all material respects the requirements of the applicable insurance laws of the State of Oregon or any other state having such jurisdiction; and

(iii) were adequate and sufficient (under generally accepted actuarial standards consistently applied) to cover the total amount of all the reasonably anticipated matured and unmatured Liabilities of the Regulated Target Entity.

(d) The Regulated Target Entity's Risk Based Capital is equal to or greater than the Target RBC.

Section 3.7 Financial Statements.

(a) Section 3.7(a) of the Company Disclosure Schedule contains a true, correct and complete copy of:

(i) the audited consolidated and consolidating balance sheets of the Target Entities as of December 31, 2013 and December 31, 2012, and the related consolidated and consolidating statements of income, cash flows and stockholders' equity (or the equivalent) for the fiscal years then ended and the notes thereto; and

(ii) the unaudited consolidated and consolidating balance sheet of the Target Entities as of November 30, 2014 (the "**Latest Balance Sheet**"), and consolidating

statements of income and cash flows (or the equivalent) for the eleven-month period then ended.

(b) Each of the foregoing financial statements (including in all cases the notes thereto, if any) (collectively, the "**Financial Statements**") is consistent with the books and records of the Target Entities (which are accurate in all material respects) and presents fairly, in all material respects, the financial condition and results of operations and cash flows of the Target Entities on a consolidated basis as of the dates thereof and for the periods covered thereby and has been prepared in accordance with GAAP, in each case, consistently applied throughout the periods covered thereby and subject, in the case of the unaudited Financial Statements, to normal year-end adjustments (none of which adjustments would be material, individually or in the aggregate) and the absence of footnote disclosure (none of which would be material, individually or in the aggregate).

(c) The Unregulated Target Entities have devised and maintained systems of internal accounting controls with respect to their businesses sufficient to provide reasonable assurances that (i) all transactions are executed in all material respects in accordance with management's general or specific authorization, (ii) all transactions are recorded as necessary to permit the preparation of audited financial statements in conformity with GAAP and to maintain proper accountability for items and (iii) recorded accountability for items is compared with actual levels at reasonable intervals and appropriate action is taken with respect to any differences. There have been no instances of fraud by any Unregulated Target Entity, whether or not material, that occurred during any period covered by the Financial Statements. The books and records of the Unregulated Target Entities have been maintained in all material respects in accordance with GAAP, applied on a consistent basis, and any other Laws, are correct in all material respects and reflect only actual transactions.

(d) Section 3.7(d) of the Company Disclosure Schedule sets forth all bank accounts held by, or for the benefit of, any Target Entity and the Persons with authority to direct such accounts.

(e) Except for the County Loan, the Target Entities have no Indebtedness. All Indebtedness of the Target Entities may be prepaid at the Closing without penalty under the terms of the agreements governing such Indebtedness. None of the Target Entities is in default with respect to any Indebtedness or any instrument or agreement relating thereto.

(f) There is currently no Indebtedness owed by any Target Entity to any other Target Entity.

(g) The Financial Statements do not reflect a reserve for doubtful accounts.

Section 3.8 Absence of Undisclosed Liabilities. Except (a) for those Liabilities that are reflected, accrued or reserved against on the liabilities side of the Latest Balance Sheet, (b) for Liabilities with a dollar value of less than $[redacted] in the aggregate, (c) for Liabilities set forth on the Company Disclosure Schedule and (d) for Liabilities incurred since the date of the Latest Balance Sheet in the Ordinary Course of Business or as a Company Transaction Expense, neither the Company nor any of its Subsidiaries has any material Liability.

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

Section 3.9 Accounts Receivable. Except as set forth on Section 3.9 of the Company Disclosure Schedule, all accounts receivable set forth on the Latest Balance Sheet (the "**Accounts Receivable**") represent bona fide claims against debtors for sales, services performed or other charges arising on or before the respective dates of recording thereof and are current and, assuming commercially reasonable efforts by the collecting party consistent with the Company's past practice, collectible, net of reserves for doubtful accounts in accordance with GAAP, and are not subject to setoffs or counterclaims. Except for Liens securing Indebtedness of a Target Entity and Liens for Taxes not yet due and payable, if any, no Person has any Lien on any of the Accounts Receivable. In the Ordinary Course of Business, the Target Entities do not bill Accounts Receivable.

Section 3.10 No Company Material Adverse Effect. Since December 31, 2013 to the date of this Agreement, a Company Material Adverse Effect has not occurred.

Section 3.11 Absence of Certain Developments. Except as reflected or reserved against in the Latest Balance Sheet, since September 30, 2014 to the date of this Agreement, the business of the Target Entities has been conducted, in all material respects, in the Ordinary Course of Business. Since the date of the Latest Balance Sheet, there has not been any incident of damage, destruction or loss of property or assets owned by a Target Entity or used in the operation of its business, whether or not covered by insurance, having a replacement cost or fair market value in excess of $[redacted] From December 31, 2013 to the date of this Agreement:

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

(a) none of the Target Entities has suffered any loss, or any material interruption in use, of any assets or properties of any Target Entity that resulted in a loss to the Target Entity in excess of $[redacted] individually or in the aggregate with all such losses;

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

(b) the Regulated Target Entity's Risk Based Capital has not fallen below the Target RBC;

(c) none of the Target Entities has taken any action that, if such action were taken after the date of this Agreement and prior to the Closing, would require the consent of Purchaser pursuant to Section 7.2 (but not including any such actions contemplated by Section 7.2(l)); or

(d) none of the Target Entities has authorized, or committed or agreed to take, any of the foregoing actions.

Section 3.12 Assets.

(a) Each Target Entity has good, valid and marketable title to, a valid leasehold interest in or a valid and enforceable (except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting creditors' rights generally and by general equitable principles (whether considered in a proceeding at law or in equity)) license to use the properties and assets, whether tangible or intangible, used by them in the conduct of their respective businesses as presently conducted, free and clear of all Liens, except for Permitted Liens.

(b) Each Target Entity owns, has a valid leasehold interest in or has a valid and enforceable (except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting creditors' rights generally and by general equitable principles (whether considered in a proceeding at law or in equity)) license to use all of the material assets, properties and rights, whether tangible or intangible, necessary for the conduct of its business as presently conducted.

Section 3.13 Tax Matters.

(a) Each Target Entity has filed all Tax Returns that it is required to file under applicable Laws and all such Tax Returns are complete and correct in all material respects and have been prepared in material compliance with all applicable Laws;

(b) each Target Entity has paid all Taxes due and owing by it (whether or not such Taxes are shown or required to be shown on a Tax Return) and has withheld and paid over to the appropriate Taxing Authority all material Taxes that it is required to withhold from amounts paid or owing to any employee, shareholder, creditor or other third party;

(c) no Target Entity has waived any statute of limitations with respect to any Taxes or agreed to any extension of time for filing any Tax Return that has not been filed; and no Target Entity has consented to extend to a date later than the date of this Agreement the period in which any Tax may be assessed or collected by any Taxing Authority;

(d) no Tax audits or other type of review, or administrative or judicial Tax proceedings, are pending or, to the Company's Knowledge, being conducted with respect to any Target Entity, and the Target Entities have not received written notice of any such proceedings;

(e) no Target Entity has received within the past five years from any foreign, federal, state or local Taxing Authority (including jurisdictions where such Target Entity has filed Tax Returns) any (i) written notice indicating an intent to open an audit or other review with respect to any Tax or Tax Return or (ii) written notice of deficiency or proposed adjustment for any amount of Tax proposed, asserted or assessed by any Taxing Authority against any Target Entity;

(f) there are no material unresolved claims by any Taxing Authority of which any Target Entity has received written notice concerning any Target Entity's Tax liability;

(g) since January 1, 2009, no written notice has been delivered to any Target Entity by a Taxing Authority in a jurisdiction where such Target Entity does not file Tax Returns that such Target Entity is or may be subject to Taxes assessed by such jurisdiction;

(h) no Target Entity (i) has been a member of an Affiliated Group (other than a group the common parent of which was the Company) or filed or been included in a combined, consolidated or unitary income Tax Return or (ii) has any liability for the Taxes of any Person under Treasury Regulation Section 1.1502-6 (or similar provision of Law) as a transferee or successor by Contract or otherwise;

(i) except as set forth on Section 3.13(i) of the Company Disclosure Schedule, no Target Entity is a party to or bound by any Tax allocation or Tax sharing agreement (other than agreements among the Target Entities);

(j) except as set forth on Section 3.13(j) of the Company Disclosure Schedule, no Target Entity will be required to include any item of income in, or exclude any item of deduction from, taxable income for any taxable period ending after the Closing Date as a result of any (i) change in method of accounting or use of an improper method of accounting for a taxable period (or portion thereof) ending on or prior to the Closing Date, (ii) "closing agreement," as described in Section 7121 of the Code (or any corresponding provision of state, local or foreign income Tax Law) executed on or before the Closing Date, (iii) prepaid amount received on or prior to the Closing Date, (iv) installment sale or open transaction disposition made on or prior to the Closing Date or (v) election under Section 108(i) of the Code attributable to events occurring before the Closing Date;

(k) no Target Entity is a party to any Contract that has resulted, or in connection with the transactions contemplated by this Agreement could result, separately or in the aggregate, in the payment of any "excess parachute payment" within the meaning of Section 280G of the Code (or any corresponding provision of Tax Law);

(l) no Target Entity has any potential liability for Tax as the result of any intercompany transaction or excess loss account described in Treasury Regulations under Section 1502 of the Code (or any corresponding or similar provision of state, local or non-U.S. income Tax Law);

(m) since January 1, 2009, no Target Entity has distributed the stock of another Person, or has had its stock distributed by another Person, in a transaction that was purported or intended to be governed in whole or in part by Sections 355 and 361 of the Code;

(n) no Target Entity is or since January 1, 2009 has been a party to any "listed transaction," as defined in Section 6707A(c)(1) of the Code and Treasury Regulation Section 1.6011-4(b);

(o) no Target Entity has a permanent establishment (within the meaning of an applicable Tax treaty) or otherwise has an office or fixed place of business or is subject to income Tax in a country other than the country in which it is organized; and

(p) each Contract to which any Target Entity is a party that is a "nonqualified deferred compensation plan" subject to Section 409A of the Code has been maintained in good faith compliance with Section 409A of the Code and the regulations thereunder and no amount under any such Contract is or has been subject to the interest and additional Tax set forth under Section 409A of the Code. No Target Entity has any actual or potential obligation to reimburse or otherwise "gross-up" any Person for the interest or additional Tax set forth under Sections 4999 or 409A of the Code.

Section 3.14 Contracts and Commitments.

(a) Except as set forth on Section 3.14 or Section 3.20 of the Company Disclosure Schedule, no Target Entity is a party to or bound by any:

(i) collective bargaining agreement or any other Contract with any labor union;

(ii) Contract providing for the payment of any cash or other compensation or benefits upon the consummation of the transactions contemplated hereby;

(iii) consulting or independent contractor agreement or Contract;

(iv) provider or supplier Contract with a third-party payor, including TRICARE, Medicare or Medicaid;

(v) Contract with, or relating to the provision of goods or services to, any Governmental Authority;

(vi) Contract with a third party administrator or other Person for the provision of any management, administrative or claims processing service;

(vii) guarantee, performance, surety or similar Contract;

(viii) limited liability company agreement, partnership agreement or joint venture agreement;

(ix) Contract under which it has advanced or loaned monies to any other Person or otherwise agreed to advance, loan or invest any funds (other than advances of less than $[redacted] individually or $[redacted] in the aggregate to any Target Entity's employees in the Ordinary Course of Business);
ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

(x) settlement, conciliation or similar Contract with any Governmental Authority or pursuant to which a Target Entity is obligated to pay consideration after the Closing in excess of $[redacted] ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

(xi) Contract with respect to the acquisition, divestiture, spin-out or disposition of any assets, securities, Person or business unit outside of the Ordinary Course of Business of any Target Entity (and related agreements and instruments) entered into since January 1, 2009 or for which there are any ongoing indemnification rights or obligations or payment rights or obligations;

(xii) Contract or series of related Contracts for capital expenditures or the acquisition or construction of fixed assets in excess of $[redacted]
ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

(xiii) Contract entered into since January 1, 2009 with respect to the dissolution or liquidation or any former Subsidiary of any Target Entity;

(xiv) (A) mortgage, indenture, loan or credit agreement, note, debenture, security agreement or other Contract relating to the borrowing of money, extension of credit or other Indebtedness for borrowed money or relating to the mortgaging, pledging or otherwise placing a Lien on any material asset or material group of assets of any Target Entity or (B) any letter of credit arrangement;

(xv) Contract or group of Contracts for the purchase of materials or personal property from any supplier or for the furnishing of services to any Target Entity that involve aggregate payments by the Target Entities of $[redacted] or more during the period beginning January 1, 2014 and ending on the date of this Agreement;

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

(xvi) Contract or group of Contracts for the lease of any tangible personal property owned by any other Person that provides for annual payments in excess of $[redacted] and is not terminable without liability by the applicable Target Entity on 60 days' notice or less;

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

(xvii) Contract or group of Contracts for the sale, license or lease (as lessor) by any Target Entity of any service, material, product, supply or other asset owned or leased by the Target Entities that involve aggregate payments to any Target Entity of $[redacted] or more during the period beginning January 1, 2014 and ending on the date of this Agreement;

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

(xviii) Contract or group of Contracts relating to the purchase, distribution, marketing, advertising or sale of a Target Entity's products or services, in each case that involved payments by a Target Entity in excess of $[redacted] or more during the period beginning January 1, 2014 and ending on the date of this Agreement;

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

(xix) Contract (A) granting or obtaining any right to use any Intellectual Property Right (other than Contracts granting rights to use standardized computer programs (whether in source code, object code or other form), databases, compilations and data, technology supporting the foregoing and all documentation, including user manuals and training materials, related to any of the foregoing generally available to the public) or (B) restricting any Target Entity's right or permitting third Persons to use any Intellectual Property Rights of any Target Entity;

(xx) Contract that contains a "most favored nation" or similar provision or that provides any customer of a Target Entity with pricing, discounts or benefits that change based on the pricing, discounts or benefits offered to other customers of a Target Entity;

(xxi) broker, agent, sales representative, sales or distribution Contract that has a term in excess of one year or is not terminable without liability by the applicable Target Entity on 60 days' notice or less;

(xxii) Contract prohibiting any Target Entity from freely engaging in any business or competing anywhere in the world or from soliciting or hiring any Person; or

(xxiii) Contract not otherwise of a type listed above involving reasonably anticipated payments to or from a Target Entity in excess of $[redacted] per annum.

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

(b) Each of the Contracts set forth or required to be set forth on the attached Section 3.14 of the Company Disclosure Schedule (including each amendment or waiver with respect thereto, each, a "**Material Contract**") is valid and binding on and enforceable in accordance with its terms against the Target Entity party thereto and, to the Company's Knowledge, each other party thereto and is in full force and effect, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting creditors' rights generally and by general equitable principles (whether considered in a proceeding at law or in equity). The applicable Target Entity has performed in all material respects all obligations required to be performed by it under each Material Contract and is not in default under or in breach of and is not in receipt of any written claim of default or breach under any Material Contract. No event has occurred that with the passage of time or the giving of notice or both would result in a default, breach or event of noncompliance by any Target Entity under any Material Contract. To the Company's Knowledge, no other party to any Material Contract is in default under or in breach of any of the Material Contracts. The Company has made available to Purchaser a true, correct and complete copy of each of the Material Contracts.

Section 3.15 Intellectual Property Rights.

(a) Section 3.15 of the Company Disclosure Schedule contains a true, correct and complete list of all (i) patented or registered Intellectual Property Rights (including domain names) owned or used by each Target Entity and (ii) pending patent applications and applications for other registrations of Intellectual Property Rights filed by or on behalf of each Target Entity. The Target Entities collectively own, free and clear of all Liens, possess a right, title and interest to or have the right to use pursuant to a valid and enforceable license or pursuant to a partial ownership interest all Intellectual Property Rights necessary for the operation of the business of the Target Entities as presently conducted and as presently proposed to be conducted. Except as set forth on Section 3.15 of the Company Disclosure Schedule, the loss or expiration of any Intellectual Property Right or related group of Intellectual Property Rights owned or used by any Target Entity has not resulted in any Loss to any Target Entity in excess of $[redacted] individually or in the aggregate with all such Losses, and no loss or expiration of any material Intellectual Property Right is pending or, to the Company's Knowledge, threatened or reasonably foreseeable (other than the expiration of those material Intellectual Property Rights which by Law expire on a certain date, each of which is set forth on Section 3.15 of the Company Disclosure Schedule). The Target Entities have taken all commercially reasonable steps to maintain and protect the Intellectual Property Rights that each owns and uses.

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

(b) Since January 1, 2009 (i) there have been no claims made against any Target Entity asserting the invalidity, misuse or unenforceability of any of the Intellectual Property Rights set forth on subsection (a) of Section 3.15 of the Company Disclosure Schedule, (ii) no Target Entity has received any written notices of, and the Company has no Knowledge of any facts that indicate a reasonable likelihood of any infringement, misappropriation or dilution by any third party with respect to any Intellectual Property Rights (including any demand or request that any Target Entity license any rights from a third party), (iii) the conduct of the respective businesses of the Target Entities has not infringed, misappropriated or diluted, nor does infringe, misappropriate

or dilute any Intellectual Property Rights of other Persons, and (iv) to the Company's Knowledge, the Intellectual Property Rights set forth on subsection (a) of Section 3.15 of the Company Disclosure Schedule have not been infringed, misappropriated or diluted by other Persons. Except for the transfer, conveyance or assignment of Intellectual Property Rights to the Surviving Corporation, the transactions contemplated by this Agreement shall not have a material effect on any right, title or interest of the Target Entities in and to the Intellectual Property Rights listed on subsection (a) of Section 3.15 of the Company Disclosure Schedule and all of such Intellectual Property Rights shall be owned or available for use by the Surviving Corporation on terms and conditions identical in all material respects immediately after the Closing.

(c) The Target Entities own and possess all right, title and interest in and to all Intellectual Property Rights identified on subsection (a) of Section 3.15 of the Company Disclosure Schedule created or developed solely by any of their respective employees and independent contractors or under the direction or supervision of such entity's employees or independent contractors relating to the business of such entity or the actual research or development conducted by such entity and the Target Entities own and possess all right, title and interest in and to any such Intellectual Property Rights necessary to the demonstratively anticipated research and development to be conducted by such entity. All Persons who have participated in the creation or development of any of the Intellectual Property Rights set forth or required to be set forth on Section 3.15 of the Company Disclosure Schedule (i) have executed and delivered to the applicable Target Entity a valid and enforceable agreement (A) providing for the non-disclosure by such Person of any confidential information of the Target Entities and (B) providing for the assignment by such Person to the applicable Target Entity of any Intellectual Property Rights arising out of such Person's employment by or Contract with such Target Entity or (ii) were employees working within the scope of their employment, and, as a result, no assignment or work made for hire agreement was required. It is not necessary for any Target Entity to utilize any Intellectual Property Rights any of its employees developed, invented or made prior to their employment by such Target Entity except for any such Intellectual Property Rights that have previously been assigned or licensed to such Target Entity.

(d) The firmware, hardware, software and other similar or related items of automated, computerized and/or software systems used by the Target Entities (the "**Company Systems**") are sufficient for the current needs of the Target Entities and there have been no material adverse changes to the Company Systems in the past 12 months. There have been no unauthorized intrusions or breaches of the security of the Company Systems in the past 24 months. The Target Entities have taken commercially reasonable steps consistent with good (or better) industry standard security practices to protect the Company Systems from any "back door," "time bomb," "virus," "Trojan horse," "worm," "drop dead device" or other software routines or hardware components that permit unauthorized access or the unauthorized disablement or erasure of data and related software.

(e) Each Target Entity has at all times complied in all material respects and is currently in compliance in all material respects with any applicable privacy policies it has established. The current privacy policies of the Target Entities are in all material respects in compliance with all applicable Laws. For purposes of this Agreement, the term "**Personally Identifiable Information**" means data that identifies or locates a particular individual, including name, address, telephone number, electronic mail address, social security number, bank account

number or credit card number. Except as set forth on Section 3.15 of the Company Disclosure Schedule, no Personally Identifiable Information has been (i) collected by any Target Entity in material violation of any Laws or (ii) transferred or disclosed by any Target Entity to third parties in material violation of any Laws. There are no notices or Actions pending or, the Company's Knowledge, threatened by Governmental Authorities or private parties involving Personally Identifiable Information held or stored by any Target Entity.

Section 3.16 Litigation. Except as set forth on Section 3.16 of the Company Disclosure Schedule, there are no (and, during the four years preceding the date of this Agreement, there have not been any) Actions pending or, to the Company's Knowledge, threatened against any Target Entity, or pending or threatened by any Target Entity against any Person, at law or in equity, or before or by any Governmental Authority (including any Actions with respect to the transactions contemplated by this Agreement). Except as set forth on Section 3.16 of the Company Disclosure Schedule, no Target Entity is subject to (and, during the six years preceding the date of this Agreement, there has not been) any Order and, to the Company's Knowledge, there is no Order threatened against any Target Entity or affecting any Target Entity or its business, operations, assets, liabilities or condition (including financial condition).

Section 3.17 Brokerage. Except for fees owing to James F. Dalton and Edward Roney (together, the "**Company Financial Advisor**"), no broker, finder or investment banker is or will be entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon any arrangement or agreement made by or on behalf of any Target Entity.

Section 3.18 Insurance. Section 3.18 of the Company Disclosure Schedule contains a true, correct and complete list and description (including insurer, coverages, deductibles, limitations and expiration dates) of each material casualty, general liability or other insurance policy maintained by any of the Target Entities or that name any Target Entity as an insured or loss payee, each such policy is in full force and effect and all premiums due and payable under such policies have been paid in full. No Target Entity has received written notice from any insurance carrier purporting to cancel coverage. No Target Entity is in default with respect to its obligations under any insurance policy maintained by it, no Target Entity has been denied insurance coverage within the past three years and there are no pending material claims as to which the insurers have denied liability. Except as set forth on Section 3.18 of the Company Disclosure Schedule, no Target Entity has any self-insurance or co-insurance programs. Except as set forth on Section 3.18 of the Company Disclosure Schedule, the execution and delivery by the Company of this Agreement and each other Target Entity, as applicable, of all other agreements and instruments contemplated hereby to which the Company or such other Target Entity is a party and the consummation of the transactions contemplated hereby and thereby do not and will not result in a breach or default in any material respect under any insurance policy maintained by the Target Entities.

Section 3.19 Employees. Except as set forth on Section 3.19 of the Company Disclosure Schedule, to the Company's Knowledge, no executive or key employee of any Target Entity has any plans to terminate employment with such Target Entity. No labor strike, work stoppage, slowdown or other material labor dispute has occurred within the past three years at any Target Entity and none is underway or, to the Company's Knowledge, threatened. No labor

organization or group of employees has filed any representation petition or made any written or, to the Company's Knowledge, oral demand for recognition with respect to any Target Entity within the past three years. No union organizing or decertification activities are underway or, to the Company's Knowledge, threatened and no such activities have occurred within the past three years. With respect to the transactions contemplated by this Agreement, any notice required under any Law or collective bargaining agreement has been or prior to the Closing will be given, and all bargaining obligations with any employee representative have been or prior to the Closing will be satisfied. Within the past three years, no Target Entity has implemented any plant closing or layoff of employees that could implicate the Worker Adjustment and Retraining Notification Act of 1988, as amended, or any similar Law, regulation or ordinance (collectively, the "**WARN Act**") and no such action will be implemented without advance notification to Purchaser.

Section 3.20 ERISA.

(a) No Target Entity or ERISA Affiliate has any obligation to contribute to or any other Liability under or with respect to any Multiemployer Plan.

(b) No Target Entity maintains or has any obligation to contribute to (or any other Liability under or with respect to) any plan or arrangement that provides medical, health, life insurance or other welfare type benefits for current or future retired or terminated employees, officers, directors or contractors or any dependents thereof (except for limited continued medical benefit coverage required to be provided under Section 4980B of the Code or similar state Law ("**COBRA**") for which the covered individual pays the full cost of coverage).

(c) No Target Entity or ERISA Affiliate maintains, contributes to or has any Liability under (or with respect to) any plan which is or was a "defined benefit plan" (as defined in Section 3(35) of ERISA), any "multiple employer plan" (within the meaning of Section 210 of ERISA or Section 413(c) of the Code) or any "multiple employer welfare arrangement" (as such term is defined in Section 3(40) of ERISA).

(d) Section 3.20 of the Company Disclosure Schedule sets forth a true, correct and complete list of each plan, program, policy, agreement, Contract or arrangement providing benefits or remuneration to current or former employees or independent contractors of any Target Entity or with respect to which any Target Entity has any material Liability, including any pension, profit sharing, retirement, employment Contract, bonus or incentive, deferred compensation, health or other welfare benefit, fringe or severance plans, programs, policies, agreements or arrangements (each a "**Benefit Plan**").

(e) With respect to each Benefit Plan, all payments, premiums, contributions, reimbursements or accruals for all periods ending prior to or as of the Closing shall have been timely made or properly accrued. None of the Benefit Plans has any unfunded Liabilities that are not properly reflected on the Latest Balance Sheet.

(f) The Benefit Plans and all related trusts, insurance contracts and funds have been maintained, funded and administered in compliance in all material respects with their terms and the applicable provisions of ERISA, the Code and other applicable Laws. Each Target Entity has timely complied in all material respects with all reporting and disclosure obligations as they

apply to the Benefit Plans and each Target Entity and each ERISA Affiliate has complied in all material respects with the requirements of COBRA. There has been no "prohibited transaction" (as defined in Section 406 of ERISA or Section 4975 of the Code) or breach of fiduciary duty (as determined under ERISA) with respect to any Benefit Plan. No Actions with respect to the Benefit Plans (other than routine claims for benefits) are pending or threatened and there are no existing circumstances that could reasonably be expected to give rise to any such Action.

(g) A current favorable determination letter or opinion letter from the Internal Revenue Service has been received by the Company with respect to each Benefit Plan intended to be qualified under Section 401(a) of the Code and related trust intended to be Tax exempt under Section 501(a) of the Code and there are no existing circumstances that could reasonably be expected to materially and adversely affect the qualified status of such Benefit Plan or the Tax exempt status of such trust.

(h) With respect to each Benefit Plan, the Company has made available to Purchaser, as applicable: (i) the most recent favorable determination letter or opinion letter, (ii) true, correct and complete copies of all documents pursuant to which the Benefit Plan is maintained, funded and administered, including the most recent summary plan description and (iii) the two most recent annual reports (Form 5500 and attachments).

(i) Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby shall (i) result in any payment becoming due to any current or former employee, director, officer or contractor of any Target Entity under any Benefit Plan or otherwise, (ii) increase any benefits or compensation otherwise payable under any Benefit Plan or (iii) result in the acceleration of the time of payment, funding or vesting of any benefits or compensation.

Section 3.21 Permits. The Target Entities possess all Permits and all such Permits are in full force and effect. Section 3.21 of the Company Disclosure Schedule sets forth a list of all Permits and all applications pending before any Governmental Authority for the issuance or renewal of any Permits. No Target Entity is currently in, and, since January 1, 2009, no Target Entity has been in violation of, default under or delinquent in respect to any Permit. There is no Action pending or, to the Company's Knowledge, threatened regarding, and no event has occurred that has resulted in or after notice or lapse of time or both would reasonably be expected to result in, revocation, suspension, non-renewal, termination or cancellation of any Permit. No Target Entity has received from any Governmental Authority any written notification with respect to noncompliance with any such Permits or with respect to any intent to rescind, restrict or not renew any Permit. Except as set forth on Section 3.21 of the Company Disclosure Schedule, each Permit is renewable by its terms or in the ordinary course of business without the need to comply with any special qualification procedures not generally applicable to similarly situated licensees or to pay any amounts other than routine filing fees. No present or former manager, officer, director, shareholder, employee or partner of any of the Target Entities or any other Person (other than a Target Entity) owns or has any proprietary, financial or other interest, direct or indirect, in any Permit that any of the Target Entities owns, possesses, operates under or pursuant to or uses.

Section 3.22 Compliance with Laws.

(a) Since January 1, 2009, the Target Entities have been in compliance in all material respects with, and are in material compliance with, have not violated in any material respect, and are not in material violation of, and are not delinquent with respect to, any Law or Order from any Governmental Authority to which any of the Target Entities or their respective property, assets, personnel or business activities are subject. None of the Target Entities have, since January 1, 2009, received any written notice regarding any actual or alleged violation, investigation relating to any violation or threat to be charged with any violation with respect to any Law or Order to which any of the Target Entities or their respective property, assets, personnel or business activities are subject. Each of the Target Entities has made available to Purchaser true, correct and complete copies of all material written communications since January 1, 2012 between any of the Target Entities and any Governmental Authority. Except as set forth on Section 3.22(a) of the Company Disclosure Schedule, since January 1, 2012, (i) no validation, review, survey, inspection, audit, investigation or program integrity review related to any Target Entity has been conducted by any Governmental Authority, government contractor or third party payor and (ii) no such reviews are scheduled, pending or, to the Company's Knowledge, threatened against or affecting any of the Target Entities or their respective facilities or locations. The Target Entities have timely filed all material reports, data and other information required by any Governmental Authority or third party payor program.

(b) Except as set forth on Section 3.22(b) of the Company Disclosure Schedule, no Target Entity nor any Representative acting at their direction has, directly or indirectly, used any corporate funds for unlawful contributions, gifts, entertainment or other unlawful expenses relating to any political activity, made any unlawful payment to foreign or domestic government officials or employees or to foreign or domestic political parties or campaigns from corporate funds, established or maintained a secret or unrecorded fund, participated in or cooperated with an international boycott as defined in Section 999 of the Code, violated any provision of the Foreign Corrupt Practices Act of 1977, as amended, or made any bribe, rebate, payoff, influence payment, kickback or other similar unlawful payment to any officer or employee of any Governmental Authority, a member of a foreign political party or a candidate for political office in a foreign country for the purpose of influencing any act or decision of any such Person acting in his or her official capacity, inducing the Person to take or omit to take any action in violation of his or her lawful duty or inducing such Person to use his or her influence with any government to affect or influence any act or decision of such government or instrumentality in order to assist a Target Entity to obtain or retain business for or with, or in directing business to, any Person.

Section 3.23 Compliance with Health Care Laws.

(a) Except as set forth on Section 3.23(a) of the Company Disclosure Schedule, since January 1, 2009, (i) each Target Entity has been, and is currently, in compliance in all material respects with all applicable Health Care Laws, (ii) no officer, director or employee of any Target Entity has engaged in any act on behalf of a Target Entity that violates in any material respect any Health Care Law and (iii) no Target Entity has received any written notice from any Governmental Authority of any material violation or allegation of a material violation of any Health Care Law by a Target Entity.

(b) No Target Entity is a party to or has any ongoing reporting obligations pursuant to any corporate integrity agreement, deferred prosecution agreement, monitoring agreement, consent decree, settlement order, plan of correction or similar agreement imposed by any Governmental Authority.

(c) Except as set forth on Section 3.23(c) of the Company Disclosure Schedule, since January 1, 2009, no Target Entity has made any voluntary disclosure to the Office of the Inspector General of the United States Department of Health and Human Services, the Centers for Medicare & Medicaid Services or any state or federal government health care program or any fiscal intermediary of any state or federal government health care program with respect to any potential or actual violation of any Health Care Law by any Target Entity.

(d) Except as set forth on Section 3.23(d) of the Company Disclosure Schedule, since January 1, 2009, each Target Entity has timely filed all material regulatory reports, schedules, statements, documents, filings, submissions, forms, registrations, permit and license renewals and other documents, together with any amendments required to be made with respect thereto, that it was required to file with any Governmental Authority pursuant to any Health Care Law, including state health and insurance regulatory authorities and applicable federal regulatory authorities, and has timely paid all material fees and assessments due and payable in connection therewith.

(e) Except as set forth on Section 3.23(e) of the Company Disclosure Schedule, since January 1, 2009, no federal, state or private third-party payment program ("**Payment Program**") has requested or, to the Company's Knowledge, threatened any recoupment, refund or set-off from any Target Entity, and there is no Action pending, received or, to the Company's Knowledge, threatened against a Target Entity that relates in any way to a violation of any Health Care Laws pertaining to the Payment Programs or that would reasonably be expected to result in the imposition of penalties or the exclusion of a Target Entity from participation in any Payment Programs. Since January 1, 2009, no Target Entity has been debarred, excluded or suspended from participation in any such Payment Program and no Target Entity has submitted to any Payment Program any false or fraudulent claim for payment. Since January 1, 2009, all billing and coding practices of the Target Entities have been true, correct, complete and in compliance in all material respects with all applicable Health Care Laws and the regulations and policies of all Payment Programs.

(f) Since January 1, 2009: (i) no Target Entity has violated in any material respect any condition for participation or any rule, regulation or policy or standard of any Payment Program; (ii) each Target Entity meets in all material respects all requirements of participation, claims submission and payment of the Payment Programs; and (iii) no Payment Program has imposed a fine, penalty or other sanction on a Target Entity.

(g) Since January 1, 2009, other than in the Ordinary Course of Business, (i) no validation review, compliance audit or program integrity review related to a Target Entity has been conducted by any commercial Payment Program or Governmental Authority in connection with any third-party Payment Program and (ii) no such reviews are scheduled, pending or, to the Company's Knowledge, threatened against or affecting any Target Entity.

Section 3.24 Environmental and Safety Matters.

(a) Each Target Entity has complied in all material respects and is in compliance in all material respects with all Environmental and Safety Requirements, which compliance has included obtaining, maintaining and complying with all permits, licenses and other authorizations required pursuant to Environmental and Safety Requirements for the occupation of the facilities and the operation of the businesses of the Target Entities.

(b) No Target Entity has received in writing any notice, report or claim from a Governmental Authority or other third party regarding any actual or alleged violation of Environmental and Safety Requirements or any Liabilities or potential Liabilities under Environmental and Safety Requirements.

(c) No Target Entity is subject to any Action or Order pursuant to any Environmental and Safety Requirements.

(d) No Target Entity, in a manner that has given or would give rise to any Liabilities pursuant to any Environmental and Safety Requirements, has (i) treated, stored, disposed of, arranged for or permitted the disposal of, transported, handled, Released or exposed any Person to Hazardous Materials or (ii) owned, occupied or operated any facility or property contaminated by any Hazardous Materials.

(e) No Target Entity has assumed, undertaken, provided an indemnity with respect to or otherwise become subject to any Liability relating to Hazardous Materials or any Environmental and Safety Requirements.

(f) No Target Entity, or any predecessor or Affiliate thereof, has manufactured, sold, marketed or distributed products or items containing asbestos and none of the foregoing Persons has any Liability with respect to the manufacture, sale, marketing or distribution of any such products or items.

(g) No Target Entity, or any predecessor or Affiliate thereof, has any Liability with respect to the presence or alleged presence of any Hazardous Materials at or upon any property or facility.

(h) The Company has made available to Purchaser all material environmental audits, assessments and reports and all other documents materially bearing on environmental, health or safety Liabilities, in each case relating to any Target Entity's or any of its Affiliates or predecessors past or current properties, facilities or operations that are in its possession, custody or control.

Section 3.25 Affiliated Transactions. Except as set forth on Section 3.25 of the Company Disclosure Schedule, except for ordinary course employment arrangements listed on Section 3.14 or Section 3.20 of the Company Disclosure Schedule and rights under Governing Documents and this Agreement, there are no transactions or Contracts that are currently in effect or under which any Liabilities on the part of any Target Entity exist between any Target Entity, on the one hand, and (a) any officer, director, stockholder, manager, employee, Company Holder or Affiliate of a Target Entity, (b) any Person related by blood, marriage or adoption to any

individual described in clause (a) or (c) any Person in which any Person described in clauses (a) or (b) owns any beneficial interest, on the other hand. Except as set forth on Section 3.25 of the Company Disclosure Schedule, there is no outstanding amount owing from any Target Entity to any Affiliate of the Company or from an Affiliate of the Company to any Target Entity except for amounts owing pursuant to employment or compensation related arrangements in the Ordinary Course of Business.

Section 3.26 Real Property.

(a) Section 3.26 of the Company Disclosure Schedule sets forth the address of each Leased Real Property (collectively, the "**Real Property**"). The Company has made available to Purchaser a true, correct and complete copy of each Lease, including all amendments, extensions, renewals, guaranties and other agreements with respect thereto.

(b) Except as set forth in Section 3.26 of the Company Disclosure Schedule, with respect to each of the leases relating to Leased Real Property (collectively, the "**Leases**"): (i) the Lease is legal, valid, binding and enforceable against the Target Entity party thereto and, to the Company's Knowledge, each other party thereto; (ii) neither the applicable Target Entity nor, to the Company's Knowledge, any other party to the Lease is in breach or default under the Lease, and no event has occurred or circumstance exists that, with the delivery of notice, passage of time or both, would constitute such a breach or default or permit the termination, modification or acceleration of rent under the Lease; and (iii) the applicable Target Entity has not assigned, subleased, mortgaged, deeded in trust or otherwise transferred or encumbered the Lease or any interest therein.

(c) No Target Entity owns any Owned Real Property.

Section 3.27 Providers and Provider Agreements.

(a) Section 3.27(a) of the Company Disclosure Schedule lists each physician, health care provider group, independent practice association, hospital, physician-hospital organization, ancillary health care service provider or any other health care service provider with whom the Target Entity has a Provider Agreement (each, a "**Provider**"). Each such Provider to which credentialing requirements apply has been credentialed in accordance with the Target Entities' policies and procedures and in accordance with applicable State of Oregon regulatory requirements.

(b) Except for payment reconciliation disputes in the Ordinary Course of Business, the Target Entities have paid and pay each applicable Provider (or such Provider's contracting entity) in accordance with the compensation terms that have been, or are, in effect, as applicable, in accordance with Provider Agreements and applicable state Law.

(c) Section 3.27(c) of the Company Disclosure Schedule lists each Provider to whom any Target Entity delegates administrative functions and describes all function(s) so delegated. Each Contract for the delegation of administrative functions complies with the requirements of applicable Law. The Target Entities have complied and continue to comply with all applicable requirements of Law relating to oversight and monitoring of the entities to which the Target Entities have delegated administrative functions.

(d) Except as described on Section 3.27(d) of the Company Disclosure Schedule, none of the Provider Agreements (i) requires any Target Entity to pay the provider on a most favored provider basis, (ii) obligates any Target Entity to pay access or administrative fees, or (iii) requires any payment or termination fee upon a change of control of any Target Entity

(e) None of the Provider Agreements limits the rights of any Target Entity to engage in any business or to compete with any Person, contains an exclusivity provision restricting either a Target Entity's ability to do business in certain geographical areas or obligates or binds any Target Entity to use, or offer to use, the services of a Provider in preference to any other provider.

(f) There are no written complaints received from and after January 1, 2012 by any Target Entity from a Provider.

(g) There are no monetary settlements or pending settlements with a health care provider by any Target Entity from and after January 1, 2012.

Section 3.28 Reimbursement and Billing. The Target Entities have timely filed when required all claims for reimbursement ("**Reimbursement Claims**") under any commercial, state or federal Payment Program, including Medicare, TRICARE and Medicaid ("**Health Care Programs**"). Except as set forth in Section 3.28 of the Company Disclosure Schedule, all such Reimbursement Claims comply in all material respects with all Laws and none contain any errors, omissions or disallowable costs or expenses, that are or that would reasonably be expected to result in losses to the Target Entities, individually or in the aggregate, in excess of $[redacted] Except as set forth in Section 3.28 of the Company Disclosure Schedule, since January 1, 2009, none of the Target Entities has received written notice of any dispute between or among any of them and any Governmental Authority or fiscal intermediary regarding such Reimbursement Claims and there are no facts or circumstances that may reasonably be expected to give rise to any material disallowance under any such Reimbursement Claims. Except as set forth in Section 3.28 of the Company Disclosure Schedule, since January 1, 2009, (a) none of the Target Entities has received any notice of denial of payment or overpayment of a material nature from a Health Care Program or any other third-party payor (inclusive of managed care organizations) with respect to items or services provided by the Target Entities other than those that have been finally resolved in any settlement for an amount less than $[redacted] individually or $[redacted] in the aggregate, (b) the Company has no Knowledge of any basis for the assertion after the Closing of any such denial or overpayment claim and (c) none of the Target Entities has received written notice from a Health Care Program or any other third-party payor (inclusive of managed care organizations) of any pending or threatened claims, proceedings, investigations, audits or surveys specifically with respect to, or arising out of, items or services provided by the Target Entities and, to the Company's Knowledge, no such investigation, audit or survey is pending, threatened or imminent. All billing by, or on behalf of, the Target Entities to third-party payors, including Health Care Programs and insurance companies, has been true, correct and complete in all material respects. None of the Target Entities has failed to return an overpayment in accordance with applicable Law. ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF PURCHASER AND MERGER SUB

Purchaser and Merger Sub hereby represent and warrant to the Company that:

Section 4.1 Organization, Power and Authority. Each of Purchaser and Merger Sub is (a) duly organized, validly existing and, where applicable, in good standing under the Laws of Delaware, and (b) has all requisite corporate power and authority necessary to own and operate its properties and to carry on its businesses as now conducted. Each of Purchaser and Merger Sub possesses all requisite power and authority necessary to execute, deliver and perform this Agreement and to perform this Agreement and each other agreement and instrument contemplated hereby to which it is a party and to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby.

Section 4.2 Authorization; No Breach.

(a) The execution, delivery and performance by Purchaser and Merger Sub of this Agreement and each other agreement and instrument contemplated hereby to which Purchaser or Merger Sub is a party, and the consummation of the Merger and the other transactions contemplated hereby and thereby have been duly and validly authorized by all necessary corporate action on the part of Purchaser and Merger Sub, as the case may be. This Agreement has been, and each other agreement and instrument contemplated hereby to which Purchaser or Merger Sub is a party has been or will be, duly and validly executed and delivered by Purchaser or Merger Sub, as the case may be, in accordance with the terms thereof, shall constitute a legal, valid and binding agreement of Purchaser or Merger Sub, as the case may be, enforceable against Purchaser or Merger Sub, as the case may be, in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting creditors' rights generally and by general equitable principles (whether considered in a proceeding at law or in equity).

(b) The execution, delivery and performance by Purchaser and Merger Sub of this Agreement and all other agreements and instruments contemplated hereby to which Purchaser or Merger Sub is or will be a party, and the consummation of the transactions contemplated hereby and thereby, do not and will not, with or without the giving of notice or the lapse of time or both (i) conflict with or violate the Governing Documents of Purchaser or Merger Sub, (ii) conflict with or violate any Law or Order applicable to Purchaser or Merger Sub or by which any of their respective properties are bound, assuming that all consents, approvals and authorizations contemplated in subsection (c) below have been obtained, and all filings described in such subsection have been made, (iii) conflict with or result in a breach of or constitute a default or result in a loss of a benefit under, or give rise to any right of termination, cancellation, amendment acceleration or similar right under, or obligation or fee under, any material Contract to which Purchaser or Merger Sub is a party or by which any of their respective properties are bound or result in the creation of any Lien upon the capital stock or material assets of Purchaser or Merger Sub, that would reasonably be expected to prevent, materially and adversely impair, delay or affect the ability of Purchaser or Merger Sub to perform their obligations hereunder and to consummate the transactions contemplated hereby.

(c) Except for (i) applicable pre-merger notification requirements of the HSR Act and the expiration or termination of any applicable waiting period thereunder, (ii) the filing of the Articles of Merger under the OBCA and (iii) the filings and approvals required under the Oregon Insurance Code as required by ORS 732.517 to ORS 732.546, Purchaser and Merger Sub are not required to prepare or submit any application, notice, report or other filing or obtain any consent, authorization, approval, order, registration or confirmation from any court or Governmental Authority or, to the extent required under any material Contract to which Purchaser or Merger Sub is a party or by which any of their respective properties are bound, from any third party in connection with the execution, delivery or performance of this Agreement by Purchaser and Merger Sub and the consummation of the transactions contemplated hereby that would reasonably be expected to prevent, materially and adversely impair, delay or affect the ability of Purchaser or Merger Sub to perform their obligations hereunder and to consummate the transactions contemplated hereby.

Section 4.3 Brokerage. No broker, finder or investment banker is or will be entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon any arrangement or agreement made by or on behalf of Purchaser or Merger Sub.

Section 4.4 Litigation, etc. There are no Actions pending or, to Purchaser's or Merger Sub's Knowledge, threatened against Purchaser or Merger Sub that would reasonably be expected to prevent, materially and adversely impair, delay or affect the ability of Purchaser or Merger Sub to perform their obligations hereunder and to consummate the transactions contemplated hereby. Neither Purchaser nor Merger Sub is subject to any Order that is material to the conduct of the business of Purchaser and Merger Sub, taken as a whole.

Section 4.5 No Prior Activities Except for obligations or liabilities incurred in connection with its incorporation or organization or the negotiation and consummation of this Agreement and the transactions contemplated hereby, Merger Sub has not incurred any obligations or liabilities, and has not engaged in any business or activities of any type or kind whatsoever. The authorized capital stock of Merger Sub consists solely of 1,000 shares of common stock, par value $[redacted] per share, all of which were duly authorized and validly issued, are fully paid and nonassessable and are not subject to preemptive rights. Purchaser owns, beneficially and of record, all of the outstanding capital stock of Merger Sub.

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

Section 4.6 Vote/Approval Required. No vote or consent of the holders of any class or series of capital stock of Purchaser is necessary to adopt this Agreement or approve the Merger or the transactions contemplated hereby. The vote or consent of Purchaser as the sole stockholder of Merger Sub is the only vote or consent of the holders of any class or series of capital stock of Merger Sub necessary to adopt this Agreement or approve the Merger or the transactions contemplated hereby.

Section 4.7 Sufficiency of Funds. Purchaser has sufficient cash on hand or other sources of immediately available funds to permit it to make payment of the amounts set forth in Section 2.8(d) and consummate the transactions contemplated by this Agreement.

Section 4.8 Independent Investigation. Each of Purchaser and Merger Sub has conducted its own independent investigation, review and analysis of the business, results of operations, prospects, condition (financial or otherwise) or assets of the Target Entities, and acknowledges that it has been provided adequate access to the personnel, properties, assets, premises, books and records, and other documents and data of the Target Entities for that purpose. In making its decision to enter into this Agreement and to consummate the transactions contemplated hereby, each of Purchaser and Merger Sub has relied solely upon its own investigation and the express representations and warranties set forth in Article III of this Agreement (including the Company Disclosure Schedule). None of the Company Holders, the Target Entities or any other Person has made any representation or warranty as to the Target Entities or this Agreement, except as expressly set forth in Article III of this Agreement (including the related portions of the Company Disclosure Schedule), the Stockholder Support Agreement or the Letters of Transmittal.

ARTICLE V

CONDITIONS TO THE OBLIGATIONS OF MERGER SUB AND PURCHASER AT THE CLOSING

The obligation of Purchaser and Merger Sub to consummate the transactions contemplated by this Agreement at the Closing is subject to the satisfaction (or waiver, where permitted by Law) at or prior to the Closing of each of the following conditions:

Section 5.1 Representations and Warranties. [redacted]

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

Section 5.2 Covenants. [redacted]

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

Section 5.3 Dissenters' Rights. [redacted]

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

Section 5.4 Escrow Agreement. [redacted]

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

Section 5.5 Paying Agent Agreement. [redacted]

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

Section 5.6 Litigation. [redacted]

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

Section 5.7 Third Party Notices, Consents and Approvals. [redacted]

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

Section 5.8 Regulatory Authority. [redacted]

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

Section 5.9 Regulatory Consents.

(a) [redacted]

(b) [redacted]

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

Section 5.10 Shareholder Approvals.

(a) [redacted]

(b) [redacted]

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

Section 5.11 Material Adverse Effect. [redacted]

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

Section 5.12 Closing Documents. [redacted]

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

Section 5.13 Payment of Indebtedness. [redacted]

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

Section 5.14 Key Management Employment Agreements; Continued Employment. [redacted]

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

Section 5.15 RBC Minimum. [redacted]

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

Section 5.16 Letters of Transmittal. [redacted]

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

ARTICLE VI

CONDITIONS TO THE OBLIGATIONS OF THE COMPANY AT THE CLOSING

The obligation of the Company to consummate the transactions contemplated by this Agreement at the Closing is subject to the satisfaction (or waiver, where permitted by Law) at or prior to the Closing of each of the following conditions:

Section 6.1 Representations and Warranties. Purchaser's and Merger Sub's Fundamental Representations shall be true and correct in all respects as of the Closing (without giving effect to any "materiality" or "Company Material Adverse Effect" qualifiers contained therein) as though made as of the Closing (except to the extent any such representation or warranty speaks as of the date of this Agreement or any other specific date, in which case such representation or warranty shall have been true and correct in all respects as of such date), other than for matters that are individually or in the aggregate *de minimis*. The other representations and warranties of Purchaser and Merger Sub in Article IV shall be true and correct in all material respects as of the Closing (without giving effect to any "materiality" or "material adverse effect" qualifiers contained therein) as though made as of the Closing (except to the extent any such representation or warranty speaks as of the date of this Agreement or any other specific date, in which case such representation or warranty shall have been true and correct in all material respects as of such date (without giving effect to any "materiality" or "Company Material Adverse Effect" qualifiers contained therein)).

Section 6.2 Covenants. Purchaser and Merger Sub shall have performed or complied in all material respects with all of the covenants required to be performed by or complied with by Purchaser or Merger Sub hereunder prior to the Closing (including those set forth in Article VII).

Section 6.3 Escrow Agreement. Purchaser and the Escrow Agent shall have executed and delivered the Escrow Agreement, and the Escrow Agreement shall be in full force and effect as of the Closing and shall not have been amended or modified.

Section 6.4 Paying Agent Agreement. Purchaser and the Paying Agent shall have executed and delivered the Paying Agent Agreement, and the Paying Agent Agreement shall be in full force and effect as of the Closing and shall not have been amended or modified.

Section 6.5 Litigation. No court or other Governmental Authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered or provided written notice to Purchaser or Merger Sub that such court or Governmental Authority intends to enact, issue, promulgate, enforce or enter any Order or Law (whether temporary, preliminary, or permanent) that has had or would have the effect of restraining, enjoining or otherwise prohibiting the consummation of the Merger.

Section 6.6 Shareholder Approvals.

(a) The Necessary Stockholder Approval shall have been obtained, including any approvals required under ORS 732.529.

(b) The shareholders of the Company and the Regulated Target Entity shall have approved the transactions contemplated hereby as they relate to the Regulated Target Entity in the manner required by Law in order to effectuate the transactions contemplated by this Agreement, including the approvals required under ORS 732.529.

Section 6.7 Regulatory Consents.

(a) Any applicable waiting periods under the HSR Act, and any comparable applicable foreign competition or antitrust Laws relating to the transactions contemplated by this Agreement, shall have expired or been terminated.

(b) All necessary regulatory approvals required by the State of Oregon or any other Governmental Authority, including approvals required under the Oregon Insurance Code under ORS 732.517 to 732.546 and by the Oregon Health Authority (including with respect to a change of control of the Company and the Regulated Target Entity), shall have been obtained.

Section 6.8 Closing Documents. At the Closing, Purchaser shall have delivered to the Company (a) a certificate of an officer of Purchaser and Merger Sub on behalf of Purchaser and Merger Sub dated as of the Closing Date stating that each of the conditions specified in Section 6.1 and Section 6.2 have been satisfied, (b) certified copies of the resolutions duly adopted by the board of directors of each of Purchaser and Merger Sub authorizing the execution, delivery and performance of this Agreement and each of the other agreements contemplated hereby, the adoption and filing of the Articles of Merger, the Merger and the other transactions contemplated hereby and (c) a certified copy of the resolutions of Purchaser, as the sole Stockholder of Merger Sub, adopting this Agreement.

ARTICLE VII

PRE-CLOSING COVENANTS AND AGREEMENTS

Each of the Parties agrees as follows with respect to the period between the date of this Agreement and the Closing:

Section 7.1 Maintenance of Business. Except as expressly permitted or required by this Agreement, as set forth on Section 7.2 of the Company Disclosure Schedule, as required by Law or as consented to by Purchaser in writing, the Company shall, and shall cause the other Target Entities to, (a) maintain its tangible assets in good operating condition and repair (normal wear and tear excepted) consistent with past practice, (b) maintain insurance reasonably comparable to that in effect on the date of the Latest Balance Sheet, (c) maintain its books, accounts and records in accordance with past custom and practice as used in the preparation of the Financial Statements and (d) maintain in full force and effect the existence of, and, other than in the Ordinary Course of Business, not permit the abandonment, assignment or license of, any or all material Intellectual Property Rights owned by any Target Entity.

Section 7.2 Operation of Business. The Company shall, and shall cause each of the other Target Entities to, operate their respective businesses in the Ordinary Course of Business and preserve intact the goodwill and organization of their respective businesses and the relationships with their respective customers, suppliers, employees and other Persons having

business relations with the Target Entities. Without limiting the generality of the foregoing, except as expressly permitted or required by this Agreement or set forth on Section 7.2 of the Company Disclosure Schedule or with the prior written consent of Purchaser, prior to the Closing the Company shall not, and shall not permit any of the other Target Entities to:

(a) issue, deliver, sell, pledge, acquire, redeem, transfer, encumber, grant options or rights to purchase or sell any Equity Interests of any Target Entity, or authorize, propose or agree to the issuance, delivery, sale, pledge, acquisition, redemption, transfer, encumbrance or grant, or permit any reclassifications of any Equity Interests of any Target Entity, other than shares of Company Stock issued upon the exercise of Options outstanding on the date of this Agreement in accordance with the Option Plan;

(b) split, combine, adjust, subdivide or reclassify any Common Stock or other capital stock;

(c) amend, restate, amend and restate or modify its Governing Documents;

(d) except pursuant to Section 7.3, declare, pay or otherwise set aside for payment any cash or non-cash dividend or other cash or non-cash distribution with respect to its capital stock or other equity securities (other than dividends paid by Subsidiaries of the Company to the Company or another Subsidiary of the Company);

(e) merge or consolidate with, or acquire all or substantially all the assets of, or otherwise acquire or make any investment in, any business, business organization or division thereof, or any other Person;

(f) adopt a plan of complete or partial liquidation, dissolution, merger, consolidation, restructuring, recapitalization or other reorganization (other than the Merger);

(g) sell, lease, license, mortgage, pledge, subject to any Lien (other than Permitted Liens) or otherwise dispose of any assets or property other than the sale of inventory and damaged, immaterial, obsolete or excess equipment in the Ordinary Course of Business;

(h) settle or compromise any Action if such settlement or compromise involves (i) aggregate payments by the Target Entities in respect of all such Actions after the Closing in excess of $[redacted] or (ii) any relief other than money damages;

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

(i) (i) enter into any new, or amend, terminate or renew any existing, employment, severance, consulting or salary continuation agreements with or for the benefit of any officer, director, key employee or consultant (other than standard proprietary rights and inventions assignment or similar agreements executed by newly hired employees in the Ordinary Course of Business); (ii) grant any increases in compensation, perquisites or benefits to any officer, director, employee or consultant (except for salary increases and annual bonuses (not related to the Merger) payable in the Ordinary Course of Business pursuant to Benefit Plans disclosed to Purchaser on Section 3.20 of the Company Disclosure Schedule); or (iii) agree to grant or grant any stock-related, cash-based, performance or similar award or bonus that, at the option of the grantee, is to be settled in securities of the Company;

(j) (i) except for changes required by applicable Law, adopt, amend or terminate any Benefit Plan, or adopt or enter into any new Benefit Plan or materially increase the benefits provided under any Benefit Plan, or promise or commit to undertake any of the foregoing in the future or (ii) enter into any collective bargaining or other similar arrangement with any labor organization;

(k) implement any employee layoff that by itself or when aggregated in accordance with applicable Law with other layoffs that occur prior to the Closing could implicate the WARN Act;

(l) enter into, materially amend, terminate or waive any Material Contract;

(m) take any act or omit to take any act, or permit any act or omission to occur, that would reasonably be expected to cause a breach by any Target Entity of any Material Contract;

(n) enter into any transaction with or for the benefit of any Affiliate other than transactions between the Target Entities;

(o) make any material change to, establish any new or amend any cash management policies, including delaying or postponing the payment of accounts payable or accelerating the collection of any accounts receivable, or making any material change in its servicing, billing or collection operations or policies;

(p) make or change any material Tax election, change an annual accounting period or adopt or change any material accounting method, practice or policy (other than as required by Law or GAAP), file any amended Tax Return, settle or compromise any Tax claim, consent to any extension or waiver of the statute of limitations period applicable to any Tax claim, surrender any right to claim a refund on Taxes, enter into any closing agreement with respect to Taxes or fail to pay any Taxes as they become due and payable;

(q) disclose any material confidential information or trade secrets, abandon or allow to expire or lapse any registered Intellectual Property Rights or transfer, assign or grant any license or sublicense of any rights under or with respect to any material Intellectual Property Rights;

(r) make any capital expenditures in excess of $[redacted] in the aggregate;

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

(s) create, incur, assume, refinance or guarantee any Indebtedness;

(t) make any loans, advances or capital contributions to, or investments in, any other Person;

(u) forgive, cancel, waive or release any right involving more than $[redacted] in the aggregate or outside the Ordinary Course of Business;

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

(v) take any action outside the Ordinary Course of Business that would reasonably be expected to cause members to cease enrollment;

(w) make or grant any material increase in the compensation payable or to become payable to any Provider other than in the Ordinary Course of Business pursuant to contracts disclosed to Purchaser on the Company Disclosure Schedule;

(x) permit the Regulated Target Entity to deliver or make available to any Governmental Authority any statutory statement where the aggregate actuarial reserves or other actuarial amounts held in respect of Liabilities with respect to the Regulated Target Entity do not comply with the requirements and meet the standards set forth in Section 3.6(c); or

(y) authorize, or commit or agree to take, any of the foregoing actions.

Section 7.3 Pre-Closing Dividend. Prior to the Closing, subject to any required approval of the Oregon Insurance Division, the Company shall, to the extent that such distribution would not cause the Regulated Target Entity's Risk Based Capital to be less than the Target RBC, cause (a) the Regulated Target Entity to distribute all cash held by the Regulated Target Entity to the Regulated Target Entity's shareholders and (b) Lane Individual Practice Association, Inc. to distribute all such cash it receives to the Company.

Section 7.4 Efforts to Complete.

(a) Subject to the terms and conditions of this Agreement, each of Purchaser and Merger Sub, on the one hand, and the Company, on the other hand, shall use its reasonable best efforts to cooperate with each other and 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, in the most expeditious manner possible, the transactions contemplated hereby, including satisfaction but not waiver of the conditions set forth in Article V (in the case of the Company) and Article VI (in the case of Purchaser and Merger Sub) by (i) obtaining (and cooperating with the other in obtaining) any clearance, authorization, Order or approval of, or any exemption by, any Governmental Authority required to be obtained or made by Purchaser, Merger Sub or any Target Entity in connection with the transactions contemplated hereby, and the expiration or termination of all applicable waiting periods with respect to any Governmental Authorities, (ii) making any and all notices, registrations and filings that may be necessary or advisable to obtain the approval or waiver from, or to avoid any Action by, any Governmental Authority, including by the Oregon Insurance Division under the Oregon Insurance Code under ORS 732.517 to 732.546, (iii) obtaining any required approval of the Oregon Insurance Division to make the distribution contemplated by Section 7.3 and making such distribution in accordance with Section 7.3, (iv) obtaining the approval described in Section 5.10(b) within two Business Days following the receipt of the regulatory approvals described in Section 5.9(b) and (v) executing any certificates, instruments or other documents that are necessary to consummate and make effective the transactions contemplated hereby and to fully carry out the purposes and intent of this Agreement. Without limiting the generality of the foregoing, each of the Parties shall file (and the Company shall cause each of the other Target Entities to file) within ten Business Days of the date of this Agreement any notification required under the HSR Act or any comparable applicable foreign competition or antitrust Laws, and in connection with obtaining clearance under the HSR Act or such other Laws each of the Parties shall (and the Company shall cause each of the other Target Entities to) use reasonable best efforts to (x) prepare and furnish all necessary information and documentation and make presentations to Governmental Authorities, (y) otherwise do whatever is

reasonably necessary, proper or advisable to assist and cooperate with the other in obtaining such clearance from Governmental Authorities and (z) respond as promptly as practicable to any inquiries or requests received from any Governmental Authority for additional information or documentation or otherwise in connection therewith. The Parties specifically shall request early termination of the waiting period in filings made under the HSR Act. Also, without limiting the generality of the foregoing, in connection with the filing of "Form A" by Purchaser as required by ORS 732.523 with the Director of the Department of Consumer and Business Services, each of the Parties shall (and the Company shall cause each of the other Target Entities to) use reasonable best efforts to (x) prepare and furnish all necessary information and documentation and make presentations to the Department of Consumer and Business Services, (y) otherwise do whatever is reasonably necessary, proper or advisable to assist and cooperate with the other in obtaining such clearance from the Department of Consumer and Business Services and (z) respond as promptly as practicable to any inquiries or requests received from the Department of Consumer and Business Services for additional information or documentation or otherwise in connection therewith. Further, without limiting the generality of the foregoing, in connection with the filing of "Form E" by Purchaser as required by ORS 732.521 and 732.539 with the Oregon Insurance Division, each of the Parties shall (and the Company shall cause each of the other Target Entities to) use reasonable best efforts to (x) prepare and furnish all necessary information and documentation and make presentations to the Oregon Insurance Division, (y) otherwise do whatever is necessary, proper or advisable to assist and cooperate with the other in obtaining such clearance from the Oregon Insurance Division and (z) respond as promptly as practicable to any inquiries or requests received from the Oregon Insurance Division for additional information or documentation or otherwise in connection therewith. Notwithstanding anything in this Agreement to the contrary, no Party shall be required to, and none of the Company or any of its Subsidiaries may, without the prior written consent of Purchaser, enter into any agreements or commitments or take any other actions to resolve any objections or Actions referenced in this Section 7.4 if such agreement, commitment or other action would reasonably be expected, individually or in the aggregate, to (A) prevent consummation of any of the transactions contemplated hereby, (B) result in any of the transactions contemplated hereby being rescinded following the Closing or (C) result in the imposition of any material Liability on the Purchaser, any of the Target Entities or the Surviving Corporation following the Effective Time.

(b) For the avoidance of doubt and notwithstanding anything to the contrary set forth in this Section 7.4, the obligations of Purchaser under Section 7.4 to use its reasonable best efforts shall not mean Purchaser, Merger Sub or the Company committing to, and in no event shall Purchaser, Merger Sub, the Company or any of their respective Affiliates be required to: (i) sell, divest or otherwise convey particular assets, categories, portions or parts of assets or business of Purchaser, Merger Sub, any of the Target Entities or any of their respective Affiliates; (ii) agree to sell, divest or otherwise convey any particular asset, category, portion or part of an asset or business of Purchaser, Merger Sub, any of the Target Entities or any of their respective Affiliates contemporaneously with or subsequent to the Effective Time or otherwise; and/or (iii) permit the Company to sell, divest or otherwise convey any of the particular assets, categories, portions or parts of assets or businesses of the Company, any of the other Target Entities or any of their respective Affiliates prior to the Effective Time or license, hold separate or enter into similar arrangements with respect to its respective assets or the assets of Purchaser, Merger Sub, a Target Entity or any of their respective Affiliates or the conduct of its respective business or terminate any relationships or contractual rights or obligations of Purchaser, Merger Sub, a Target Entity or any

of their respective Affiliates as a condition to obtaining any and all expirations of waiting periods under the HSR Act or consents from any Governmental Authority required in connection with the transactions contemplated hereby (each, a "**Divestiture Action**"). Furthermore, the Company will not agree, and will not permit any of the Target Entities to agree to, any Divestiture Action without the prior written consent of Purchaser.

(c) Each of Purchaser and Merger Sub, on the one hand, and the Company, on the other hand, shall, to the extent legally permissible, keep the other reasonably informed of the status of their respective efforts to consummate the transactions contemplated hereby, including by, (i) promptly notifying the other of and furnishing the other with copies of any written communications and advising the other orally of any material oral communications from or with any Governmental Authority with respect to the transactions contemplated hereby, (ii) permitting the other to review and discuss in advance, and consider in good faith the views of the other in connection with, any proposed written (or any material proposed oral) communication with any such Governmental Authority with respect to the transactions contemplated hereby, (iii) not participating in any meeting with respect to the transactions contemplated hereby with any such Governmental Authority unless it consults with the other in advance and, to the extent permitted by such Governmental Authority, gives the other the opportunity to attend and participate thereat, (iv) furnishing the other with copies of all correspondence, filings and communications between it and any such Governmental Authority with respect to this Agreement and the transactions contemplated hereby and (v) furnishing the other with such necessary information and reasonable assistance as each of them may reasonably request in connection with its preparation of necessary filings or submissions of information to any such Governmental Authority with respect to the transactions contemplated hereby. Notwithstanding anything to the contrary in this Section 7.4(c), in no event shall any Party be obligated to provide the other with any portion of an HSR notification filing (or equivalent non-U.S. competition filing) not customarily furnished to the other party in connection with HSR or non-U.S. competition filings.

(d) [redacted]

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

Section 7.5 No Solicitation; Company Adverse Recommendation Change.

(a) [redacted]

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

All redactions on this page:
ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

(i) [redacted]

(ii) [redacted]

(iii) [redacted]

(iv) [redacted]

(v) [redacted]

(b) [redacted]

(i) [redacted]

(ii) [redacted]

All redactions on this page:
ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

[redacted]

(c) [redacted]

(i) [redacted]

(ii) [redacted]

(d) [redacted]

(i) [redacted]

All redactions on this page:
ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

[redacted]

(ii) [redacted]

(iii) [redacted]

(A) [redacted]

(B) [redacted]

Section 7.6 Full Access.

(a) From the date of this Agreement until its termination in accordance with Article X, the Company shall provide, and shall cause its and its Subsidiaries, officers, directors, employees, attorneys, accountants and other agents and Representatives to provide, to Purchaser, its Affiliates and its Representatives, full access at all reasonable times and during normal business hours, under the supervision of the Company's personnel and in such a manner as not to unreasonably interfere with the normal operations of the Target Entities, to the Target Entities' premises, properties, officers, employees and Providers and to business, financial, legal, tax, compensation and other data and information concerning the Target Entities' affairs and operations. Notwithstanding anything to the contrary in this Agreement, no Target Entity will be required to disclose any information to Purchaser if such disclosure would, in Company's reasonable discretion after consultation with outside counsel, as to the matters in clauses (x) and (y) below: (x) adversely affect the ability of any Target Entity to assert any attorney-client privilege (and, to the extent possible, in such event the applicable Target Entity shall enter into a joint defense agreement with respect to any such information); or (y) contravene any applicable Law.

(b) Each of Purchaser and Merger Sub agrees that it shall, and shall cause its Affiliates, potential lenders and each of their respective Representatives to, hold in strict confidence all data and information obtained by them from the Company or any Target Entity in accordance with the Confidentiality Agreement.

Section 7.7 Notice of Material Developments; Updating of Schedules. Each Party shall give prompt written notice to the other Parties of any circumstance, event or action the existence of which could reasonably be expected, individually or in the aggregate, to result in the failure of any of the conditions set forth in Article V or Article VI, as the case may be, to the other Parties' obligations to be satisfied and of any other material development affecting the ability of such Party to promptly consummate the transactions contemplated by this Agreement. If the Company or Purchaser notifies the other of any Individual Matter arising after the date of this Agreement in the Ordinary Course of Business that results or would reasonably be expected to result in Losses not in excess of $[redacted] per Individual Matter, then such notification shall be deemed to be an amendment to the Company Disclosure Schedule or Purchaser Disclosure Schedule, as applicable, for purposes of Article IX, and no Indemnified Party may seek indemnification for Losses not in excess of $[redacted] with respect to such Company Disclosure Schedule update or Purchaser Disclosure Schedule update, as applicable. Other than deemed amendments to the Company Disclosure Schedule or Purchaser Disclosure Schedule in accordance with the preceding sentence, the delivery of a notification under this Section 7.7 shall not modify this Agreement for purposes of determining whether the conditions set forth in Article V or Article VI, as applicable, have been satisfied, or (ii) limit or affect any Party's right to indemnification pursuant to Article IX. ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

Section 7.8 Financial Statements. The Company shall deliver to Purchaser (a) the Financial Statements for each annual fiscal period and monthly fiscal period that has ended between the date of this Agreement and the Closing Date within 90 days following the end of each annual fiscal period and 30 days following the end of each monthly fiscal period, as applicable, and (b) the STAT Financial Statements for each annual fiscal period and quarterly fiscal period

that has ended between the date of this Agreement and the Closing Date within 60 days following the end of each annual fiscal period and 45 days following the end of each quarterly fiscal period, as applicable.

Section 7.9 Proxy Statement; Stockholders Meeting.

(a) Proxy Statement. As promptly as practicable after the date of this Agreement, the Company shall prepare a proxy statement relating to the Stockholders Meeting (together with any amendments thereof or supplements thereto, the "**Proxy Statement**"). The Company shall cause the Proxy Statement to be mailed to the Stockholders within three Business Days after receipt of the approval of the Oregon Insurance Division of the transactions contemplated by this Agreement. If necessary in order to comply with applicable securities Laws, after the Proxy Statement shall have been mailed, the Company shall promptly circulate amended, supplemental or supplemented proxy material, and, if required in connection therewith, re-solicit proxies. Purchaser and Merger Sub shall furnish all information as the Company may reasonably request in connection with such actions and the preparation of the Proxy Statement.

(b) Required Disclosures. The Proxy Statement shall include (i) the notice required pursuant to Section 60.214(1) of the OBCA, (ii) the notice to Company Stockholders of their dissenters' rights under Section 60.561 of the OBCA, (iii) the Company Recommendation, (iv) all material disclosure relating to the Company Financial Advisor (including the amount of fees and other considerations the Company Financial Advisor will receive upon consummation of the Merger, and the conditions for the payment of such fees and other considerations), (v) a copy of OBCA 60.551 to 60.594 and (vii) any notices that are required by Law and any notices to which such holder is entitled pursuant to the provisions of the Company's Articles of Incorporation or bylaws. The Company shall ensure that the Proxy Statement complies in all material respects with the applicable provisions of the Exchange Act and the rules and regulations promulgated thereunder. Five Business Days prior to mailing the Proxy Statement (or any amendment or supplement thereto), the Company shall provide Purchaser with an opportunity to review and comment on such document and shall include in such document all reasonable comments proposed by Purchaser in writing.

(c) Accuracy. Each of Purchaser, Merger Sub and the Company agrees, for itself and in respect of each of its respective Affiliates and Representatives, that none of the information supplied or to be supplied by Purchaser, Merger Sub or the Company, as applicable, expressly for inclusion in the Proxy Statement will, as of the time such documents (or any amendment thereof or supplement thereto) are mailed to the Stockholders and at the time of the Stockholders Meeting, contain any untrue statement of a material fact, or omit to state any material fact required to be stated therein in order to make the statements therein, in light of the circumstances under which they were made, not misleading. If at any time prior to the Closing any event or circumstance relating to Purchaser or Merger Sub, or their respective officers or directors, should be discovered by Purchaser or Merger Sub that should be set forth in an amendment or a supplement to the Proxy Statement to ensure that the Proxy Statement would not include any misstatement of a material fact or omit to state any material fact required to be stated therein in order to make the statements therein, in light of the circumstances under which they were made, not misleading, Purchaser shall promptly notify the Company, and, at Purchaser's expense, the Company shall amend or supplement and, if required by applicable Law, mail to the Stockholders,

the Proxy Statement promptly to disclose such event or circumstance. If at any time prior to the Closing any event or circumstance relating to the Company or any of its Subsidiaries or their respective officers or directors should be discovered by the Company that should be set forth in an amendment or a supplement to the Proxy Statement to ensure that the Proxy Statement would not include any misstatement of a material fact or omit to state any material fact required to be stated therein in order to make the statements therein, in light of the circumstances under which they were made, not misleading, the Company shall promptly notify Purchaser, and the Company shall amend or supplement and, if required by applicable Law, mail to the Stockholders, the Proxy Statement promptly to disclose such event or circumstance.

(d) Letter of Transmittal. At a time to be mutually agreed by the Company and the Purchaser, the Company shall mail or distribute to each Company Holder a letter of transmittal with instructions for effecting the proper surrender of the Certificates for payment (which shall include (i) a release of claims by such Company Holder against the Target Entities, (ii) appointment of the Stockholder Representative in accordance with the terms hereof and (iii) a joinder to the Stockholder Support Agreement) in the form attached hereto as Exhibit D (the "**Letter of Transmittal**") and instruct each such Company Holder to return the Letter of Transmittal to the Company in accordance with instructions to be set forth therein. Within two Business Days after the Stockholders Meeting at which the adoption of this Agreement and the transactions contemplated hereby (including the Merger) are approved, the Company shall provide the Stockholders who have satisfied the requirements under Section 60.564 of the OBCA with the notice described in Section 60.567 of the OBCA.

(e) Stockholders' Meeting.

(i) The Company shall duly call, give notice of and hold a meeting of its stockholders (the "**Stockholders Meeting**") no later than the date that is 35 days following the date on which the Oregon Insurance Division approves the "Form A" filed by Purchaser pursuant to Section 7.4 of this Agreement for the purpose of obtaining the Necessary Stockholder Approval; *provided*, that, without the prior written consent of Purchaser, the Company may not delay, adjourn or postpone the Stockholders Meeting, except to the extent required by applicable Law and then only for the minimum period required by applicable Law; *provided, further*, that, notwithstanding the foregoing, Purchaser may require the Company to adjourn or postpone the Stockholders Meeting on one occasion and on a second occasion if the Company has not received proxies representing at least [redacted] of the outstanding Common Stock as of the time of such second postponement. The meeting notice shall comply with all requirements required by Law, including without limitation the requirements under ORS 732.529.

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

(ii) The Company agrees and acknowledges that it has established the date that is 15 Business Days after the date of this Agreement as the record date for purposes of determining the Stockholders entitled to notice of and to vote at the Stockholders Meeting, *provided that*, to the extent required by Law or the Company's organizational documents, the Company may establish a later date as the record date for purposes of determining the Stockholders entitled to notice of and to vote at the Stockholders Meeting (such date, including as it may be subsequently established in accordance with the terms hereof, the "**Record Date**"). In the event that the date of the

Stockholders Meeting as originally called is for any reason adjourned or postponed or otherwise delayed, the Company agrees that unless Purchaser shall have otherwise approved in writing, it shall implement such adjournment or postponement or other delay in such a way that the Company does not establish a new Record Date for the Stockholders Meeting, as so adjourned, postponed or delayed, except as required by applicable Law.

(iii) Prior to the Stockholders Meeting, the Company shall, (x) take all reasonable lawful action to solicit the Necessary Stockholder Approval and (y) subject to Section 7.5, publicly reaffirm the Company Recommendation within one Business Day after any request by Purchaser. The Company shall, upon the reasonable request of Purchaser, advise Purchaser at least on a daily basis on each of the last 15 days prior to the date of the Stockholders Meeting as to the aggregate tally of the proxies received by the Company with respect to the Necessary Stockholder Approval. Without the prior written consent of Purchaser, the adoption of this Agreement and the transactions contemplated hereby (including the Merger) shall be the only matter (other than procedural matters) that the Company shall propose to be acted on by the Stockholders at the Stockholders Meeting.

Section 7.10 Dissolutions. The Company shall use commercially reasonable efforts to cause the dissolution of Agate Properties LLC prior to the Closing and shall, promptly following the filing of articles of dissolution with the Oregon Secretary of State, provide written evidence of such filing to Purchaser.

ARTICLE VIII

ADDITIONAL AGREEMENTS

Section 8.1 Tax Matters.

(a) Tax Indemnification. Except to the extent taken into account in Estimated Transaction Expenses and reflected in the Initial Merger Consideration paid at Closing, after the Closing, the Company Holders shall, solely from the Deferred Purchase Price and Bonus Amount, if any, and by reduction of any payments to be made to the Company Holders pursuant to Section 2.9, indemnify the Purchaser Indemnified Parties and hold them harmless from and against (i) all Taxes (or the non-payment thereof) of each Target Entity for all taxable periods ending on or before the Closing or for Taxes of each Target Entity for any portion of any Straddle Period that ends on or prior to the Closing Date, as determined in accordance with Section 8.1(b) (each, a "**Pre-Closing Tax Period**"), (ii) all Taxes of any member of an affiliated, consolidated, combined or unitary group of which any Target Entity (or any predecessor of any Target Entity) is or was a member on or prior to the Closing Date, pursuant to Treasury Regulation Section 1.1502-6 or any analogous or similar Law or regulation, which Taxes relate to an event or transaction occurring on or before the Closing and (iii) any and all Taxes of any Person imposed on a Target Entity as a transferee or successor, by Contract or pursuant to any Law, which Taxes relate to an event or transaction occurring on or before the Closing. Any indemnification obligations of the Company Holders pursuant to this Article VIII shall be determined and satisfied [redacted] There shall be no duplication between the obligation to indemnify in Section 9.2(a) and the obligation to indemnify in this Section 8.1(a).

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

(b) Straddle Period. In the case of any taxable period that includes (but does not end on) the Closing Date (a "**Straddle Period**"), the amount of any Taxes based on or measured by income, receipts, payments or payroll and any value-added Tax of any Target Entity 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 for such purpose the taxable period of any partnership or other pass-through entity in which a Target Entity holds a beneficial interest shall be deemed to terminate at such time) and the amount of other Taxes of a Target Entity for a Straddle Period that relates to the Pre-Closing Tax Period shall be deemed to be the amount of such Tax for the entire taxable period multiplied by a fraction the numerator of which is the number of days in the taxable period ending on and including the Closing Date and the denominator of which is the number of days in such Straddle Period.

(c) Refunds, Reductions. Any refunds or credits of Taxes with respect to any Target Entity that are paid or credited to Purchaser, the Surviving Corporation or any of their respective Subsidiaries or Affiliates and that relate to a Pre-Closing Tax Period shall be for the account of the Company Holders other than refunds to the extent attributable to the carryback of losses or other Tax attributes of any Target Entity from any taxable period beginning on the day of the Effective Time. The Surviving Corporation shall pay to the Stockholder Representative, or pay to the Company Holders at such Representative's direction, any such refund or the amount of any such credit within 30 days after receipt thereof or entitlement thereto; *provided*, that all payments pursuant to this Section 8.1(c) shall be net of (i) any costs associated in obtaining such refund or credit of Taxes, (ii) any Tax required to be withheld on payment of such amount to the Stockholder Representative or the Company Holders and (iii) any Taxes imposed on Purchaser, the Surviving Corporation or any of their respective Subsidiaries or Affiliates as a result of such Tax refunds or credit. If any refund or credit for which a payment is made to the Company Holders pursuant to this Section 8.1(c) is subsequently reduced or disallowed, the Company Holders shall, solely from the Deferred Purchase Price and Bonus Amount, if any, and by reduction of any payments to be made to the Company Holders pursuant to Section 2.9, indemnify and hold harmless Purchaser, the Surviving Corporation or any of their respective Subsidiaries or Affiliates from and against any Tax or other cost that is attributable to such reduction or disallowance. Any such payment pursuant to the preceding sentence shall be treated as an adjustment to the Aggregate Merger Consideration, except to the extent otherwise required by applicable Law. Notwithstanding anything in this Section 8.1(c) to the contrary, refunds for Transfer Taxes borne in accordance with Section 8.1(g) shall be [redacted] for the account of the Surviving Corporation and [redacted] for the account of the Company Holders.

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

(d) Responsibility for Filing Tax Returns.

(i) On or prior to the Closing, the Company shall timely file or cause to be timely filed when due (taking into account all extensions properly obtained) all Tax Returns that are required to be filed on or prior to the Closing Date by or with respect to all Target Entities and the Company shall timely remit (or cause to be timely remitted) any Taxes due in respect of such Tax Returns. All such Tax Returns shall be prepared in a manner consistent with prior practice, unless otherwise required by applicable Law, and shall be provided to Purchaser at least 14 days prior to the due date (including any extension thereof) for the filing of such Tax Return for Purchaser's review and approval,

which approval shall not be unreasonably conditioned, withheld or delayed. The Company shall provide Purchaser with copies of such Tax Returns promptly following filing.

(ii) Following the Closing, Purchaser shall timely file or cause to be timely filed when due (taking into account all extensions properly obtained) all Tax Returns that are required to be filed by or with respect to the Surviving Corporation and its Subsidiaries after the Closing Date. With respect to any such Tax Return required to be filed with respect to the Surviving Corporation or any of its Subsidiaries for a taxable period beginning prior to the Closing Date, Purchaser shall prepare all such Tax Returns in a manner consistent with the past practice of the Company prior to the Closing unless otherwise required by applicable Law and shall provide the Stockholder Representative with a copy of such completed Tax Return together with appropriate supporting information and schedules at least 14 days prior to the due date (including any extension thereof) for the filing of such Tax Return for the Stockholder Representative's review and approval, which approval shall not be unreasonably conditioned, withheld or delayed. The Surviving Corporation shall provide the Stockholder Representative with copies of such Tax Returns promptly following filing. Purchaser and the Stockholder Representative shall attempt in good faith to resolve any disagreements regarding such Tax Returns prior to the due date for filing. Except as required by applicable Law, without the prior written consent of the Stockholder Representative, neither Purchaser, the Surviving Corporation nor any Subsidiary of the Surviving Corporation shall file any amended Tax Return for any period beginning on or before the Closing Date, except (y) amended Tax Returns for such periods may be filed to correct material errors that are discovered in such Tax Returns that, absent such correction, would materially and adversely affect Purchaser, the Surviving Corporation or its Subsidiaries for taxable periods (or portions thereof) beginning after the Closing Date and (z) amended Tax Returns for such periods may be made for the purpose of carrying back net operating losses or similar items from taxable periods (or portions thereof) beginning after the Closing Date to taxable periods beginning on or before the Closing Date.

(e) Cooperation on Tax Matters.

(i) Purchaser, the Company, the Surviving Corporation, each Target Entity and the Stockholder Representative shall cooperate fully, as and to the extent reasonably requested by another Party, in connection with the filing of any Tax Returns and any Action with respect to Taxes. Such cooperation shall include the retention and (upon the other Party's request) the provision of records and information that are reasonably relevant to any such Action and making employees available on a mutually convenient basis to provide additional information and explanation of any materials provided hereunder. Purchaser and the Stockholder Representative agree (x) to retain all books and records with respect to Tax matters pertinent to the Target Entities relating to any taxable period beginning before the Closing Date until the expiration of the statute of limitations (and, to the extent notified by Purchaser or the Stockholder Representative, any extensions thereof) of the respective taxable periods, and to abide by all record retention agreements entered into with any Taxing Authority, and (y) 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, Purchaser or the Stockholder Representative, as the case may be, shall allow the other Party to take possession of such books and records.

(ii) Purchaser and the Stockholder Representative further agree, upon request, to use 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).

(iii) Purchaser and the Stockholder Representative further agree, upon request, to provide the other Person with all information that either Person may be required to report pursuant to Sections 6043 or 6043A of the Code or Treasury Regulations promulgated thereunder.

(f) Tax Sharing Agreements. All tax-sharing agreements or similar agreements with respect to or involving any Target Entity shall be terminated as of the Closing Date and, after the Closing Date, no Target Entity shall be bound thereby or have any liability thereunder.

(g) Certain Taxes and Fees. All transfer, documentary, sales, use, stamp, registration and other such Taxes, and all conveyance fees, recording charges and other fees and charges (including any penalties and interest) (together, the "**Transfer Taxes**") incurred in connection with the consummation of the transactions contemplated by this Agreement shall be borne one-half by Purchaser and one-half by the Company Holders (by treating such amount as a Company Transaction Expense and to the extent unpaid at the Closing reducing the Final Merger Consideration in accordance with Section 2.12), and a Target Entity shall file all necessary Tax Returns and other documentation with respect to all such Transfer Taxes.

Section 8.2 Press Release and Announcements. Unless required by Law (in which case each Party agrees to use its reasonable best efforts to consult with the other Parties prior to any such disclosure as to the form and content of such disclosure) or Section 7.9, no press releases or other releases of information related to this Agreement or the transactions contemplated hereby shall be issued or released prior to the Closing without the consent of Purchaser and the Company, which consent shall not be unreasonably withheld, conditioned or delayed; *provided* that Purchaser and its Affiliates shall be permitted to disclose the terms and provisions of this Agreement to their respective existing and prospective investors and lenders, and the respective advisors and Representatives of the foregoing; *provided, further*, that Purchaser will be liable and indemnify the Company for any breach of confidentiality by such parties.

Section 8.3 Confidentiality. The Confidentiality Agreement shall survive the execution of this Agreement and the Parties hereby agree to be bound by and comply with the terms of the Confidentiality Agreement, which are hereby incorporated into this Agreement by reference and shall continue in full force and effect until the Effective Time, such that the information obtained by either Party or their respective Representatives during any investigation conducted in connection with the negotiation and execution of this Agreement or the consummation of the transactions contemplated by this Agreement or otherwise shall be governed by the terms of the Confidentiality Agreement.

Section 8.4 Further Assurances. In case at any time after the Closing any further action is reasonably necessary or desirable to carry out the purposes of this Agreement or the transactions contemplated hereby, each of the Parties shall take such further action (including the execution and delivery of such further instruments and documents) as any other Party may reasonably request, all at the sole cost and expense of the requesting Party (unless the requesting Party is entitled to indemnification therefor under Article IX).

Section 8.5 Directors' and Officers' Insurance.

(a) Purchaser agrees that all rights to indemnification, advancement of expenses and exculpation by the Target Entities now existing in favor of each Person who is now, or has been at any time prior to the date of this Agreement, an officer or director of any of the Target Entities, as provided in the Governing Documents of such Target Company, in each case as in effect on the date of this Agreement, or pursuant to any other agreements in effect on the date of this Agreement and disclosed in Section 8.5(a) of the Company Disclosure Schedule, will survive the Closing Date and will continue in full force and effect in accordance with their respective terms.

(b) Prior to the Effective Time, the Company shall obtain and fully pay the premium for "tail" insurance policies for the extension of (i) the directors' and officers' liability coverage of the Target Entities' existing directors' and officers' insurance policies and (ii) the Target Entities' existing fiduciary liability insurance policies, in each case for a claims reporting or discovery period of at least six years from and after the Effective Time from an insurance carrier with the same or better credit rating as the Company's insurance carrier as of the date of this Agreement with respect to directors' and officers' liability insurance and fiduciary liability insurance (collectively, "**D&O Insurance**") with terms, conditions, retentions and limits of liability that are not materially less favorable as compared to the Target Entities' existing policies with respect to any matter claimed against a director or officer of any of the Target Entities by reason of him or her serving in such capacity that existed or occurred at or prior to the Effective Time (including in connection with this Agreement or the transactions or actions contemplated hereby). If the premium, however, for the D&O Insurance exceeds [redacted]% of the premium immediately before the Closing Date (the "**Maximum Premium Amount**"), the Company shall obtain such insurance providing for the maximum coverage that is then available at a premium equal to the Maximum Premium Amount and permit the directors and officers to pay amounts greater than the Maximum Premium Amount to obtain D&O Insurance providing for the then-existing coverage. ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

Section 8.6 Stockholder Representative.

(a) The Company hereby irrevocably nominates, constitutes and appoints, and each Company Holder, by virtue of his, her or its approval of this Agreement or execution of a Letter of Transmittal or acceptance of any consideration contemplated by Section 2.8, shall have irrevocably nominated, constituted and appointed the Stockholder Representative as the agent, agent for service of process and true and lawful attorney-in-fact of such Company Holder, with full power of substitution, to act in the name, place and stead of such Company Holder, as applicable, with respect to this Agreement, the Paying Agent Agreement and the Escrow Agreement and the taking by the Stockholder Representative of any and all actions (whether prior to,

contemporaneously with or after such nomination, constitution and appointment) and the making of any decisions required or permitted to be taken or made by the Stockholder Representative under this Agreement, the Paying Agent Agreement or the Escrow Agreement, which in each case and as applicable shall be deemed to have been ratified by such Company Holder, including the full power and authority (i) to make all determinations and take all actions in connection with any purchase price adjustment pursuant to Section 2.12, (ii) to make all determinations and take all actions in connection with any indemnification claims pursuant to Article IX, (iii) to amend or waive any provision of this Agreement or any agreement related hereto or contemplated hereby, (iv) to execute and deliver all agreements, certificates, receipts, consents, elections, instructions and other documents (including any amendments thereto or waivers thereof) required or contemplated by, or deemed necessary or advisable by the Stockholder Representative in its sole discretion in connection with this Agreement or the transactions and agreements contemplated hereby or thereby and (v) to do all other things and to perform all other acts required or contemplated by, or deemed necessary or advisable by the Stockholder Representative in its sole discretion in connection with this Agreement and any of the transactions or agreements contemplated hereby or thereby. To the extent the Stockholder Representative is so appointed pursuant to the Letters of Transmittal, Purchaser, Merger Sub and any other party to this Agreement or any related agreement in dealing with the Stockholder Representative may conclusively rely, without inquiry, upon any act of the Stockholder Representative as the act of the Company Holders.

(b) All notices delivered by Purchaser or the Target Entities following the Closing to the Stockholder Representative (whether pursuant to this Agreement or otherwise) shall constitute notice to the Company Holders.

(c) Without limiting the generality of this Section 8.6 and notwithstanding anything to the contrary contained in this Agreement, the Paying Agent Agreement or the Escrow Agreement, Purchaser shall be entitled to deal exclusively with the Stockholder Representative on all matters described in Section 8.6(a) and each Purchaser Indemnified Party shall be entitled to deal exclusively with the Stockholder Representative on all matters relating to Article IX or Section 8.1(a) and each of them shall be entitled to rely conclusively (without further evidence of any kind whatsoever) on any document executed or purported to be executed on behalf of any Company Holder by the Stockholder Representative and on any other action taken or purported to be taken by the Stockholder Representative on behalf of any Company Holder by the Stockholder Representative as fully binding upon such Company Holder.

(d) The Stockholder Representative may at any time designate a replacement Stockholder Representative and each Company Holder hereby consents to such replacement Stockholder Representative. If the Stockholder Representative shall die, become disabled, be dissolved or otherwise be unable or unwilling to fulfill its responsibilities as representative of the Company Holders or is removed at the Company' Holders' election (by majority vote (based on Pro Rata Share of the Company Holders)), then the Company Holders shall, by majority vote (based on Pro Rata Share of the Company Holders) within 30 days after such death, disability, dissolution, inability, unwillingness or removal, appoint a successor representative reasonably acceptable to Purchaser. Any such successor shall become the "Stockholder Representative" for purposes of this Agreement. The time period for the Stockholder Representative to respond to, or to provide, any communication or notice required under this Agreement will be tolled, to the extent

practicable and to the extent that such tolling would not reasonably be expected to materially prejudice or cause any material Loss to Purchaser, the Surviving Corporation or any of their Affiliates (and in any event, for no more than 35 days), during any period that there is no Stockholder Representative serving and for five days after any successor Stockholder Representative is appointed.

(e) No bond shall be required of the Stockholder Representative. The Stockholder Representative shall not be liable to any Company Holder for any act done or omitted hereunder as the Stockholder Representative while acting in good faith and in the exercise of its reasonable business judgment with respect to any matter arising out of or in connection with the acceptance or administration of its duties hereunder (it being understood that any act done or omitted pursuant to the advice of counsel shall be conclusive evidence of such good faith). The Stockholder Representative shall be entitled to be indemnified by the Company Holders, jointly and severally, for any loss, liability or expense incurred on the part of the Stockholder Representative with respect to any matter arising out of or in connection with the acceptance or administration of its duties hereunder; *provided* that (i) the indemnification obligations of each Company Holder under this Section 8.6(e) shall be limited to the portion of Aggregate Merger Consideration paid to such Company Holder and (ii) no Party (other than the Stockholder Representative) shall have any obligation or liability under the terms of Section 8.6. The Stockholder Representative will be entitled to retain third parties to assist in fulfilling its obligations hereunder. All fees, costs and expenses incurred by the Stockholder Representative in the performance of its duties will be paid on direction of the Stockholder Representative out of the Representative Holdback Account. None of Purchaser, Merger Sub or the Surviving Corporation shall be responsible to the Company Holders for any obligations of the Stockholder Representative, including for any amounts owed by it relating to the Stockholder Representative Holdback Amount or otherwise.

(f) The execution of a Letter of Transmittal or acceptance of any consideration contemplated by Section 2.8 shall be deemed to constitute approval by each Stockholder and Optionholder of all arrangements relating to indemnification and recovery contemplated in Article IX, which shall be binding upon each such Stockholder and Optionholder.

Section 8.7 Provision Respecting Legal Representation.

(a) Each of the Parties hereby acknowledges and agrees, on its own behalf and on behalf of its directors, members, partners, stockholders, officers, employees, Representatives and Affiliates, that Kirkland & Ellis LLP has served as counsel to Purchaser and Merger Sub in connection with the negotiation, preparation, execution and delivery of this Agreement, the agreements contemplated hereby and the consummation of the transactions contemplated hereby and thereby, and that, following consummation of the transactions contemplated hereby, Kirkland & Ellis LLP (or any successor) may serve as counsel to Purchaser, the Target Entities, certain direct and indirect equityholders of Purchaser or any director, officer, employee, Affiliate or direct or indirect member, partner or stockholder of the foregoing in connection with any Action or obligation arising out of or relating to this Agreement, the agreements contemplated hereby or the transactions contemplated hereby or thereby, and each of the Parties hereby consents thereto and waives any conflict of interest arising therefrom, and each of the Parties shall cause any of its Subsidiaries to waive any conflict of interest arising from such representation.

(b) Purchaser and, after the Closing, the Surviving Corporation agree that from and after the Closing, the Stockholder Representative will be entitled, without objection by the Surviving Corporation or Purchaser, to retain the services of Stoel Rives LLP ("**Stoel Rives**") for consultation and representation in any dispute (including in litigation) between Purchaser or the Surviving Corporation, on the one hand, and the Stockholder Representative or any Company Holder, on the other hand, with respect to any matter, including matters concerning, arising from, out of or in connection with this Agreement or any related documents and agreements or the transactions contemplated by this Agreement, or in connection with any other matter arising at or after the Closing. The Surviving Corporation and Purchaser hereby waive all conflicts arising in connection with the Stockholder Representative and any Company Holder's retention of Stoel Rives as provided in this Section 8.7(b), after consultation with counsel other than Stoel Rives. This advance conflict waiver will apply whether or not Stoel Rives represents the Surviving Corporation in any matter following the Closing. Furthermore, notwithstanding the transactions contemplated by this Agreement, Purchaser and the Surviving Corporation agree that, until the third anniversary of the Closing (but, in the case of pending claims for Losses under this Agreement or disputes relating to this Agreement as of such date, the date of resolution), neither the Surviving Corporation nor Purchaser will hold or have the right to control, assert or access the attorney/client privilege as to any communications prior to the Closing between any of the Target Entities and Company Holders, and Stoel Rives to the extent that the privileged communications relate to this Agreement or the Merger and the terms contemplated hereby or thereby. The Parties agree that the Company Holders collectively, as represented by Stockholder Representative, and no one else, until the third anniversary of the Closing (but, in the case of pending claims for Losses under this Agreement or disputes relating to this Agreement as of such date, the date of resolution) (after which time the Surviving Corporation shall hold and control such privilege), will hold and be entitled to control, access and assert such attorney/client privilege as to those communications after the Closing. Purchaser acknowledges that it has consulted with counsel other than Stoel Rives regarding the foregoing consents and waivers, that the consents and waivers are voluntary and have been considered carefully.

Section 8.8 Continuation of Employee Benefits.

(a) [redacted]

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

(b) [redacted]

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

[redacted]

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

(c) [redacted]

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

(d) [redacted]

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

Section 8.9 Bonus Target. With respect to the Bonus Target, Purchaser, Merger Sub, and the Surviving Corporation make the agreements set forth on Exhibit H.

ARTICLE IX

INDEMNIFICATION

Section 9.1 Survival. The representations and warranties in this Agreement, the Stockholder Support Agreement and in each Letter of Transmittal shall survive the Closing and shall terminate on the date that is 24 months following the Closing Date; *provided* that the Fundamental Representations and the representations and warranties set forth in each Letter of Transmittal and the Stockholder Support Agreement shall survive until the date that is 36 months following the Closing Date and shall thereupon terminate and expire. Each covenant and agreement in this Agreement, the Stockholder Support Agreement and in the Letters of Transmittal shall survive until 36 months following the Closing Date, except to the extent it terminates earlier by its terms. In addition, any representation, warranty or covenant in respect of which indemnity may be sought under Section 9.2, and the indemnity with respect thereto, shall survive the time at which it would otherwise terminate pursuant to this Section 9.1 with respect to a specific alleged breach thereof if notice of such inaccuracy or breach giving rise to such right or good faith belief of right of indemnity shall have been given to the Party against whom such indemnity may be sought prior to such time (regardless of when Losses in respect thereof may actually be incurred). It is the express intent of the Parties that, if an applicable survival period as contemplated by this Section 9.1 is shorter than the statute of limitations that would otherwise apply, then, by contract, the applicable statute of limitations will be reduced to the survival period contemplated by this Section 9.1. The Parties further acknowledge that the time periods set forth in this Section 9.1 for

the assertion of claims under this Agreement are the result of arms'-length negotiation among the Parties and that they intend for the time periods to be enforced as agreed by the Parties.

Section 9.2 General Indemnification.

(a) Indemnification by the Company Holders. [redacted] from and after the Closing, the Company Holders shall, solely from the Deferred Purchase Price and Bonus Amount, if any, and by reduction of any payments to be made to the Company Holders pursuant to Section 2.9, indemnify, defend and hold harmless Purchaser, Merger Sub and their respective Affiliates, equityholders, partners, officers, directors, employees, agents, Representatives, successors and assigns (each, individually, a "**Purchaser Indemnified Party**," and all, collectively, the "**Purchaser Indemnified Parties**") from and against any and all Losses resulting from, in connection with or arising out of: ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

(i) any breach of any representation or warranty of the Company in this Agreement (taking into account the Company Disclosure Schedule attached hereto) or of any representation or warranty of a Company Holder in the Stockholder Support Agreement or in any Letter of Transmittal (or the certificates or instruments furnished under the Letters of Transmittal) or any inaccuracy in any certificate delivered on behalf of the Company pursuant to Article V of this Agreement or in any certificate delivered on behalf of the Company Holders pursuant to the Stockholder Support Agreement or in any Letter of Transmittal;

(ii) any Tax, fee, clawback, disgorgement or similar obligation imposed, or threatened to be imposed, with respect to any of the Target Entities by any Governmental Authority for any period prior to the Closing;

(iii) any nonfulfillment or breach by the Company (but only such nonfulfillment or breach that occurs prior to the Closing) of any of its covenants or agreements set forth in this Agreement, or by any Company Holder of any of its covenants or agreements set forth in the Stockholder Support Agreement or in the Letters of Transmittal furnished by any of them;

(iv) any indemnification required pursuant to Section 8.1(a) or Section 8.1(c);

(v) any Indebtedness to the extent not reflected in the Final Indebtedness and any Company Transaction Expenses unpaid as of the Closing to the extent not reflected in the Final Transaction Expenses;

(vi) any disclosure of protected health information by any Target Entity or any of its Representatives made before the Closing;

(vii) any fines imposed against the Target Entities by, amounts payable to or claims made by the Centers for Medicare and Medicaid Services for actions taken by any of the Target Entities before the Closing; or

(viii) the exercise of any appraisal or dissenters rights with respect to the Merger by any Person, or any other Action made by any Company Holder (or any of their respective Affiliates or Representatives, successors and assigns) or any Person that was formerly (or claims to be or have been) an equityholder of the Company or participant in any equity plan with respect to his or her status as an equityholder before the Closing.

(b) Indemnification by Purchaser. Subject to the provisions of Section 9.1 and the other applicable limitations set forth in this Article IX, from and after the Closing, Purchaser shall indemnify, defend and hold harmless each Company Holder and his, her, or its respective Affiliates, equityholders, partners, officers, directors, employees, agents, Representatives, successors and assigns (each, individually, a "**Company Indemnified Party**," and all, collectively, the "**Company Indemnified Parties**") from and against any and all Losses resulting from or arising out of:

(i) any breach of any representation or warranty of Purchaser or Merger Sub in this Agreement, or any inaccuracy of any certification delivered on behalf of Purchaser or Merger Sub pursuant to Article VI of this Agreement;

(ii) any nonfulfillment or breach by Purchaser, Merger Sub, or the Surviving Corporation (but, in the case of the Surviving Corporation, only such nonfulfillment or breaches that occur after the Closing) of any of its covenants or agreements set forth in this Agreement; or

(iii) any payment required to be made by Purchaser pursuant to Section 8.1(c).

(c) Limitations. [redacted]

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

(i) [redacted]

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

(ii) [redacted]

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

[redacted]

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

(iii) [redacted]

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

(iv) [redacted]

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

(v) [redacted]

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

(vi) [redacted]

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

(vii) [redacted]

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

(viii) [redacted]

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

(ix) [redacted]

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

(x) [redacted]

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

(xi) [redacted]

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

(d) Determination of Eligibility for Indemnity; Calculation of Losses. Notwithstanding anything to the contrary contained in this Agreement, each representation and warranty in this Agreement shall be read without giving effect to any "Company Material Adverse Effect" or materiality qualification contained therein (except (A) with respect to the representations and warranties set forth in Section 3.6(a), Section 3.7(b) and Section 3.10, (B) any dollar thresholds set forth in Article III and (C) except that the term "Material Contract" shall be read as defined) for purposes of (i) determining whether a breach thereof for indemnification purposes has occurred and (ii) calculating the amount of Losses to which any indemnification would apply. For the avoidance of doubt, the indemnification obligations contained in Section 9.2(a)(ii) and Section 9.2(a)(iv) - Section 9.2(a)(viii) are absolute indemnification obligations and all disclosures contained in the Company Disclosure Schedule shall be disregarded for purposes of determining whether indemnification is required by such Sections and the amount of Losses for which indemnification can be obtained pursuant to such Sections.

Section 9.3 Procedures for Third Party Claims.

(a) Any Indemnified Party entitled to be indemnified pursuant to the provisions of this Article IX shall notify the Stockholder Representative or Purchaser, as applicable, in writing promptly after receiving written notice of any pending or threatened Action against it by any Person who is not a Party in respect of which such Indemnified Party is entitled to indemnification hereunder (a "**Third-Party Claim**"), which notice shall describe the claim in reasonable detail and the basis therefor, including copies of all material written evidence thereof and the amount of Losses related thereto (if known and quantifiable) or a good faith estimate of such Losses. The failure to give such prompt written notice shall not, however, relieve the

Indemnifying Party of its indemnification obligations, except and to the extent that the Indemnifying Party forfeits rights or defenses by reason of such failure. If the claim is made by a Purchaser Indemnified Party, the amount of indemnifiable Losses included in the written notice, shall be withheld pursuant to Section 2.9 as an "Unresolved Claim Amount" until such Third-Party Claim is fully and finally resolved. The Indemnifying Party shall have the right to participate in, or by giving written notice to the Indemnified Party, assume the defense of any Third-Party Claim at the Indemnifying Party's expense and by the Indemnifying Party's own counsel reasonably acceptable to the Indemnified Party (which written notice shall irrevocably acknowledge the Indemnifying Party's responsibility to fully indemnify the Indemnified Party hereunder for such Third-Party Claim, [redacted] and the Indemnified Party shall cooperate in good faith in such defense; *provided*, that the Indemnifying Party shall not be entitled to assume the defense of (and shall pay the fees and expenses of counsel retained by the Indemnified Party with respect to), and the Indemnified Party shall be entitled to have sole control over the defense of, any Third-Party Claim that (i) seeks injunctive or other equitable relief or is part of a criminal Action, (ii) involves criminal or quasi-criminal allegations, (iii) involves a claim to which the Indemnified Party reasonably believes an adverse determination would be materially detrimental or injurious to the Indemnified Party, (iv) the Indemnified Party reasonably believes an adverse determination would result in Losses [redacted] (v) in the reasonable opinion of counsel to the Indemnified Party, presents an actual conflict between the Indemnified Party and the Indemnifying Party that would make separate representation advisable or (vi) involves a claim that, upon petition by the Indemnified Party, the appropriate court or arbitrational body rules that the Indemnifying Party failed or is failing to vigorously prosecute or defend.

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

(b) If the Indemnifying Party assumes the defense of the Third-Party Claim, the Indemnified Party shall have the right, at its own cost and expense, to participate in the defense of any Third-Party Claim with counsel selected by it subject to the Indemnifying Party's right to control the defense thereof. If the Indemnifying Party has the right to and does elect to defend any Third-Party Claim, the Indemnifying Party shall: (i) conduct the defense of such Third-Party Claim actively and diligently and keep the Indemnified Party fully informed of material developments in the Third-Party Claim at all stages thereof; (ii) promptly submit to the Indemnified Party copies of all pleadings, responsive pleadings, motions and other similar legal documents and papers received or filed in connection therewith; (iii) permit the Indemnified Party and its counsel to confer on the conduct of the defense thereof; and (iv) permit the Indemnified Party and its counsel an opportunity to review and comment on all legal papers to be submitted prior to their submission.

(c) Notwithstanding any other provision of this Agreement, the Indemnifying Party shall not enter into settlement or consent to the entry of any judgment of any Third-Party Claim without the prior written consent of the Indemnified Party (which consent shall not be unreasonably withheld, conditioned, or delayed). If the Indemnifying Party has not assumed the defense pursuant to Section 9.3(a), the Indemnified Party shall not agree to any settlement without the written consent of the Indemnifying Party (which consent shall not be unreasonably withheld, conditioned or delayed, and, in the case of the Company Holders, shall be provided by the Stockholder Representative). Once fully and finally resolved, any Unresolved Claim Amount determined to be owed to any Purchaser Indemnified Party shall be permanently withheld pursuant to Section 2.9 and retained by Purchaser.

Section 9.4 Procedures for Inter-Party Claims. In the event that an Indemnified Party determines that it has a claim for Losses against an Indemnifying Party hereunder (other than as a result of a Third-Party Claim) (an "**Inter-Party Claim**"), the Indemnified Party shall promptly deliver written notice thereof to the Indemnifying Party specifying the nature and basis of the alleged breach giving rise to such Inter-Party Claim and all relevant facts and circumstances relating thereto, including copies of all material written evidence thereof, and the amount of Losses related thereto (if known and quantifiable) or a good faith estimate of such Losses. The failure to give such prompt written notice shall not, however, relieve the Indemnifying Party of its indemnification obligations, except and to the extent the Indemnifying Party forfeits rights or defenses by reason of such failure. If the claim is made by a Purchaser Indemnified Party, the amount of indemnifiable Losses included in the written notice shall be withheld pursuant to Section 2.9 as an "Unresolved Claim Amount" until such Inter-Party Claim is fully and finally resolved. The Indemnified Party shall provide the Indemnifying Party and its Representatives with reasonable access to its books and records during normal business hours for the purpose of allowing the Indemnifying Party a reasonable opportunity to verify any such Inter-Party Claim for Losses and the Indemnified Party shall assist the Indemnifying Party's investigation by giving such necessary information and assistance (including reasonable access to the Company's premises and personnel reasonably related to such Inter-Party Claim during normal business hours on reasonable prior written notice and the right to examine and copy any reasonably related accounts, documents or records) as the Indemnifying Party or any of its Representatives may reasonably request. If the Indemnifying Party disputes liability in respect of such Inter-Party Claim under this Article IX, the Indemnifying Party shall notify the Indemnified Party thereof within 30 days following its receipt of such notice. If the Indemnifying Party does not so notify the Indemnified Party, the Inter-Party Claim specified by the Indemnified Party in such notice shall be conclusively deemed to be a liability of the Indemnifying Party under this Article IX. If the claim is made by a Purchaser Indemnified Party, (a) the amount of the Losses set forth in the notice of the Inter-Party Claim shall be permanently withheld pursuant to Section 2.9 and retained by Purchaser or (b) in the case of any notice in which the amount of the Inter-Party Claim (or any portion of the Inter-Party Claim) is estimated, on such later date when the amount of such Inter-Party Claim (or such portion of such Inter-Party Claim) becomes finally determined pursuant to Section 9.5. If the Stockholder Representative has timely disputed the Company Holders' liability with respect to such Inter-Party Claim as provided above, then the Stockholder Representative and the Purchaser Indemnified Party shall negotiate in good faith to resolve such dispute for a period of 30 days and, thereafter, shall be entitled to seek remedies in accordance with Section 11.5.

Section 9.5 Manner of Payment. Any Losses payable to any Purchaser Indemnified Party in accordance with this Article IX shall, following the final determination of the amount of such Losses payable to such Purchaser Indemnified Party in accordance with this Article IX and to the extent not previously withheld, be deducted from remaining amounts to be paid pursuant to Section 2.9 and retained by Purchaser. Any Losses payable to the Company Holders shall be paid to the Paying Agent for distribution to the Company Holders in accordance with their Pro Rata Share of the Losses on the subsequent anniversary of the Effective Time, and, if the third anniversary of the Effective Time has passed, within ten Business Days of such final determination.

Section 9.6 Purchaser Indemnified Party Representative. Purchaser shall act as the representative for each Purchaser Indemnified Party under this Agreement, and all actions or

notices by a Purchaser Indemnified Party must be performed through Purchaser as representative. Notices delivered to Purchaser will constitute notice to the applicable Purchaser Indemnified Party. Actions taken or omitted to be taken by Purchaser will constitute actions taken or omitted to be taken by the applicable Purchaser Indemnified Party. The Stockholder Representative is entitled to rely conclusively on all actions taken or signed on behalf of any Purchaser Indemnified Party by Purchaser as fully binding on the Purchaser Indemnified Party.

Section 9.7 Company Indemnified Party Representative. The Stockholder Representative shall act as the representative for each Company Indemnified Party under this Agreement, and all actions or notices by a Company Indemnified Party under this Agreement, and all actions or notices by a Company Indemnified Party must be performed through the Stockholder Representative. Notices delivered to the Stockholder Representative will constitute notice to the applicable Company Indemnified Party. Actions taken or omitted to be taken by the Stockholder Representative will constitute actions taken or omitted to be taken by the applicable Company Indemnified Party. Purchaser is entitled to rely conclusively on all actions taken or signed on behalf of any Company Indemnified Party by the Stockholder Representative as fully binding on each Company Indemnified Party.

Section 9.8 Exclusive Remedies. Except as set forth in Section 2.12 and Section 11.1 and for Actions based on fraud or willful misconduct, each of the Parties acknowledges and agrees (on behalf of themselves and the other Purchaser Indemnified Parties, as to Purchaser, and on behalf of the other Company Indemnified Parties, as to the Stockholder Representative) that from and after the Closing the sole and exclusive remedy of any such Person with respect to any and all claims relating to the subject matter of this Agreement shall be in accordance with the indemnification provisions set forth in this Article IX.

ARTICLE X

TERMINATION

Section 10.1 Termination by Mutual Consent. This Agreement may be terminated and the Merger may be abandoned at any time prior to the Closing by the mutual written consent of the Company and Purchaser, which consent shall have been approved by the action of their respective boards of directors.

Section 10.2 Termination by Either Purchaser or the Company. This Agreement may be terminated and the Merger may be abandoned at any time prior to the Closing by either Purchaser or the Company, if:

(a) [redacted]

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

(b) [redacted]

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

[redacted]

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

Section 10.3 Termination by the Company. [redacted]

(a) [redacted]

(b) [redacted]

(c) [redacted]

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

Section 10.4 Termination by Purchaser. [redacted]

(a) [redacted]

(b) [redacted]

(c) [redacted]

(d) [redacted]

(e) [redacted]

(f) [redacted]

(g) [redacted]

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

Section 10.5 Termination Procedures. [redacted]

Section 10.6 Company Termination Fee.

(a)

(i) [redacted]

(ii) [redacted]

(iii) [redacted]

(iv) [redacted]

(v) [redacted]

(b) [redacted]

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

Section 10.7 Effect of Termination and Abandonment.

(a) [redacted]

(b) [redacted]

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

Section 10.8 Investigation Shall Not Limit Rights. [redacted]

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

ARTICLE XI

MISCELLANEOUS

Section 11.1 Remedies.

(a) Remedies of Purchaser and Merger Sub. [redacted]

(i) Specific Performance. [redacted]

(ii) Termination. [redacted]

(iii) Specific Performance by Purchaser. [redacted]

(b) Remedies of the Company and the Stockholder Representative. [redacted]

(i) Specific Performance by the Company. [redacted]

(ii) Specific Performance by the Stockholder Representative. [redacted]

(iii) Termination. [redacted] ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

(c) Money Damages not Adequate. The Parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached and that any breach of this Agreement could not be adequately compensated in all cases by monetary damages alone. Each Party hereby agrees not to raise any objections to the availability of the equitable remedy of specific performance to prevent or restrain breaches of this Agreement by such Party and to specifically enforce the terms and provisions of this Agreement to prevent breaches or threatened

breaches of, or to enforce compliance with, the covenants and obligations of such Party under this Agreement. Any Party seeking an Order or injunction to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement shall not be required to provide any bond or other security in connection with such Order or injunction sought in accordance with the terms of this Section 11.1.

Section 11.2 Amendments; Waivers. Prior to the Closing, this Agreement may be amended or any provision of this Agreement may be waived only by a writing executed by the Company, the Stockholder Representative, Purchaser and Merger Sub. After the Closing, this Agreement may be amended or any provision of this Agreement may be waived only by a writing executed by Purchaser and the Stockholder Representative. No course of dealing between or among the Parties shall be deemed effective to modify, amend or discharge any part of this Agreement or any rights or obligations of any Party under or by reason of this Agreement, and no waiver by any Party of any default, misrepresentation or breach of warranty or covenant hereunder, whether intentional or not, shall be deemed to extend to any prior or subsequent default, misrepresentation or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

Section 11.3 Governing Law. All issues and questions concerning the construction, validity, enforcement and interpretation of this Agreement and the Schedules and Exhibits hereto and all claims or causes of action (whether in contract or tort) that may be based upon, arise out of or relate to this Agreement, or the negotiation, execution or performance of this Agreement (including any claim or cause of action based upon, arising out of or related to any representation or warranty made in or in connection with this Agreement or as an inducement to enter into this Agreement) shall be governed by, and construed in accordance with, the Laws of the State of Delaware without giving effect to any choice of law or conflict of law rules or provisions (whether of the State of Delaware or any other jurisdiction) that would cause the application of the Laws of any jurisdiction other than the State of Delaware, except to the extent required by the OBCA and/or to give effect to the terms hereof under the OBCA. In furtherance of the foregoing, the internal law of the State of Delaware shall control the interpretation and construction of this Agreement (and all Schedules and Exhibits hereto), even though under that jurisdiction's choice of law or conflict of law analysis the substantive law of some other jurisdiction would ordinarily apply, except to the extent required by the OBCA and/or to give effect to the terms hereof under the OBCA and the applicable insurance laws of the State of Oregon.

Section 11.4 Waiver of Jury Trial. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY. EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANOTHER PARTY HERETO HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 11.4.

Section 11.5 Consent to Jurisdiction. Each Party irrevocably submits to the exclusive jurisdiction of the United States District Court for the District of Oregon for the purposes of any Action arising out of this Agreement or the transactions contemplated hereby. Each Party agrees to commence any such Action exclusively in the United States District Court for the District of Oregon. Each Party further agrees that service of any process, summons, notice or document by U.S. registered mail to such Party's respective address set forth above shall be effective service of process for any Action in the State of Oregon with respect to any matters to which it has submitted to jurisdiction in this Section 11.5. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any Action arising out of this Agreement or the transactions contemplated hereby in the United States District Court for the District of Oregon and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such Action brought in any such court has been brought in an inconvenient forum.

Section 11.6 Successors and Assigns. This Agreement and all of the covenants and agreements contained herein and the rights, interests and obligations hereunder shall bind and inure to the benefit of the respective heirs, successors and assigns of the Parties hereto whether so expressed or not, except that neither this Agreement nor any of the covenants and agreements herein or rights, interests or obligations hereunder may be assigned or delegated by the Company, Purchaser or Merger Sub prior to the Closing without the prior written consent of the other Parties hereto; *provided* that any of Merger Sub, Purchaser and, following the Closing, the Surviving Corporation, may assign its rights pursuant to this Agreement, including its rights to indemnification, to any of its financing sources as collateral security. Except as permitted by this Section 11.6, any purported assignment or delegation of this Agreement, any of the covenants and agreements herein or any of the rights, interests or obligations hereunder, shall be void.

Section 11.7 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable Law, but if any provision of this Agreement or the application of any such provision to any Person or circumstance shall be held to be prohibited by, illegal or unenforceable under applicable Law in any respect by a court of competent jurisdiction, such provision shall be ineffective only to the extent of such prohibition or illegality or unenforceability, without invalidating the remainder of such provision or the remaining provisions of this Agreement. Upon such determination that any term or other provision is invalid, illegal or unenforceable, 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 transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

Section 11.8 Counterparts. This Agreement may be executed simultaneously in counterparts (including by signature pages delivered by means of facsimile machine or electronic transmission in portable electronic format (pdf)), any one of which need not contain the signatures of more than one Party, but all such counterparts taken together shall constitute one and the same Agreement.

Section 11.9 Delivery by Facsimile or PDF. This Agreement and any signed agreement or instrument entered into in connection with this Agreement, and any amendments hereto or thereto, to the extent signed and delivered by means of a facsimile machine or electronic transmission in portable document format (pdf) shall be treated in all manner and respects as an

original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. At the request of any Party or to any such agreement or instrument, each other Party or thereto shall re-execute original forms thereof and deliver them to all other Parties. No Party or party to any such agreement or instrument shall raise the use of a facsimile machine or electronic transmission in portable document format (pdf) to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of a facsimile machine or electronic transmission in portable document format (pdf) as a defense to the formation of a contract and each such party forever waives any such defense, except to the extent such defense relates to lack of authenticity.

Section 11.10 Entire Agreement. This Agreement (including the Company Disclosure Schedule and all other Schedules and Exhibits hereto), the Confidentiality Agreement and the agreements and certificates to be delivered by any of the Target Entities or Purchaser at the Closing, contain the entire agreement and understanding among the Parties with respect to the subject matter hereof and supersede all prior agreements and understandings, whether written or oral, relating to such subject matter in any way. All Schedules and Exhibits attached hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein.

Section 11.11 No Third-Party Beneficiaries. Except as expressly set forth in Article IX (Indemnification) and Section 8.1(a) (Tax Indemnification), and except for the rights granted to the Stockholder Representative under Section 8.6, this Agreement is for the sole benefit of the Parties and their permitted successors and assigns and nothing herein expressed or implied shall give or be construed to give any Person, other than the Parties and such permitted successors and assigns, any legal or equitable rights hereunder.

Section 11.12 Schedules. The information set forth in a given section or subsection of the Company Disclosure Schedule or the Purchaser Disclosure Schedule shall be deemed to provide the information contemplated by, or otherwise qualify, the provisions of this Agreement set forth in the corresponding section or subsection of this Agreement and any other section or subsection of this Agreement if and to the extent that it is reasonably apparent on its face that such information is relevant to such other section or subsection of this Agreement, whether or not an explicit cross reference appears.

Section 11.13 Notices. All notices, demands or other communications to be given or delivered under or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given when delivered personally to the recipient, one Business Day after being sent to the recipient by reputable overnight courier service (charges prepaid), upon written acknowledgment of receipt after transmittal by facsimile or electronic mail during business hours at the site of receipt or three days after being mailed to the recipient by certified or registered mail, return receipt requested and postage prepaid. Such notices, demands and other communications shall be sent to Purchaser, Merger Sub, the Stockholder Representative and the Company at the addresses indicated below or to such other address or to the attention of such other person as the recipient party has specified by prior written notice to the sending party.

The Company:

Agate Resources, Inc.
1800 Millrace Drive
Eugene, Oregon 97403
Attn: Terry W. Coplin
Fax: (541) 762-9034
Email: tcoplin@trilliumchp.com

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

Stoel Rives LLP
900 SW Fifth Avenue, Suite 2600
Portland, Oregon 97204
Attention: Barbara L. Nay & Jason M. Brauser
Fax: (503) 224-3380
Email: barbara.nay@stoel.com & jason.brauser@stoel.com

Stockholder Representative:

James Dalton
1505 SE Oxford Lane
Milwaukie, Oregon 97222-7414
Phone: (503) 956-1312
Email: jfdpdx@gmail.com

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

Jeremy P. Prickel, CPA
432 W. 11th Ave.
Eugene, OR 97401
Phone: (541) 687-2320
Fax: (541) 485-0960
jeremyp@jrcpa.com

Purchaser, Merger Sub and, following the Closing, the Surviving Corporation:

Centene Corporation
7770 Forsyth Blvd., Suite 800
St. Louis, MO 63105
Attn: Keith H. Williamson
Fax: (314) 725-5180
Email: kwilliamson@centene.com

with copy to (which shall not constitute notice to Purchaser, Merger Sub or the Surviving Corporation):

Kirkland & Ellis LLP
300 North LaSalle Street
Chicago, Illinois 60654
Attn: Gerald T. Nowak, P.C. & Kevin L. Morris
Fax: 1-312-862-2200
Email: gnowak@kirkland.com & kmorris@kirkland.com

Section 11.14 Expenses. Except as otherwise specified in this Agreement, all costs and expenses, including fees and disbursements of counsel, financial advisors and accountants, incurred in connection with this Agreement and the transactions contemplated by this Agreement must be paid by the Party incurring such costs and expenses, whether or not the Closing has occurred.

* * * * *

IN WITNESS WHEREOF, the Parties have executed this Agreement and Plan of Merger on the date first written above.

The Company: AGATE RESOURCES, INC.

By:_____
Name:_____
Its:_____

Stockholder Representative:

_____
James Dalton

Purchaser:

CENTENE CORPORATION
By: _____
Name: _____
Its: _____

Merger Sub:

PREFONTAINE MERGER SUB, INC.

By: _____
Name: _____
Its: _____

Exhibit A

Form of Stockholder Support Agreement

(See attached.)

Exhibit B

Form of Articles of Incorporation of Surviving Corporation

(See attached.)

Exhibit C

Form of Consideration Spreadsheet

	Common Stock		Options		Pro Rata Share of				
Name	No. and Class of Stock	Cert. No.	Option Shares	Exercise Price	Initial Merger Consideration (if any and subject to Article II and Article IX)	Deferred Purchase Price (if any and subject to Article II and Article IX)	Bonus Amount (if any and subject to Article II and Article IX)	Stockholder Representative Holdback Amount (if any and subject to Article II)	Excess Cash Amount

Form of Consideration Spreadsheet
(cont.)

Section 2.8(d) Payments

Payee		Payment	Amount
Payments by Purchaser			
Paying Agent		Initial Merger Consideration (Stockholders)	$
		Initial Merger Consideration (Non-employee Optionholders)	$
		Paying Agent fees	$
	Total Paying Agent		$
Company		Initial Merger Consideration (Employee Optionholders)	$
Escrow Agent		Stockholder Representative Holdback Amount	$
		Escrow Agent Fees	$
	Total Escrow Agent		$
		Indebtedness	$
	Total Indebtedness		$
Stoel Rives		Company Transaction Expenses	$
Company Financial Adviser		Company Transaction Expenses	$
[Other, if any]		Company Transaction Expenses	$
[redacted] of Paying Agent fees		Company Transaction Expenses	$
[redacted] of Escrow Agent fees		Company Transaction Expenses	$
Sale Bonus		Company Transaction Expenses	$
	Total Company Transaction Expenses		$
[__]		Community Investment Fund Amount	$ [redacted]
Payments by the Company			
Paying Agent		Excess Cash Amount (Stockholders)	$
		Excess Cash Amount (Non-employee Optionholders)	$
			$
	Total Paying Agent		$
Payments by the Surviving Corporation			
Non-employee Optionholders		Initial Merger Consideration (Employee Optionholders)	$
		Excess Cash Amount (Employee Optionholders)	

Payee	Payment	Amount
Total Non-employee Optionholders		$

Exhibit D

Form of Letter of Transmittal

(See attached.)

Exhibit E

Form of Escrow Agreement

(See attached.)

Exhibit F

Form of Paying Agent Agreement

(See attached.)

Exhibit G

Form of Company Recommendation

WHEREAS, the Company has entered into discussions with Centene Corporation, a Delaware corporation ("**Parent**"), regarding a statutory merger pursuant to which (i) a wholly-owned subsidiary of Parent ("**Merger Sub**") would merge with and into the Company and (ii) the Company would become a wholly-owned subsidiary of Parent (the "**Merger**");

WHEREAS, the Board of Directors (the "**Board**") believes that it is advisable, fair and in the best interests of the Company and its shareholders that the Company enter into an Agreement and Plan of Merger with Parent, Merger Sub and James Dalton, as Stockholder Representative, in substantially the form attached hereto as **Exhibit A** (the "**Merger Agreement**");

RESOLVED, that the Board has determined that the Merger Agreement and the transactions provided for in the Merger Agreement, including the Merger and the consideration to be paid for each share of the Company's Common Stock in the Merger, is fair to the shareholders;

RESOLVED, that the terms and provisions of the Merger Agreement, in substantially the form attached hereto, and the transactions and agreements contemplated by the Merger Agreement, including the Merger, are hereby approved and adopted;

RESOLVED, that the form, terms and provisions of the Stockholder Support Agreement, in substantially the form attached to the Merger Agreement, are hereby approved and adopted;

RESOLVED, that the Merger and the Merger Agreement are advisable and the Merger and the Merger Agreement be submitted to the Company's shareholders for approval at a special meeting of the shareholders;

RESOLVED, that the Board recommends to the Company's shareholders that they vote in favor of and approve and adopt the Merger and the Merger Agreement;

RESOLVED, that each of Terry Coplin and David Cole (each, an "**Authorized Officer**" and collectively, the "**Authorized Officers**") is authorized and directed in the name and on behalf of the Company to execute and deliver the Merger Agreement, with such changes as any Authorized Officer may approve, such officer's execution and delivery of the Merger Agreement constituting conclusive evidence of such officer's approval;

RESOLVED, that each of the Authorized Officers is authorized to negotiate, execute and deliver any and all other agreements, documents, instruments or certificates contemplated by the Merger Agreement (collectively, the "**Transaction Documents**"), including the Stockholder Support Agreement and the Articles of Merger, or necessary for the delivery or performance thereof, all in such form as the officer executing such Transaction Document shall approve and deem necessary or appropriate, such officer's execution and delivery thereof to serve as conclusive evidence of such officer's approval;

RESOLVED, that, subject to the approval and adoption of the Merger Agreement by the shareholders, the Board approves the filing of the Articles of Merger on the Closing Date (as defined in the Merger Agreement);

RESOLVED, that the Company's performance of its obligations under the Merger Agreement, the Transaction Documents to which it is a party and the transactions contemplated thereby is approved in all respects;

Exhibit H

Bonus Target Covenants

1. No later than 10 Business Days after the completion of the applicable STAT financial statements, which in no event shall occur after March 1st of the calendar year following the calendar year for which such financial statements have been prepared, Purchaser shall cause the Surviving Corporation to prepare and deliver to the Stockholder Representative a written statement (the "**Bonus Statement**") on behalf of the Surviving Corporation setting forth Purchaser's calculation of the Underwriting Margin and Bonus Target, together with the applicable STAT financial statements of the Regulated Target Entity and such schedules and data with respect to the determination of the Underwriting Margin and Bonus Target necessary to support the calculations set forth in the Bonus Statement.

2. If the Stockholder Representative objects to the Bonus Statement, he must send a written notice to Purchaser describing the objection in reasonable detail within 20 Business Days of receipt of the Bonus Statement. Purchaser and the Stockholder Representative shall negotiate in good faith to resolve any disagreements set forth in any objection notice timely delivered by the Stockholder Representative. If the Purchaser and the Stockholder Representative are unable to resolve the objections within 15 days of the timely delivery of any objection notice by the Stockholder Representative to Purchaser, the parties shall follow the dispute resolution procedure set forth in Section 2.12(e)-(f), substituting for this purpose "Merger Consideration Adjustment Statement" with "Bonus Statement" and Objection Notice with the objection notice timely delivered by the Stockholder Representative under this paragraph (4). If, after all objections are resolved, the Firm determines that the applicable Bonus Target was achieved, then the Purchaser shall, subject to any Reduction Amount and/or Unresolved Claim Amount, cause 1/3 of the Bonus Amount to be delivered on the next anniversary of the Effective Time in accordance with and pursuant to Section 2.9(b).

Company Disclosure Schedule

(See attached.)

Purchaser Disclosure Schedule

None

Working Capital Schedule

Working Capital Schedule [1]

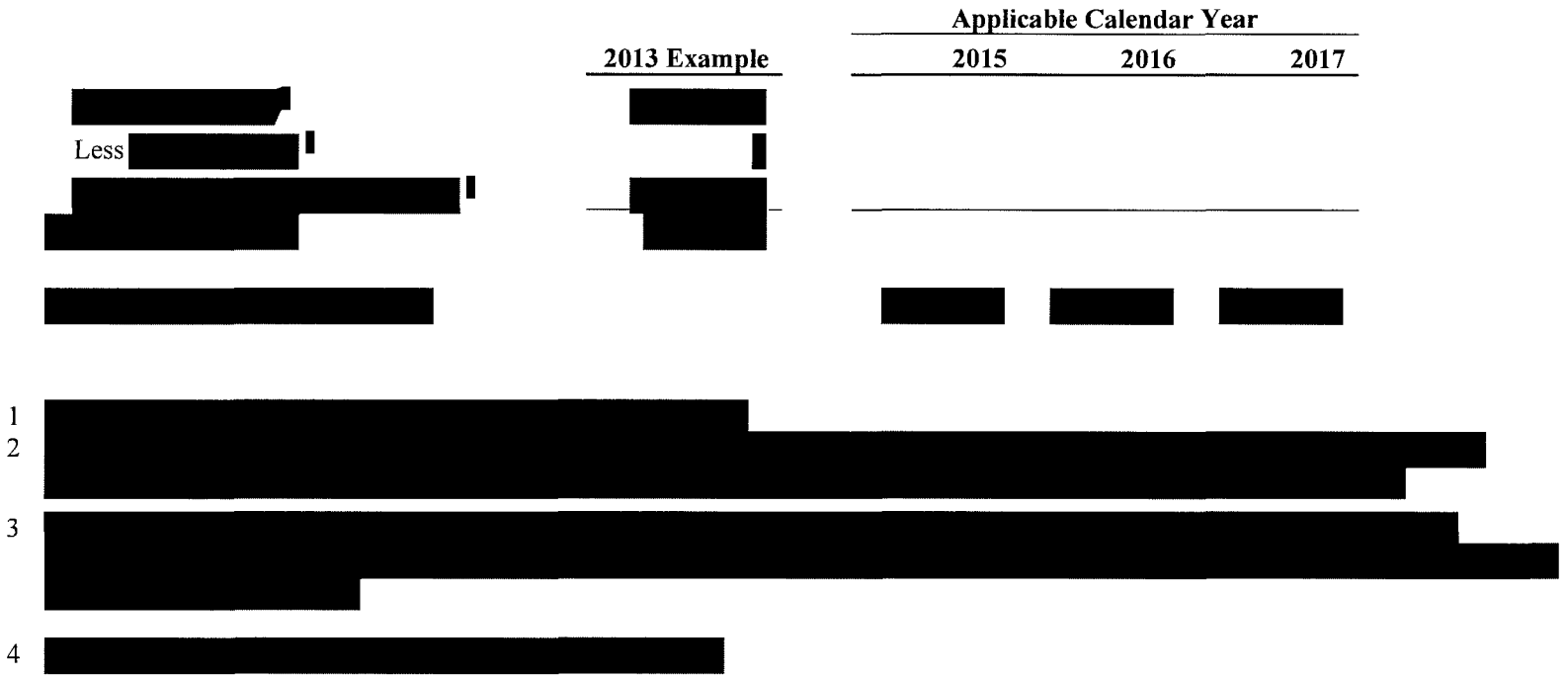
Cash and investments	[redacted]	
Accounts receivable	[redacted]	
Prepaid expenses	[redacted]	
Current Assets [2]	[redacted]	**(A)**
Accounts payable	[redacted]	
Accrued payroll and benefits	[redacted]	
Current Liabilities [3]	[redacted]	**(B)**
Working Capital	[redacted]	**= (A) - (B)**

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

1 Unregulated Target Entities balances as of 9/30/14 for example purposes only
2 Excluding, for the avoidance of doubt, Risk Based Capital of the Regulated Target Entity, the Excess Cash Amount and Tax assets
3 Excluding, for the avoidance of doubt, the County Loan, Indebtedness and Tax liabilities

Bonus Target Schedule

Bonus Target Schedule [1]



ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

RBC Schedule

1. If Purchaser or the Surviving Corporation elects to use an outside actuarial advisor to calculate all or any part of the Risk Based Capital of the Regulated Target Entity as of the RBC Measurement Time or to otherwise advise Purchaser or the Surviving Corporation with respect to the Risk Based Capital of the Regulated Target Entity as of the RBC Measurement Time, Purchaser or the Surviving Corporation shall engage Jason Schumacher, a consulting actuary at Milliman, and, if Jason Schumacher is not available, another consulting actuary at Milliman (in either case, "**Milliman**") for such purpose.

2. The calculation of the Risk Based Capital of the Regulated Target Entity must be prepared consistent with the definition of "Risk Based Capital."

3. For purposes of calculating Risk Based Capital of the Regulated Target Entity as of the RBC Measurement Time, the Surviving Corporation shall determine IBNR as of the RBC Measurement Time consistent with the past practice of the Regulated Target Entity, including taking into account claims paid by the Regulated Target Entity to Providers after Closing.

Applicant Company Name : _____ NAIC No. _____
FEIN: _____

BIOGRAPHICAL AFFIDAVIT

To the extent permitted by law, this affidavit will be kept confidential by the state insurance regulatory authority.

(Print or Type)

Full name, address and telephone number of the present or proposed entity under which this biographical statement is being required (Do Not Use Group Names).

In connection with the above-named entity, I herewith make representations and supply information about myself as hereinafter set forth. (Attach addendum or separate sheet if space hereon is insufficient to answer any question fully.) IF ANSWER IS "NO" OR "NONE," SO STATE.

1. Affiant's Full Name (Initials Not Acceptable): First:_____ Middle:_____ Last:_____

2. a. Are you a citizen of the United States?

   Yes [redacted] No [redacted]

   b. Are you a citizen of any other country?

   Yes [redacted] No [redacted]

   If yes, what country? [redacted]

3. Affiant's occupation or profession: [redacted]

4. Affiant's business address: [redacted]

   Business telephone: [redacted] Business Email: [redacted]

5. Education and training:

College/University	City/State	Dates Attended (MM/YY)	Degree Obtained
[redacted]			

Graduate Studies	College/University	City/State	Dates Attended (MM/YY)	Degree Obtained
[redacted]				

Other Training: Name	City/State	Dates Attended (MM/YY)	Degree/Certification Obtained
[redacted]			

Note: If affiant attended a foreign school, please provide full address and telephone number of the college/university. If applicable, provide the foreign student Identification Number in the space provided in the Biographical Affidavit Supplemental Information.

Applicant Company Name : ______________________ NAIC No. ______________________
FEIN: ______________________

6. List of memberships in professional societies and associations:

Name of Society/Association	Contact Name	Address of Society/Association	Telephone Number of Society/Association
[redacted]			

7. Present or proposed position with the Applicant Company: [redacted]

8. List complete employment record for the past twenty (20) years, whether compensated or otherwise (up to and including present jobs, positions, partnerships, owner of an entity, administrator, manager, operator, directorates or officerships). Please list the most recent first. Attach additional pages if the space provided is insufficient. It is only necessary to provide telephone numbers and supervisory information for the past ten (10) years.

Beginning/Ending Dates (MM/YY): [redacted] - [redacted] Employer's Name: [redacted]

Address: [redacted] City: [redacted] State/Province: [redacted]

Country: [redacted] Postal Code: [redacted] Phone: [redacted] Offices/Positions Held: [redacted]

Type of Business: [redacted] Supervisor/Contact: [redacted]

Beginning/Ending Dates (MM/YY): [redacted] - [redacted] Employer's Name: [redacted]

Address: [redacted] City: [redacted] State/Province: [redacted]

Country: [redacted] Postal Code: [redacted] Phone: [redacted] Offices/Positions Held: [redacted]

Type of Business: [redacted] Supervisor/Contact: [redacted]

Beginning/Ending Dates (MM/YY): [redacted] - [redacted] Employer's Name: [redacted]

Address: [redacted] City: [redacted] State/Province: [redacted]

Country: [redacted] Postal Code: [redacted] Phone: [redacted] Offices/Positions Held: [redacted]

Type of Business: [redacted] Supervisor/Contact: [redacted]

Beginning/Ending Dates (MM/YY): [redacted] Employer's Name: [redacted]

Address: [redacted] City: [redacted] State/Province: [redacted]

Country: [redacted] Postal Code: [redacted] Phone: [redacted] Offices/Positions Held: [redacted]

Type of Business: [redacted] Supervisor/Contact: [redacted]

Applicant Company Name : _____ NAIC No. _____
FEIN: _____

9. a. Have you ever been in a position which required a fidelity bond?

Yes [redacted] No [redacted]

If any claims were made on the bond, give details: [redacted]

b. Have you ever been denied an individual or position schedule fidelity bond, or had a bond canceled or revoked?

Yes [redacted] No [redacted]

If yes, give details: [redacted]

10. List any professional, occupational and vocational licenses (including licenses to sell securities) issued by any public or governmental licensing agency or regulatory authority or licensing authority that you presently hold or have held in the past. For any non-insurance regulatory issuer, identify and provide the name, address and telephone number of the licensing authority or regulatory body having jurisdiction over the license (s) issued. If your professional license number is your Social Security Number (SSN) or embeds your SSN or any sequence of more than five numbers that are reasonably identifiable as your SSN, then write SSN for that portion of the professional license number that is represented by your SSN. (For example, "SSN", "12-SSN-345" or "1234-SSN" (last 6 digits)). Attach additional pages if the space provided is insufficient.

[redacted]

Organization/Issuer of License: [redacted] Address: [redacted]

City: [redacted] State/Province: [redacted] Country: [redacted] Postal Code: [redacted]

License Type: [redacted] License #: [redacted] Date Issued (MM/YY): [redacted]

Date Expired (MM/YY): [redacted] Reason for Termination: [redacted]

Non-Insurance Regulatory Phone Number (if known): [redacted]

Organization/Issuer of License: [redacted] Address: [redacted]

City: [redacted] State/Province: [redacted] Country: [redacted] Postal Code: [redacted]

License Type: [redacted] License #: [redacted] Date Issued (MM/YY): [redacted]

Date Expired (MM/YY): [redacted] Reason for Termination: [redacted]

Non-Insurance Regulatory Phone Number (if known): [redacted]

11. In responding to the following, if the record has been sealed or expunged, and the affiant has personally verified that the record was sealed or expunged, an affiant may respond "no" to the question. Have you ever:

a. Been refused an occupational, professional, or vocational license or permit by any regulatory authority, or any public administrative, or governmental licensing agency?

Yes [redacted] No [redacted]

b. Had any occupational, professional, or vocational license or permit you hold or have held, been subject to any judicial, administrative, regulatory, or disciplinary action?

Yes [redacted] No [redacted]

c. Been placed on probation or had a fine levied against you or your occupational, professional, or vocational license or permit in any judicial, administrative, regulatory, or disciplinary action?

Yes [redacted] No [redacted]

d. Been charged with, or indicted for, any criminal offense(s) other than civil traffic offenses?

Yes [redacted] No [redacted]

e. Pled guilty, or nolo contendere, or been convicted of, any criminal offense(s) other than civil traffic offenses?

Yes [redacted] No [redacted]

f. Had adjudication of guilt withheld, had a sentence imposed or suspended, had pronouncement of a sentence suspended, or been pardoned, fined, or placed on probation, for any criminal offense(s) other than civil traffic offenses?

Yes [redacted] No [redacted]

g. Been subject to a cease and desist letter or order, or enjoined, either temporarily or permanently, in any judicial, administrative, regulatory, or disciplinary action, from violating any federal, state law or law of another country regulating the business of insurance, securities or banking, or from carrying out any particular practice or practices in the course of the business of insurance, securities or banking?

Yes [redacted] No [redacted]

h. Been, within the last ten (10) years, a party to any civil action involving dishonesty, breach of trust, or a financial dispute?

Yes [redacted] No [redacted]

i. Had a finding made by the Comptroller of any state or the Federal Government that you have violated any provisions of small loan laws, banking or trust company laws, or credit union laws, or that you have violated any rule or regulation lawfully made by the Comptroller of any state or the Federal Government?

Yes [redacted] No [redacted]

j. Had a lien or foreclosure action filed against you or any entity while you were associated with that entity?

Yes [redacted] No [redacted]

If the response to any question above is yes, please provide details including dates, locations, disposition, etc. Attach a copy of the complaint and filed adjudication or settlement as appropriate.

[redacted]

12. List any entity subject to regulation by an insurance regulatory authority that you control directly or indirectly. The term "control" (including the terms "controlling," "controlled by" and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract other than a commercial contract for goods or non-management services, or otherwise, unless the power is the result of an official position with or corporate office held by the person. Control shall be presumed to exist if any person, directly or indirectly, owns, controls,

holds with the power to vote, or holds proxies representing, ten percent (10%) or more of the voting securities of any other person. [redacted]

If any of the stock is pledged or hypothecated in any way, give details. [redacted]

13. Do [Will] you or members of your immediate family individually or cumulatively subscribe to or own, beneficially or of record, 10% or more of the outstanding shares of stock of any entity subject to regulation by an insurance regulatory authority, or its affiliates? An "affiliate" of, or person "affiliated" with, a specific person, is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified.

Yes [redacted] No [redacted]

If yes, please identify the company or companies in which the cumulative stock holdings represent 10% or more of the outstanding voting securities. [redacted]

If any of the shares of stock are pledged or hypothecated in any way, give details. [redacted]

14. Have you ever been adjudged a bankrupt?

Yes [redacted] No [redacted]

If yes, provide details: [redacted]

15. To your knowledge has any company or entity for which you were an officer or director, trustee, investment committee member, key management employee or controlling stockholder, had any of the following events occur while you served in such capacity?

a. Been refused a permit, license, or certificate of authority by any regulatory authority, or governmental-licensing agency?

Yes [redacted] No [redacted]

b. Had its permit, license, or certificate of authority suspended, revoked, canceled, non-renewed, or subjected to any judicial, administrative, regulatory, or disciplinary action (including rehabilitation, liquidation, receivership, conservatorship, federal bankruptcy proceeding, state insolvency, supervision or any other similar proceeding)?

Yes [redacted] No [redacted]

c. Been placed on probation or had a fine levied against it or against its permit, license, or certificate of authority in any civil, criminal, administrative, regulatory, or disciplinary action?

Yes [redacted] No [redacted]

Applicant Company Name : _____ NAIC No. _____
FEIN: _____

If the answer to any of the above is yes, please indicate and give details. When responding to questions (b) and (c), affiant should also include any events within twelve (12) months after his or her departure from the entity. _____

[redacted]

Note: If an affiant has any doubt about the accuracy of an answer, the question should be answered in the positive and an explanation provided.

Dated and signed this [redacted] day of [redacted] 20[redacted] at [redacted]. I hereby certify under penalty of perjury that I am acting on my own behalf and that the foregoing statements are true and correct to the best of my knowledge and belief.

[redacted]
(Signature of Affiant)

State of: [redacted] County of: [redacted]

The foregoing instrument was acknowledged before me this [redacted]ay of [redacted], 20[redacted] by [redacted],

and:

who is personally known to me, or

who produced the following identification: [redacted]

[SEAL]

[redacted]
Notary Public

[redacted]
Printed Notary Name

[redacted]
My Commission Expires

Applicant Company Name : _____ NAIC No. _____
FEIN: _____

BIOGRAPHICAL AFFIDAVIT
Supplemental Personal Information

(Print or Type)

To the extent permitted by law, this affidavit will be kept confidential by the state insurance regulatory authority.

Full name, address, and telephone number of the present or proposed entity under which this biographical statement is being required (Do Not Use Group Names).

[redacted]

1. Affiant's Full Name (Initials Not Acceptable): First: [redacted] Middle: [redacted] Last: [redacted]
   IF ANSWER IS "NONE," SO STATE.

2. Have you ever used any other name, including first, middle or last name, nickname, maiden name or aliases?

   Yes [redacted] No [redacted]

   If yes, give the reason if any, if none indicate such, and provide the full name(s) and date(s) used.

Beginning/Ending Date(s) Used (MM/YY)	Name(s) Specify: First, Middle or Last Name	Reason (If none, indicate such)
[redacted]	[redacted]	[redacted]

Note: Dates provided in response to this question may be approximate. Parties using this form understand that there could be an overlap of dates when transitioning from one name to another.

3. Affiant's Social Security Number: [redacted]

4. Government Identification Number if not a U.S. Citizen: [redacted]

5. Foreign Student ID# (if applicable) : [redacted]

6. Date of Birth: (MM/DD/YY) : [redacted] Place of Birth, City: [redacted]
   State/Province: [redacted] Country: [redacted]

7. Name of Affiant's Spouse (if applicable) : [redacted]

Applicant Company Name : _____ NAIC No. _____
FEIN: _____

8. List your residences for the last ten (10) years starting with your current address, giving:

Beginning/Ending Dates (MM/YY)	Address	City	State/ Province	Country	Postal Code
[redacted]					

Note: Dates provided in response to this question may be approximate, except for current address. Parties using this form understand that there could be an overlap of dates when transitioning from one address to another.

Dated and signed this [redacted] day of [redacted], 20[redacted] at [redacted]. I hereby certify under penalty of perjury that I am acting on my own behalf and that the foregoing statements are true and correct to the best of my knowledge and belief.

[redacted]
(Signature of Affiant)

State of: [redacted] County of: [redacted]

The foregoing instrument was acknowledged before me this [redacted] day of [redacted], 20[redacted] by [redacted],

and:

who is personally known to me, or

who produced the following identification: [redacted]

[SEAL]

[redacted]
Notary Public
[redacted]
Printed Notary Name
[redacted]
My Commission Expires

Applicant Company Name : _____ NAIC No. _____
FEIN: _____

DISCLOSURE AND AUTHORIZATION CONCERNING BACKGROUND REPORTS

(All states except California, Minnesota and Oklahoma)

This Disclosure and Authorization is provided to you in connection with pending or future application(s) of [redacted] **[company name]**("Company") for licensure or a permit to organize ("Application") with a department of insurance in one or more states within the United States. Company desires to procure a consumer or investigative consumer report (or both)("Background Reports") regarding your background for review by a department of insurance in any state where Company pursues an Application during the term of your functioning as, or seeking to function as, an officer, member of the board of directors or other management representative ("Affiant") of Company or of any business entities affiliated with Company ("Term of Affiliation") for which a Background Report is required by a department of insurance reviewing any Application. Background Reports requested pursuant to your authorization below may contain information bearing on your character, general reputation, personal characteristics, mode of living and credit standing. The purpose of such Background Reports will be to evaluate the Application and your background as it pertains thereto. To the extent required by law, the Background Reports procured under this Disclosure and Authorization will be maintained as confidential.

You may obtain copies of any Background Reports about you from the consumer reporting agency ("CRA") that produces them. You may also request more information about the nature and scope of such reports by submitting a written request to Company. To obtain contact information regarding CRA or to submit a written request for more information, contact [redacted] **[company's designated person, position, or department, address and phone]**.

Attached for your information is a "Summary of Your Rights Under the Fair Credit Reporting Act."

AUTHORIZATION: I am currently an Affiant of Company as defined above. I have read and understand the above Disclosure and by my signature below, I consent to the release of Background Reports to a department of insurance in any state where Company files or intends to file an Application, and to the Company, for purposes of investigating and reviewing such Application and my status as an Affiant. I authorize all third parties who are asked to provide information concerning me to cooperate fully by providing the requested information to CRA retained by Company for purposes of the foregoing Background Reports, except records that have been erased or expunged in accordance with law.

I understand that I may revoke this Authorization at any time by delivering a written revocation to Company and that Company will, in that event, forward such revocation promptly to any CRA that either prepared or is preparing Background Reports under this Disclosure and Authorization. This Authorization shall remain in full force and effect until the earlier of (i) the expiration of the Term of Affiliation, (ii) written revocation as described above, or (iii) twelve (12) months following the date of my signature below.

A true copy of this Disclosure and Authorization shall be valid and have the same force and effect as the signed original.

[redacted]

(Printed Full Name and Residence Address)

[redacted] [redacted]

(Signature) (Date)

State of: [redacted] County of: [redacted]

The foregoing instrument was acknowledged before me this [redacted] day of [redacted], 20[redacted] by [redacted] and:

who is personally known to me, or

who produced the following identification: [redacted]

[SEAL]

[redacted]

Notary Public

[redacted]

Printed Notary Name

[redacted]

My Commission Expires

Confidentiality Statement

The Attached Pages Are Not Subject to Public Disclosure Under Oregon Law

The following pages in this file are provided to the Oregon Insurance Division in response to a request for additional information related to a "Form A" filing. The materials are confidential and are exempt from public disclosure pursuant to Oregon law under ORS 192.501(2) and ORS 192.502(4).

TRILLIUM COMMUNITY HEALTH PLAN REVISED RBC PLAN
COMPARISON OF TOTAL ADJUSTED CAPITAL TO RISK-BASED CAPITAL

	2014	2015	2016	2017
RBC After Covariance	[redacted]			
Authorized Control Level RBC				
Capital and Surplus				
Authorized Control Level RBC				
Ratio				
TOTAL Adjusted Capital, Post Tax				
Company Action Level = 200% of Authorized Control Level				
Regulatory Action Level = 150% of Authorized Control Level				
Authorized Action Level = 100% of Authorized Control Level				
Mandatory Control Level = 70% of Authorized Control Level				

ORS 192.502(4) (confidential information)
ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

Trend Test	2014	2015	2016	2017
TOTAL Revenue	[redacted]			
Underwriting Deductions				
Combined Ratio				
RBC Ratio				
Trend Test Result If RBC Ratio is between 200% and 300% and Combined Ratio is > 105%, then "Yes" otherwise "No"				

ORS 192.502(4) (confidential information)
ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

RBC ANALYSIS REVISED RBC PLAN

UNDERWRITING RISK	2014	2015	2016	2017
Underwriting Risk Revenue (Total Revenue)	[redacted]			
Underwriting Risk Incurred Claims (Medical/Hospital Total)				
Underwriting Risk Claims Ratio (line 5/4)				
Underwriting Risk Factor				
Base Underwriting Risk RBC				
Managed Care Discount Factor				
RBC after Managed Care Discount				
Net Underwriting Risk RBC				

BUSINESS RISK	2014	2015	2016	2017
Claims Adjustment Expenses	[redacted]			
General Administrative Expenses				
Less Administrative Expenses for Commission & Premium Taxes				
Administrative Expenses Base RBC				
Proration of Administrative Expense to Experience Fluctuation Risk				

CREDIT RISK	2014	2015	2016	2017
Capitations to Intermediaries	[redacted]			
TOTAL Capitations Paid Directly to Providers				
Factor				
Capitation Credit Risk RBC				
Other Receivables				
Investment Income Receivable				
Factor				
TOTAL Other Receivables RBC				
TOTAL Credit RBC				

ORS 192.502(4) (confidential information)
ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

FIXED INCOME ASSETS

Bonds	**2014**	**2015**	**2016**	**2017**
Class 01 - U.S. Government - Direct and Guaranteed	[redacted]			
TOTAL Class 01 Bonds				
Other Class 01 Bonds (line 44 -line 43)				
Factor				
TOTAL Bonds RBC				
Miscellaneous Fixed Income Assets				
Cash				
Factor				
Cash RBC				
Cash Equivalents				
Less: Cash Equivalent, Bonds Included in ScheduleD				
Net Cash Equivalents (line 51 - line 52)				
Factor				
Net Cash Equivalents RBC				
TOTAL Fixed Income Assets RBC				

ASSET RISK - AFFILIATES

	2014	**2015**	**2016**	**2017**
On Deposit with State or Other Regulatory Body	[redacted]			
Factor				
TOTAL Miscellaneous Off Balance Sheet and Other Items				

	2014	**2015**	**2016**	**2017**
H0 - Asset Risk - Affiliates	[redacted]			
H1 - Fixed Income Assets				
H2 - Underwriting Risk				
H3 - Credit Risk				
H4 - Business Risk				
H0 + SQRT($H1^2$+$H2^{2+}$$H3^2$+$H4^2$)				
0.50 x RBC after Covariance				
RBC After Covariance				
Authorized Control Level RBC				
Capital and Surplus				
Authorized Control Level RBC				
Ratio				

ORS 192.502(4) (confidential information)
ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

TRILLIUM COMMUNITY HEALTH PLAN REVISED RBC PLAN
BALANCE SHEET 2015-17 PROJECTION

	Net Admitted Assets			
Assets	**2014 Actual**	**2015 Forecast**	**2016 Forecast**	**2017 Forecast**
Bonds	[redacted]			
Cash [redacted], cash equivalents [redacted], short-term investments [redacted]				
Subtotals, cash and invested assets				
Investment income due and accrued				
Uncollected premiums and agents balances in the course of collection				
Accrued retrospective premiums				
Amounts receivable relating to uninsured plans				
Net deferred tax asset				
Health care and other amounts receivable				
Aggregate write-ins for other than invested assets				
Total Assets				
Details of Write-Ins				
Receivable from parent				

ORS 192.502(4) (confidential information)
ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

	Total			
Liabilities, Capital and Surplus	**2014 Actual**	**2015 Forecast**	**2016 Forecast**	**2017 Forecast**
Claims unpaid (less $0 reinsurance ceded)	[redacted]			
Accrued medical incentive pool and bonus amounts				
Unpaid claims adjustment expenses				
Aggregate health policy reserves, including the liability of $0 for medical loss ratio rebate per the Public Health Service Act				
General expenses due or accrued				
Current federal and foreign income tax payable and interest thereon including $0 on realized capital gains (losses)				
Amounts due to parent, subsidiaries and affiliates				
Aggregate write-ins for other liabilities (including $0 current)				
Total Liabilities				
Common capital stock				
Unassigned funds (surplus)				
Total Capital and Surplus				
Total Liabilities, Capital and Surplus				
Details of Write-Ins				
Premiums received in advance				
Unclaimed Property				

ORS 192.502(4) (confidential information)
ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

TRILLIUM COMMUNITY HEALTH PLAN REVISED RBC PLAN
STATEMENT OF REVENUE AND EXPENSES

	2014 Actual	2015 Forecast	2016 Forecast	2017 Forecast
Member Months	[redacted]			
Net premium income (including $0 non-health premium income)				
Less: HRA Hospital Reimbursement Adjustment				
Total Revenues				
Hospital and Medical:				
Hospital/medical benefits				
Other professional services				
Emergency room and out-of-area				
Prescription drugs				
Incentive pool, withhold adjustments and bonus amounts				
Subtotal				
Less:				
Net reinsurance recoveries				
HRA Hospital Reimbursement Adjustment				
TOTAL Hospital and Medical				
Claims adjustment expenses, including [redacted] in cost containment expenses				
General administrative expenses				
TOTAL Underwriting Deductions				
Net underwriting gain or (loss)				
Net investment income earned				
Net gain or (loss) from agents or premium balances charged off [(amount recovered $0) (amount charged off $1,000)				
Net income or (loss) after capital gains tax and before all other federal income taxes				
Federal and foreign income taxes incurred				
Net income (loss)				
DETAILS OF WRITE-INS: DHS Transformation Grant				

ORS 192.502(4) (confidential information)
ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

TRILLIUM COMMUNITY HEALTH PLAN REVISED RBC PLAN
STATEMENT OF REVENUE AND EXPENSES (CONTINUED) 2015-17 PROJECTION

Capital & Surplus Account	2014 Actual	2015 Forecast	2016 Forecast	2017 Forecast
Capital and surplus prior reporting year	[redacted]			
Net income or (loss)				
Change in net deferred income tax				
Change in nonadmitted assets				
Capital Changes:				
Paid in				
Net change in capital and surplus				
Capital and surplus end of reporting year				

ORS 192.502(4) (confidential information)
ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

Confidentiality Statement

The Attached Pages Are Not Subject to Public Disclosure Under Oregon Law

The following pages in this file are provided to the Oregon Insurance Division in response to a request for additional information related to a "Form A" filing. The materials are confidential and are exempt from public disclosure pursuant to Oregon law under ORS 192.501(2) and ORS 192.502(4).

TRILLIUM COMMUNITY HEALTH PLAN REVISED RBC PLAN
COMPARISON OF TOTAL ADJUSTED CAPITAL TO RISK-BASED CAPITAL

	2014	2015	2016	2017
RBC After Covariance	[redacted]			
Authorized Control Level RBC				
Capital and Surplus				
Authorized Control Level RBC				
Ratio				
TOTAL Adjusted Capital, Post Tax				
Company Action Level = 200% of Authorized Control Level				
Regulatory Action Level = 150% of Authorized Control Level				
Authorized Action Level = 100% of Authorized Control Level				
Mandatory Control Level = 70% of Authorized Control Level				

Trend Test	2014	2015	2016	2017
TOTAL Revenue	[redacted]			
Underwriting Deductions				
Combined Ratio				
RBC Ratio				
Trend Test Result If RBC Ratio is between 200% and 300% and Combined Ratio is > 105%, then "Yes" otherwise "No"				

ORS 192.502(4) (confidential information)
ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

RBC ANALYSIS REVISED RBC PLAN

UNDERWRITING RISK	2014	2015	2016	2017
Underwriting Risk Revenue (Total Revenue)	[redacted]			
Underwriting Risk Incurred Claims (Medical/Hospital Total)				
Underwriting Risk Claims Ratio (line 5/4)				
Underwriting Risk Factor				
Base Underwriting Risk RBC				
Managed Care Discount Factor				
RBC after Managed Care Discount				
Net Underwriting Risk RBC				

BUSINESS RISK	2014	2015	2016	2017
Claims Adjustment Expenses	[redacted]			
General Administrative Expenses				
Less Administrative Expenses for Commission & Premium Taxes				
Administrative Expenses Base RBC				
Proration of Administrative Expense to Experience Fluctuation Risk				

CREDIT RISK				
Capitations to Intermediaries	2014	2015	2016	2017
TOTAL Capitations Paid Directly to Providers	[redacted]			
Factor				
Capitation Credit Risk RBC				
Other Receivables				
Investment Income Receivable				
Factor				
TOTAL Other Receivables RBC				
TOTAL Credit RBC				

ORS 192.502(4) (confidential information)
ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

RBC ANALYSIS REVISED RBC PLAN

FIXED INCOME ASSETS

Bonds	**2014**	**2015**	**2016**	**2017**
Class 01 - U.S. Government - Direct and Guaranteed	[redacted]			
TOTAL Class 01 Bonds				
Other Class 01 Bonds (line 44 -line 43)				
Factor				
TOTAL Bonds RBC				
Miscellaneous Fixed Income Assets				
Cash				
Factor				
Cash RBC				
Cash Equivalents				
Less: Cash Equivalent, Bonds Included in ScheduleD				
Net Cash Equivalents (line 51 - line 52)				
Factor				
Net Cash Equivalents RBC				
TOTAL Fixed Income Assets RBC				

ASSET RISK - AFFILIATES

	2014	**2015**	**2016**	**2017**
On Deposit with State or Other Regulatory Body	[redacted]			
Factor				
TOTAL Miscellaneous Off Balance Sheet and Other Items				

	2014	**2015**	**2016**	**2017**
H0 - Asset Risk - Affiliates	[redacted]			
H1 - Fixed Income Assets				
H2 - Underwriting Risk				
H3 - Credit Risk				
H4 - Business Risk				
H0 + SQRT($H1^2$+$H2^{2+}$$H3^2$+$H4^2$)				
0.50 x RBC after Covariance				
RBC After Covariance				
Authorized Control Level RBC				
Capital and Surplus				
Authorized Control Level RBC				
Ratio				

ORS 192.502(4) (confidential information)
ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

TRILLIUM COMMUNITY HEALTH PLAN REVISED RBC PLAN
BALANCE SHEET 2015-17 PROJECTION

	Net Admitted Assets			
Assets	**2014 Actual**	**2015 Forecast**	**2016 Forecast**	**2017 Forecast**
Bonds	[redacted]			
Cash [redacted], cash equivalents [redacted], short-term investments [redacted]				
Subtotals, cash and invested assets				
Investment income due and accrued				
Uncollected premiums and agents balances in the course of collection				
Accrued retrospective premiums				
Amounts receivable relating to uninsured plans				
Net deferred tax asset				
Health care and other amounts receivable				
Aggregate write-ins for other than invested assets				
Total Assets				
Details of Write-Ins				
Receivable from parent				

ORS 192.502(4) (confidential information)
ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

	Total			
Liabilities, Capital and Surplus	**2014 Actual**	**2015 Forecast**	**2016 Forecast**	**2017 Forecast**
Claims unpaid (less $0 reinsurance ceded)	[redacted]			
Accrued medical incentive pool and bonus amounts				
Unpaid claims adjustment expenses				
Aggregate health policy reserves, including the liability of $0 for medical loss ratio rebate per the Public Health Service Act				
General expenses due or accrued				
Current federal and foreign income tax payable and interest thereon including $0 on realized capital gains (losses)				
Amounts due to parent, subsidiaries and affiliates				
Aggregate write-ins for other liabilities (including $0 current)				
Total Liabilities				
Common capital stock				
Unassigned funds (surplus)				
Total Capital and Surplus				
Total Liabilities, Capital and Surplus				
Details of Write-Ins				
Premiums received in advance				
Unclaimed Property				

ORS 192.502(4) (confidential information)
ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

TRILLIUM COMMUNITY HEALTH PLAN REVISED RBC PLAN
STATEMENT OF REVENUE AND EXPENSES

	2014 Actual	2015 Forecast	2016 Forecast	2017 Forecast
Member Months	[redacted]			
Net premium income (including $0 non-health premium income)				
Less: HRA Hospital Reimbursement Adjustment				
Total Revenues				
Hospital and Medical:				
Hospital/medical benefits				
Other professional services				
Emergency room and out-of-area				
Prescription drugs				
Incentive pool, withhold adjustments and bonus amounts				
Subtotal				
Less:				
Net reinsurance recoveries				
HRA Hospital Reimbursement Adjustment				
TOTAL Hospital and Medical				
Claims adjustment expenses, including [redacted] in cost containment expenses				
General administrative expenses				
TOTAL Underwriting Deductions				
Net underwriting gain or (loss)				
Net investment income earned				
Net gain or (loss) from agents or premium balances charged off [(amount recovered $0) (amount charged off $1,000)				
Net income or (loss) after capital gains tax and before all other federal income taxes				
Federal and foreign income taxes incurred				
Net income (loss)				
DETAILS OF WRITE-INS: DHS Transformation Grant				

ORS 192.502(4) (confidential information)
ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

TRILLIUM COMMUNITY HEALTH PLAN REVISED RBC PLAN
STATEMENT OF REVENUE AND EXPENSES (CONTINUED) 2015-17 PROJECTION

Capital & Surplus Account	2014 Actual	2015 Forecast	2016 Forecast	2017 Forecast
Capital and surplus prior reporting year	[redacted]			
Net income or (loss)				
Change in net deferred income tax				
Change in nonadmitted assets				
Capital Changes:				
Paid in				
Net change in capital and surplus				
Capital and surplus end of reporting year				

ORS 192.502(4) (confidential information)
ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

STOCKHOLDER SUPPORT AGREEMENT

This **STOCKHOLDER SUPPORT AGREEMENT** (this "**Agreement**"), dated as of January 25, 2015, is entered into by and among Agate Resources, Inc., an Oregon corporation (the "**Company**"), Centene Corporation, a Delaware corporation ("**Purchaser**"), Prefontaine Merger Sub, Inc., a Delaware corporation and a wholly-owned subsidiary of Purchaser ("**Merger Sub**"), and the Stockholders listed on Schedule A hereto (the "**Holders**" and together, all of the undersigned are referred to herein collectively as the "**Parties**" and each a "**Party**"). Except as otherwise provided in this Agreement, any capitalized terms used but not otherwise defined herein will have the meanings ascribed to such terms in the Merger Agreement, as defined herein.

WHEREAS, as of the date hereof, each of the Holders (i) is the record or beneficial owner (as defined in Rule 13d-3 under the Exchange Act) of the number of shares of Common Stock set forth opposite such Holder's name on Schedule A (all such shares set forth on Schedule A, together with any shares of Common Stock of the Company that are hereafter issued to or otherwise acquired or owned by each of the Holders prior to the termination of this Agreement being referred to herein as the "**Subject Shares**") and (ii) owns the number of Options set forth opposite such Holder's name on Schedule A;

WHEREAS, Purchaser, Merger Sub and the Company have entered into an Agreement and Plan of Merger, dated as of the date hereof and as it may be amended from time to time (the "**Merger Agreement**"), which provides, among other things, for Merger Sub to merge with and into the Company upon the terms and subject to the conditions set forth in the Merger Agreement;

WHEREAS, the Company's Board of Directors has unanimously approved this Agreement.

WHEREAS, as a condition to their willingness to enter into the Merger Agreement, Purchaser and Merger Sub have required that each Holder, and as an inducement and in consideration therefor, each Holder (in each Holder's capacity as a holder of the Subject Shares) has agreed to, enter into this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the respective representations, warranties, covenants and agreements set forth below and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto, intending to be legally bound, do hereby agree as follows:

ARTICLE I
AGREEMENT TO EXCHANGE

1.1 **Agreement to Submit Documents**. Each Holder agrees to validly deliver or cause to be delivered all of such Holder's Subject Shares pursuant to and in accordance with the terms of the Merger Agreement, free and clear of all Liens. Without limiting the generality of the foregoing, as promptly as practicable, but in no event later than ten Business Days after receipt of both the Proxy Statement and Letter of Transmittal, such Holder shall (a) deliver, or cause to be delivered, pursuant to the terms thereof (i) a Letter of Transmittal with respect to

such Holder's Subject Shares, (ii) one or more Certificates representing such Subject Shares and (iii) all other documents or instruments required to be delivered by the Holders in connection with the Merger or (b) cause such other Person that is the holder of record of any Subject Shares beneficially owned by such Holder to tender such Letter of Transmittal, Certificates and other documents or instruments pursuant to and in accordance with clause (a) of this Section 1.1.

ARTICLE II
REPRESENTATIONS AND WARRANTIES OF EACH HOLDER

Each Holder represents and warrants to Purchaser and Merger Sub, severally, and not jointly and severally, that:

2.1 **Binding Agreement**. Such Holder has full legal capacity to execute and deliver this Agreement, to perform its, his or her covenants and obligations hereunder and to consummate the transactions contemplated hereby. Such Holder, if an entity, is a corporation or is otherwise duly formed, validly existing and in good standing (if applicable) under the Laws of the state of its formation or organization and has all requisite power to own, lease and operate its properties. This Agreement has been duly executed and delivered by such Holder and, assuming the due authorization, execution and delivery by the other Parties hereto, constitutes a legal, valid and binding obligation of the Holder, enforceable against the Holder in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting creditors' rights generally and by general equitable principles (whether considered in a proceeding at law or in equity).

2.2 **Non-Contravention**. The execution and delivery by the Holder of this Agreement and the performance by the Holder of his, her or its covenants and obligations hereunder do not and the consummation by the Holder of the transactions contemplated hereby will not (a) conflict with or violate any Law or Order applicable to the Holder or the Holder's Subject Shares or Options, (b) except as may be required by applicable securities Laws, require any consent, approval, order, authorization or other action by, or filing with or notice to, any Person (including any Governmental Authority) under, constitute a breach or default (with or without the giving of notice or the lapse of time or both) under or give rise to any right of termination, cancellation, acceleration or similar right under or result in the creation of any Lien on any of the Subject Shares or Options pursuant to any Contract or Order binding on the Holder or any applicable Law, (c) render any takeover Laws or the restrictions contained therein applicable to the Merger or any other transaction involving Purchaser, Merger Sub or any Affiliate thereof or (d) in the case of a Holder that is an entity, violate or conflict with any provision of the organizational documents of the entity.

2.3 **Ownership of Subject Shares, Options; Total Shares**. The Holder is the record or beneficial owner (as defined in Rule 13d-3 under the Exchange Act) of such Holder's Subject Shares and has good and marketable title to such Subject Shares, free and clear of any Liens, except as provided hereunder. The Holder is a party to one or more agreements with the Company evidencing the Options and has good and marketable title to such Options, free and clear of any Liens. The Subject Shares and Options listed on Schedule A opposite the Holder's name constitute all of the Equity Interests of the Company beneficially owned by such Holder or to which such Holder has a legal right as of the date hereof, and such Holder neither holds nor

has any beneficial ownership in nor any legal right to any other Equity Interest in the Company. Except pursuant to this Agreement, no Person has any contractual or other right or obligation to purchase or otherwise acquire any of the Holder's Subject Shares or Options other than the Company pursuant to its articles of incorporation.

2.4 **Voting Power**. Other than as provided in this Agreement, the Holder or the signatory on behalf of the Holder has full voting power with respect to the Holder's Subject Shares and full power of disposition, full power to issue instructions with respect to the matters set forth herein and full power to agree to all of the matters set forth in this Agreement, in each case with respect to all of the Holder's Subject Shares and, if applicable, any shares of Common Stock issued upon the exercise of the Holder's Options. None of the Holder's Subject Shares (or any shares of Common Stock underlying such Holder's Options) are subject to any proxy, voting trust or other agreement or arrangement with respect to the voting of such Subject Shares, except as provided hereunder.

2.5 **Reliance**. The Holder has had the opportunity to review the Merger Agreement and this Agreement with counsel of the Holder's own choosing. The Holder understands and acknowledges that Purchaser and Merger Sub are entering into the Merger Agreement in reliance upon the Holder's execution, delivery and performance of this Agreement.

2.6 **Absence of Litigation**. There is neither any Action pending nor threatened in writing against nor any outstanding Order applicable to the Holder or any of the Holders' properties or assets (including the Subject Shares and Options) that would reasonably be expected to prevent or materially delay or impair the consummation of the transactions contemplated by this Agreement or the Merger Agreement or otherwise adversely impact the Holder's ability to perform its obligations hereunder in any material respect.

2.7 **Brokers**. No broker, finder or investment banker is or will be entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by the Merger Agreement based upon any arrangement or agreement made by or on behalf of the Holder.

ARTICLE III
ADDITIONAL COVENANTS OF THE HOLDERS

Each Holder hereby, severally, and not jointly and severally, covenants and agrees that until the termination of this Agreement:

3.1 **Voting of Subject Shares; Proxy**.

(a) At every meeting of the Stockholders called, and at every adjournment or postponement thereof, such Holder shall, or shall cause the holder of record of the Subject Shares on any applicable record date to, appear or otherwise cause such Holder's Subject Shares to be counted as present for purposes of establishing a quorum at any such meeting of Stockholders and vote such Holder's Subject Shares (i) in favor of (A) the adoption and approval of the Merger Agreement (as it may be amended from time to time) and the transactions contemplated thereby and (B) approval of any proposal to adjourn or postpone the meeting to a later date, if requested by Purchaser or Merger Sub, (ii) against (A) any action or agreement that

would in any material respect impede, interfere with or prevent the Merger, including any other extraordinary corporate transaction, including a merger, acquisition, sale, consolidation, reorganization, recapitalization, extraordinary dividend or liquidation involving a Target Entity and any Person (other than Purchaser, Merger Sub or their respective Affiliates), or any other proposal of any Person (other than Purchaser, Merger Sub or their respective Affiliates) to acquire any of the Equity Interests of a Target Entity or assets having a fair market value of at least [redacted] of the aggregate fair market value of the assets of the Target Entities taken as a whole, (B) any Acquisition Proposal and any action in furtherance of any Acquisition Proposal, in each case other than the transactions contemplated by the Merger Agreement, (C) any amendment of the Company's articles of incorporation or bylaws, or other proposal or transaction involving the Company or any of its Subsidiaries, which amendment or other proposal or transaction would in any manner impede, frustrate, delay, prevent or nullify the Merger Agreement or the transactions contemplated thereby (including the Merger) and (D) any action, proposal, transaction or agreement that would reasonably be expected to result in a breach of any covenant, representation or warranty or any other obligation or agreement of the Holder under this Agreement and/or (iii) in favor of any other matter necessary for consummation of the transactions contemplated by the Merger Agreement that is considered at any such meeting of the Stockholders. ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

(b) Such Holder hereby irrevocably grants to, and appoints, Purchaser and any designee thereof, such Holder's proxy and attorney-in-fact (with full power of substitution), for and in the name, place and stead of such Holder, to attend any meeting of the Stockholders on behalf of such Holder with respect to the matters set forth in Section 3.1(a), to include such Subject Shares in any computation for purposes of establishing a quorum at any such meeting of Stockholders, and to vote all Subject Shares, or to grant a consent or approval in respect of the Subject Shares, in connection with any meeting of Stockholders or any action by written consent in lieu of a meeting of Stockholders in a manner consistent with the provisions of Section 3.1(a). Such Holder hereby affirms that the irrevocable proxy set forth in this Section 3.1(b) is given in connection with the execution of this Agreement and the Merger Agreement, and that such irrevocable proxy is given to secure the performance of the duties of such Holder under this Agreement. Such Holder hereby further affirms that the irrevocable proxy is coupled with an interest and, until termination of this Agreement in accordance with Section 4.2 hereof, is intended to be irrevocable in accordance with the provisions of Section 60.231(5) of the ORS.

3.2 **No Transfer; No Inconsistent Arrangements**. Except as provided hereunder (including pursuant to Section 1.1 or Section 3.1) or under the Merger Agreement, such Holder shall not, directly or indirectly, (a) create or permit to exist any Lien on any or all of the Holder's Equity Interests in the Company, including any Subject Shares and Options, (b) transfer, sell, assign, gift, hedge, pledge or otherwise dispose (whether by sale, liquidation, dissolution, dividend, distribution or otherwise) of, or enter into any derivative arrangement with respect to (collectively, "**Transfer**"), any or all of the Holder's Equity Interests in the Company, including any Subject Shares and Options, or any right or interest therein (or consent to any of the foregoing), (c) enter into any Contract with respect to any Transfer of any or all of the Holder's Equity Interests in the Company, including any Subject Shares and Options, or any right or interest therein, (d) grant or permit the grant of any proxy, power-of-attorney or other authorization or consent in or with respect to any or all of such Holder's Equity Interests in the Company, including any Subject Shares or Options, (e) deposit or permit the deposit of any or all

of the Holder's Equity Interests in the Company, including any Subject Shares and Options, into a voting trust or enter into any voting agreement or arrangement with respect to any of such Equity Interests, including the Subject Shares or Options or (f) take or permit any other action that would in any way restrict, limit or interfere with the performance of such Holder's obligations hereunder or the transactions contemplated hereby or otherwise make any representation or warranty of such Holder herein untrue or incorrect in any material respect. Any action taken in violation of the foregoing sentence shall be null and void ab initio and such Holder agrees that any such prohibited action may and should be enjoined. If any involuntary Transfer of any or all of such Holder's Subject Shares and, if applicable, such Holder's Options shall occur (including, if applicable, a sale by such Holder's trustee in any bankruptcy, or a sale to a purchaser at any creditor's or court sale), the transferee (which term, as used herein, shall include any and all transferees and subsequent transferees of the initial transferee) shall take and hold such Subject Shares and Options subject to all of the restrictions, liabilities and rights under this Agreement, which shall continue in full force and effect until valid termination of this Agreement.

3.3 **No Exercise of Appraisal Rights**. Each of the Holders (a) waives and agrees not to demand appraisal of such Holder's Subject Shares pursuant to Sections 60.551 through 60.594 of the Oregon Revised Statutes and (b) agrees not to commence or join in, and agrees to take all actions necessary to opt out of, any class in any class action with respect to any claim, derivative or otherwise, against Purchaser, Merger Sub, the Company or the Stockholder Representative or any of their respective Affiliates (i) challenging the validity of, or seeking to enjoin the operation of, any provision of this Agreement or (ii) alleging breach of any fiduciary duty of any Person in connection with the negotiation and entry into the Merger Agreement. This Section 3.3 will survive the termination of this Agreement if the termination occurs pursuant to clause (b) of Section 4.2.

3.4 **Documentation and Information**. Each of the Holders consents to and hereby authorizes Purchaser and Merger Sub to publish and disclose in all documents and schedules filed with the SEC, and any press release or other disclosure document that Purchaser or Merger Sub reasonably determines to be necessary in connection with the Merger and any transactions contemplated by the Merger Agreement, such Holder's identity and ownership of the Subject Shares and/or Options, the existence of this Agreement and the nature of such Holder's commitments and obligations under this Agreement, but only to the extent such publication and disclosure is required by applicable Law, and each of the Holders acknowledges that Purchaser and Merger Sub may file this Agreement or a form hereof with the SEC or any other Governmental Authority if such filing is required by applicable Law. Each of the Holders agrees to promptly give Purchaser any information it may reasonably require for the preparation of any such disclosure documents, and each of the Holders agrees to promptly notify Purchaser of any required corrections with respect to any written information supplied by it specifically for use in any such disclosure document, if and to the extent that the Holder shall become aware that any such information shall have become false or misleading in any material respect.

3.5 **Adjustments**. In the event (a) of any stock split, stock dividend, merger, reorganization, recapitalization, reclassification, combination, exchange of shares or the like of the capital stock of the Company on, of or affecting the Subject Shares or (b) that any of the Holders shall become the beneficial owner of any additional shares of Common Stock, then the

terms of this Agreement shall apply to the shares of Common Stock held by such Holder immediately following the effectiveness of the events described in clause (a) or such Holder becoming the beneficial owner thereof as described in clause (b), as though, in either case, they were Subject Shares hereunder. In the event that any of the Holders shall become the beneficial owner of any other securities entitling the holder thereof to vote or give consent with respect to the matters set forth in Section 3.1 hereof, then the terms of Section 3.1 hereof shall apply to such other securities as though they were Subject Shares hereunder.

ARTICLE IV
MISCELLANEOUS

4.1 **Notices**. All notices, demands or other communications to be given or delivered under or by reason of the provisions of this Agreement shall be in writing and shall be deemed to have been given when delivered personally to the recipient, one Business Day after being sent to the recipient by reputable overnight courier service (charges prepaid), upon written acknowledgment of receipt after transmittal by facsimile or electronic mail during business hours at the site of receipt or three days after being mailed to the recipient by certified or registered mail, return receipt requested and postage prepaid, in each case addressed as follows: (a) if to Purchaser or Merger Sub, in accordance with the provisions of the Merger Agreement and (b) if to a Holder, to such Holder's address, facsimile number or e-mail address set forth on a signature page hereto, or to such other address, facsimile number or e-mail address as such Holder may hereafter specify in writing for the purpose of giving notice to each other party hereto.

4.2 **Termination**. This Agreement shall terminate automatically, without any notice or other action by any Person, upon the first to occur of (a) the termination of the Merger Agreement in accordance with its terms, (b) the Effective Time, (c) the date of any material modification, waiver or amendment to any provision of the Merger Agreement (as in effect on the date hereof without giving effect to any amendments thereto) that (i) reduces the amount, changes the form or otherwise adversely affects the consideration payable to the Holders pursuant to the Merger Agreement as in effect on the date hereof or (ii) imposes or purports to impose any material liability or obligation on or against the Holders, or modifies any liability or obligation on or against the Holders pursuant to the Merger Agreement as in effect on the date hereof, in each case under this clause (ii), where the recourse for satisfaction of such liability or obligation is to the Holders directly rather than as an offset to or reduction in proceeds not yet paid or payable to the Holders and (d) the mutual written consent of all of the parties hereto. Upon termination of this Agreement, subject to the last sentence of Section 3.3, no Party shall have any further obligations or liabilities under this Agreement and the power-of-attorney and proxy set forth in Section 3.1 shall be revoked, terminated and of no further force and effect; *provided*, *however*, that (x) nothing set forth in this Section 4.2 shall relieve any Party from liability for any breach of this Agreement by any Party prior to termination hereof, except that, if the termination occurs pursuant to clause (b) of the first sentence of this Section 4.2, the sole remedy of Purchaser or any other Purchaser Indemnified Party as to the Holders with respect to any such liability shall be limited to that set forth in the Merger Agreement, and (y) the provisions of this ARTICLE IV shall survive any termination of this Agreement.

4.3 **Amendments; Extension and Waivers**. Subject to the last sentence of this Section 4.3, this Agreement may not be amended, changed or supplemented or otherwise

modified except by an instrument in writing signed by (i) the Holder who is seeking to enforce an amendment, change, supplement or modification of this Agreement, or against whom enforcement is sought, (ii) Purchaser, (iii) Merger Sub and (iv) the Company. At any time prior to the Effective Time, any Party may, on behalf of itself, (a) extend the time for the performance of any of the obligations or other acts of any other Party, (b) waive any inaccuracies in the representations and warranties of any other Party contained in this Agreement or in any document delivered pursuant to this Agreement or (c) subject to the provisions of this Section 4.3, waive compliance with any of the agreements or conditions of any other Party contained in this Agreement. Any agreement on the part of a Party to any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such Party. The failure of any Party to this Agreement to assert any of its rights under this Agreement or otherwise shall not constitute a waiver of those rights. Schedule A may be amended by Purchaser, Merger Sub and the Company without the consent of the Holders to add information regarding Persons who become parties to this Agreement after the date of this Agreement.

4.4 **Expenses**. Except as otherwise specified in writing by the Parties, all out-of-pocket expenses incurred in connection with this Agreement and the other transactions contemplated hereby shall be paid by the Party incurring such cost or expense.

4.5 **Binding Effect; Benefit; Assignment**. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the Parties (whether by operation of Law or otherwise) without the prior written consent of the other Parties hereto, and any assignment without such prior written consent shall be null and void; *provided*, that Purchaser, upon prior written notice to the Holders, may assign, in its sole discretion, any of or all its rights, interests and obligations hereunder to any direct or indirect wholly owned Subsidiary of Purchaser, in which event all references herein to Purchaser shall be deemed references to such Subsidiary. No assignment by any Party shall relieve such Party of any of its obligations hereunder. Subject to the foregoing, this Agreement will be binding upon, inure to the benefit of and be enforceable by the Parties and their respective successors and permitted assigns.

4.6 **Applicable Law; Venue**. All issues and questions concerning the construction, validity, enforcement and interpretation of this Agreement and the Schedules and Exhibits hereto and all claims or causes of action (whether in contract or tort) that may be based upon, arise out of or relate to this Agreement, or the negotiation, execution or performance of this Agreement (including any claim or cause of action based upon, arising out of or related to any representation or warranty made in or in connection with this Agreement or as an inducement to enter into this Agreement) shall be governed by, and construed in accordance with, the Laws of the State of Delaware without giving effect to any choice of law or conflict of law rules or provisions (whether of the State of Delaware or any other jurisdiction) that would cause the application of the Laws of any jurisdiction other than the State of Delaware, except to the extent required by the OBCA and/or to give effect to the terms hereof under the OBCA and the applicable insurance laws of the State of Oregon. In furtherance of the foregoing, the internal law of the State of Delaware shall control the interpretation and construction of this Agreement (and all Schedules and Exhibits hereto), even though under that jurisdiction's choice of law or conflict of law analysis the substantive law of some other jurisdiction would ordinarily apply, except to the extent required by the OBCA and/or to give effect to the terms hereof under the OBCA and the

applicable insurance laws of the State of Oregon. Each Party irrevocably submits to the exclusive jurisdiction of the United States District Court for the District of Oregon for the purposes of any Action arising out of this Agreement or the transactions contemplated hereby or, in the absence of federal jurisdiction to hear such Action, the state courts sitting in Portland, Oregon. Each Party agrees to commence any such Action exclusively in the United States District Court for the District of Oregon or, in the absence of federal jurisdiction to hear such Action, the state courts sitting in Portland, Oregon. Each Party further agrees that service of any process, summons, notice or document by U.S. registered mail to such Party's respective address set forth above shall be effective service of process for any Action in the State of Oregon with respect to any matters to which it has submitted to jurisdiction in this Section 4.6. Each Party irrevocably and unconditionally waives any objection to the laying of venue of any Action arising out of this Agreement or the transactions contemplated hereby in the United States District Court for the District of Oregon or, in the absence of federal jurisdiction to hear such Action, the state courts sitting in Portland, Oregon, and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such Action brought in any such court has been brought in an inconvenient forum.

4.7 **Waiver of Trial by Jury**. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY. EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANOTHER PARTY HERETO HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 4.7.

4.8 **Counterparts; Delivery by Facsimile or Email**. This Agreement may be executed simultaneously in counterparts (including by signature pages delivered by means of facsimile machine or electronic transmission in portable electronic format (pdf)), any one of which need not contain the signatures of more than one Party, but all such counterparts taken together shall constitute one and the same Agreement. This Agreement and any signed agreement or instrument entered into in connection with this Agreement, and any amendments hereto or thereto, to the extent signed and delivered by means of a facsimile machine or electronic transmission in portable document format (pdf) shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. At the request of any Party to any such agreement or instrument, each other Party thereto shall re-execute original forms thereof and deliver them to all other Parties. No Party or party to any such agreement or instrument shall raise the use of a facsimile machine or electronic transmission in portable document format (pdf) to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of a facsimile machine or electronic transmission in portable document format (pdf) as a defense to the formation of a

contract and each such party forever waives any such defense, except to the extent such defense relates to lack of authenticity.

4.9 **Entire Agreement**. This Agreement and the agreements and documents referred to herein contain the entire agreement and understanding among the Parties with respect to the subject matter hereof and supersede all prior agreements and understandings, whether written or oral, relating to such subject matter in any way. All Schedules and Exhibits attached hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein.

4.10 **Severability**. Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable Law, but if any provision of this Agreement or the application of any such provision to any Person or circumstance shall be held to be prohibited by, illegal or unenforceable under applicable Law in any respect by a court of competent jurisdiction, such provision shall be ineffective only to the extent of such prohibition or illegality or unenforceability, without invalidating the remainder of such provision or the remaining provisions of this Agreement. Upon such determination that any term or other provision is invalid, illegal or unenforceable, 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 transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

4.11 **Specific Performance**. The Parties hereto agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached and that in any such case any breach of this Agreement could not be adequately compensated by monetary damages alone. Accordingly, the Parties agree that, prior to the valid termination of this Agreement in accordance with Section 4.2, each Party shall be entitled to an injunction or injunctions, or any other appropriate form of specific performance or equitable relief, to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof in any court of competent jurisdiction, in each case in accordance with Section 4.6, this being in addition to any other remedy to which they are entitled under the terms of this Agreement at law or in equity. Each Party hereto accordingly agrees not to raise any objections to the availability of the equitable remedy of specific performance to prevent or restrain breaches or threatened breaches of, or to enforce compliance with, the covenants and obligations of such Party under this Agreement all in accordance with the terms of this Section 4.11. Any Party seeking an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement shall not be required to post a bond or undertaking in connection with such order or injunction sought in accordance with the terms of this Section 4.11.

4.12 **Mutual Drafting**. The Parties hereto agree that they have been represented by counsel during the negotiation and execution of this Agreement and, therefore, waive the application of any Law, holding or rule of construction providing that ambiguities in an agreement or other document will be construed against the Party drafting such agreement or document.

4.13 **Further Assurances**. Purchaser, Merger Sub and each of the Holders will execute and deliver, or cause to be executed and delivered, all further documents and instruments and use their respective reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable under applicable Laws and regulations to perform their respective obligations under this Agreement.

4.14 **Interpretation**. When a reference is made in this Agreement to an Article or a Section, such reference shall be to an Article or a Section of this Agreement unless otherwise indicated. 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. Whenever the word "include," "includes" or "including" is used in this Agreement, it shall be deemed to be followed by the words "without limitation." The words "hereof," "herein" and "hereby" refer to this Agreement.

4.15 **Capacity as Holder**. Each Holder signs this Agreement solely in such Holder's capacity as a stockholder of the Company, and not in any other capacity and this Agreement shall not limit or otherwise affect the actions of such Holder or any affiliate, agent or designee of such Holder or any of its affiliates in its capacity, if applicable, as an officer or director of a Target Entity.

4.16 **No Agreement Until Executed**. This Agreement shall not be effective unless and until (a) the Merger Agreement is executed by all parties thereto and (b) this Agreement is executed by Purchaser, Merger Sub, the Company and at least one Holder. This Agreement will be effective against each Holder on the later of the date the Holder signed this Agreement and the date the Merger Agreement is executed by all parties thereto.

4.17 **No Ownership Interest**. Except as otherwise provided herein, nothing contained in this Agreement shall be deemed to vest in Purchaser or Merger Sub any direct or indirect ownership or incidence of ownership of or with respect to the Subject Shares and Options. All rights, ownership and economic benefits of and relating to the Subject Shares and Options shall remain vested in and belong to the applicable Holder, and neither Purchaser nor Merger Sub shall have any authority to manage, direct, restrict, regulate, govern or administer any of the policies or operations of any of the Target Entities or exercise any power or authority to direct such Holder in the voting of any of the Subject Shares, except as otherwise provided herein.

[*Signature Page Follows*]

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

CENTENE CORPORATION

By: [redacted]
Name: [redacted]
Its: Exe[redacted]resident

PREFONTAINE MERGER SUB, INC.

By: [redacted]
Name: Je[redacted]
Its: Presi[redacted]

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

AGATE RESOURCES, INC.

[redacted]

Name: Terry Copin

Title: Chief Executive Officer

[redacted]

Name:[redacted]
Address:[redacted]
Phone:[redacted]
Fax:[redacted]
Email:[redacted]

ORS 192.502(2)(personal information)

Name: [redacted]
Address: [redacted]
Phone: [redacted]
Fax: [redacted]
Email: [redacted]

ORS 192.502(2)(personal information)

[redacted]

Name: [redacted]
Address: [redacted]
Phone: [redacted]
Fax: [redacted]
Email: [redacted]

ORS 192.502(2)(personal information)

Name: [redacted]
Address: [redacted]
Phone: [redacted]
Fax: [redacted]
Email: [redacted]

ORS 192.502(2)(personal information)

[redacted]

[redacted]ame:[redacted]
Address[redacted]
Phone:[redacted]
Fax:[redacted]
Email:[redacted]

ORS 192.502(2)(personal information)

Name: [redacted]
Address: [redacted]
Phone: [redacted]
Fax: [redacted]
Email: [redacted]

ORS 192.502(2)(personal information)

[redacted]

Name: [redacted]
Address: [redacted]
Phone: [redacted]
Fax: [redacted]
Email: [redacted]

ORS 192.502(2)(personal information)

Name: [redacted]
Address: [redacted]
Phone: [redacted]
Fax: [redacted]
Email: [redacted]

ORS 192.502(2)(personal information)

[redacted]

Name:_[redacted]
Address:[redacted]
Phone:_
Fax:_
Email:_

ORS 192.502(2)(personal information)

Name: [redacted]
Address [redacted]
Phone: [redacted]
Fax: [redacted]
Email: [redacted]

ORS 192.502(2)(personal information)

Name: [redacted]
Address: [redacted]
Phone: [redacted]
Fax: [redacted]
Email: [redacted]

ORS 192.502(2)(personal information)

[redacted]

Addre[redacted]
Phone[redacted]
Fax:_[redacted]
Email[redacted]

ORS 192.502(2)(personal information)

[redacted]

Name:[redacted]
Address[redacted]
Phone:[redacted]
Fax:[redacted]
Email:[redacted]

ORS 192.502(2)(personal information)

Schedule A

ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

Confidentiality Statement

The Attached Pages Are Not Subject to Public Disclosure Under Oregon Law

The following pages in this file are provided to the Oregon Insurance Division in response to a request for additional information related to a "Form A" filing. The materials are confidential and are exempt from public disclosure pursuant to Oregon law under ORS 192.501(2) and ORS 192.502(4).

ORS 192.502(4) (confidential information)
ORS 192.501(2); ORS 646.461 - 475 (trade secrets)
ORS 192.502(2)(personal information)

1. Issued and outstanding shares of the Company:

Last Name	First Name	Middle/Sffx	ShareholderType	A Shares	B Shares
[redacted]					

ORS 192.502(4) (confidential information)
ORS 192.501(2); ORS 646.461 - 475 (trade secrets)
ORS 192.502(2)(personal information)

Last Name	First Name	Middle/Sffx	ShareholderType	A Shares	B Shares
[redacted]					

ORS 192.502(4) (confidential information)
ORS 192.501(2); ORS 646.461 - 475 (trade secrets)
ORS 192.502(2)(personal information)

Last Name	First Name	Middle/Sffx	ShareholderType	A Shares	B Shares
[redacted]					

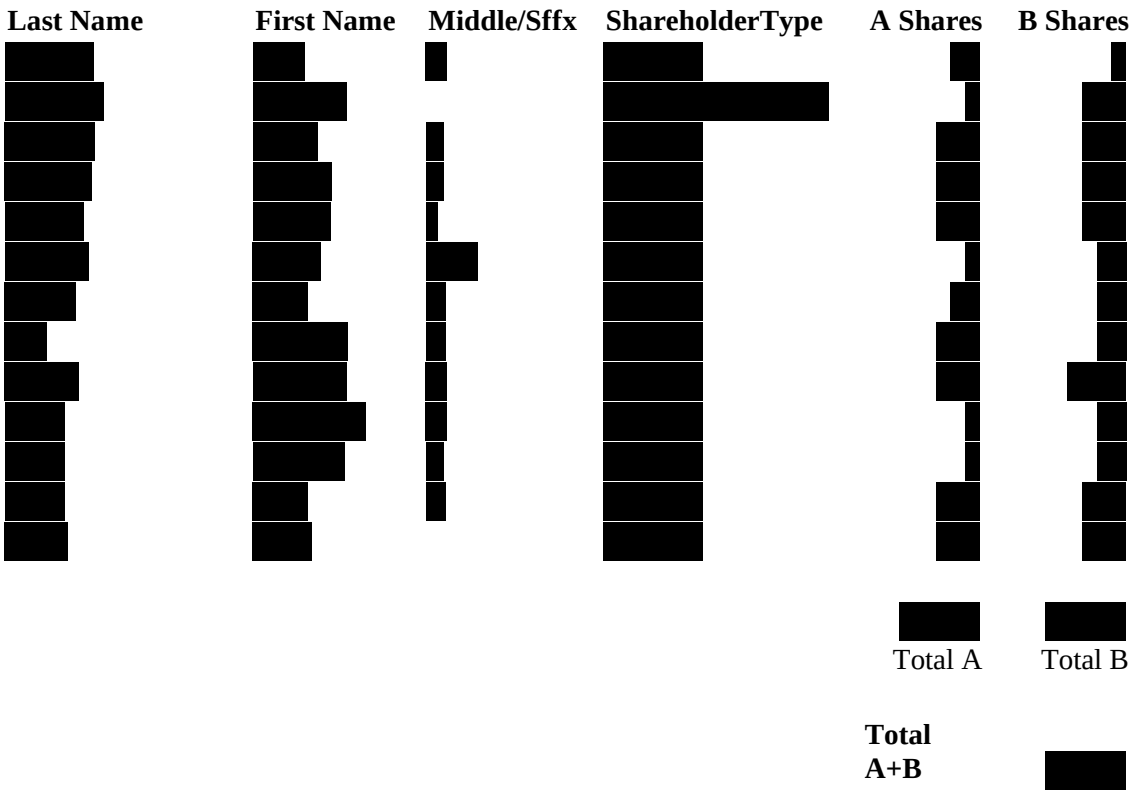
ORS 192.502(4) (confidential information)
ORS 192.501(2); ORS 646.461 - 475 (trade secrets)
ORS 192.502(2)(personal information)

Last Name	First Name	Middle/Sffx	ShareholderType	A Shares	B Shares
[redacted]					

ORS 192.502(4) (confidential information)
ORS 192.501(2); ORS 646.461 - 475 (trade secrets)
ORS 192.502(2)(personal information)

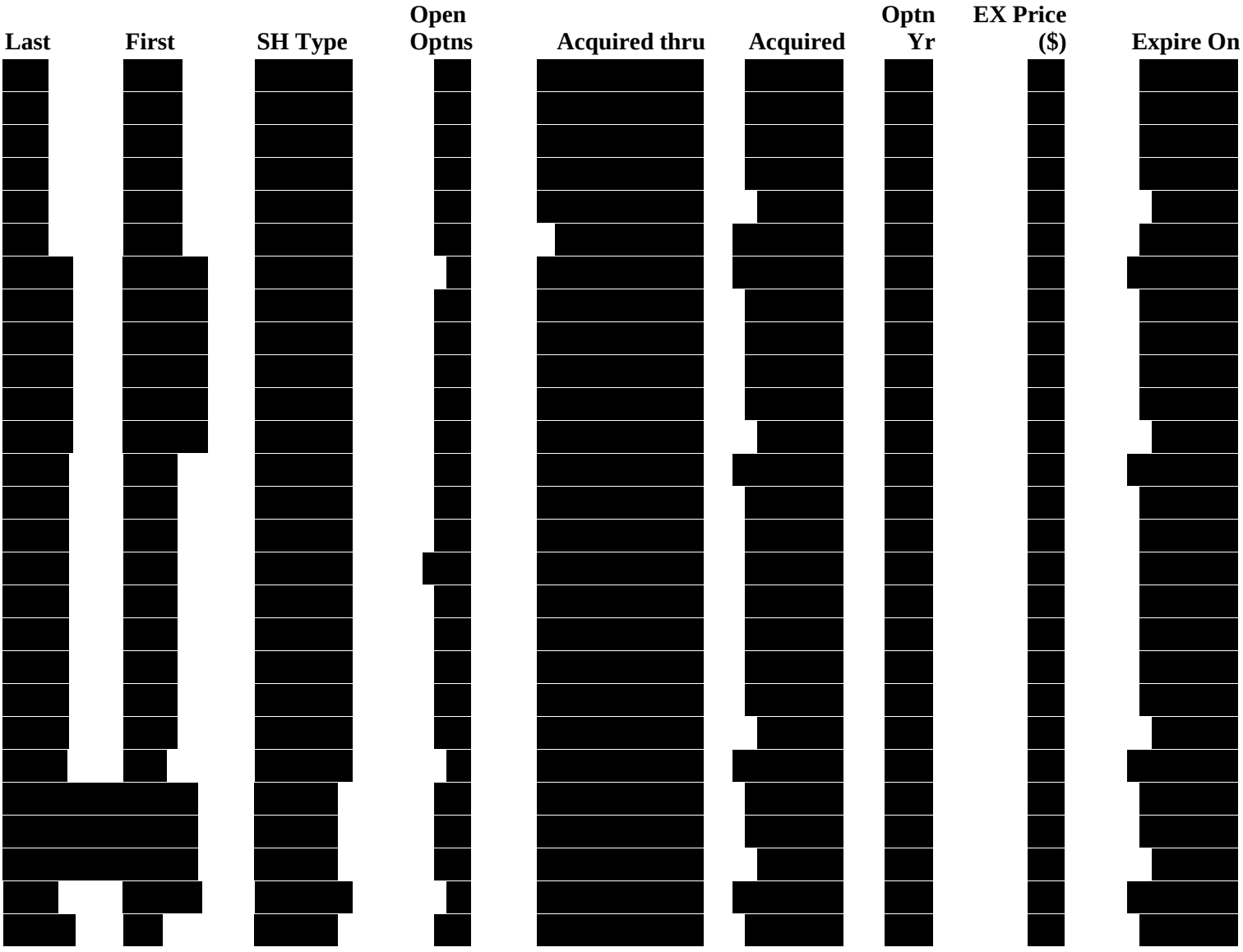
Last Name	First Name	Middle/Sffx	ShareholderType	A Shares	B Shares
[redacted]					

ORS 192.502(4) (confidential information)
ORS 192.501(2); ORS 646.461 - 475 (trade secrets)
ORS 192.502(2)(personal information)



ORS 192.502(4) (confidential information)
ORS 192.501(2); ORS 646.461 - 475 (trade secrets)
ORS 192.502(2)(personal information)

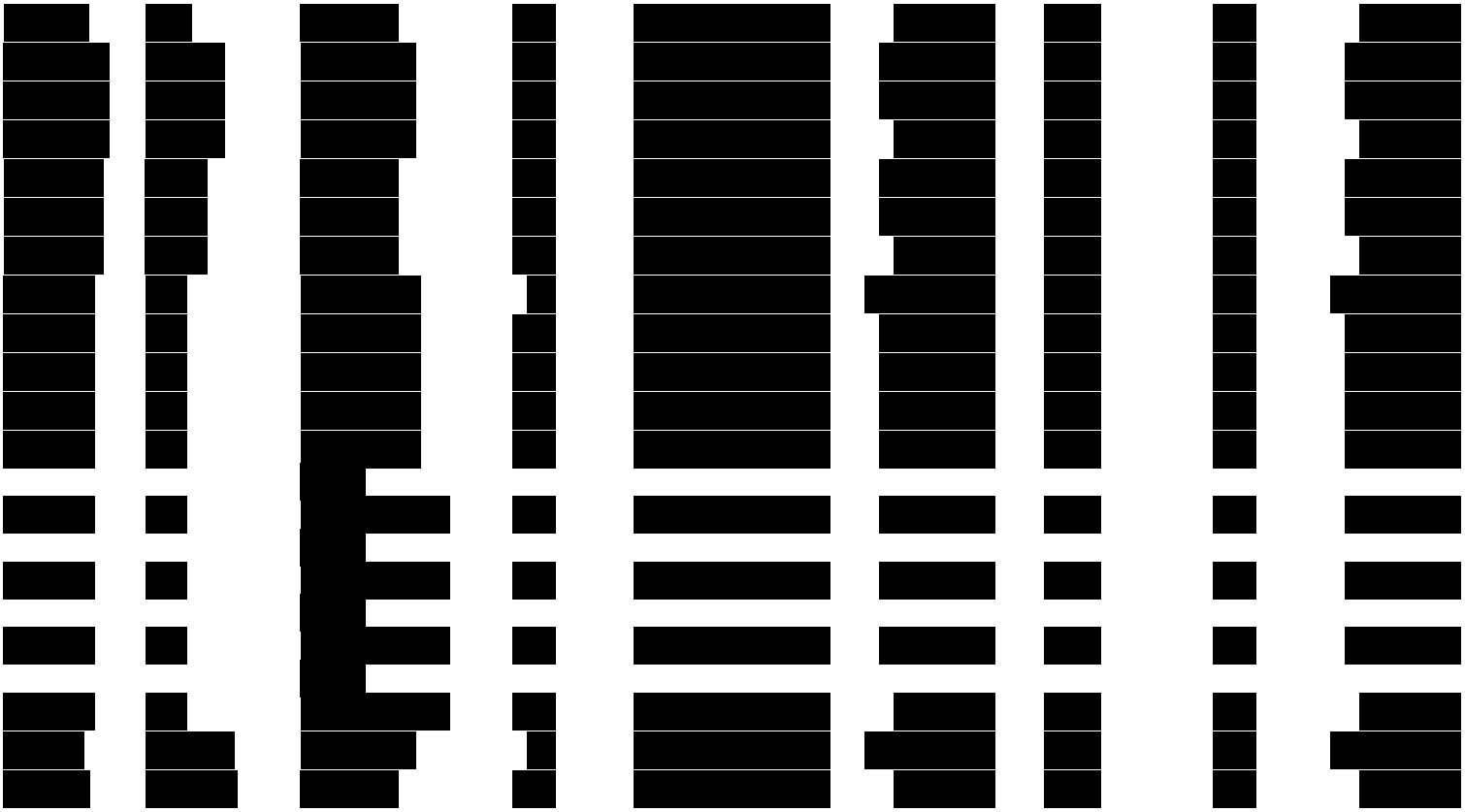
1. Outstanding Options[2]*



[2]The Company's directors' options are fully vested on grant. The Company's employees' options vest one-fourth on the first anniversary of the employee's hire date and thereafter by one-forty eighth per month.

*member of the board of directors of the Company.

ORS 192.502(4) (confidential information)
ORS 192.501(2); ORS 646.461 - 475 (trade secrets)
ORS 192.502(2)(personal information)



Confidentiality Statement

The Attached Pages Are Not Subject to Public Disclosure Under Oregon Law

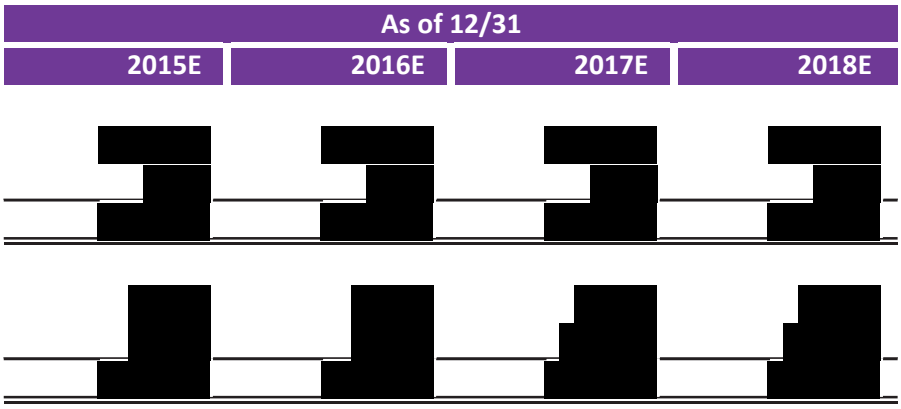
The following pages in this file are provided to the Oregon Insurance Division in response to a request for additional information related to a "Form A" filing. The materials are confidential and are exempt from public disclosure pursuant to Oregon law under ORS 192.501(2) and ORS 192.502(4).

ORS 192.502(4) (confidential information)
ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

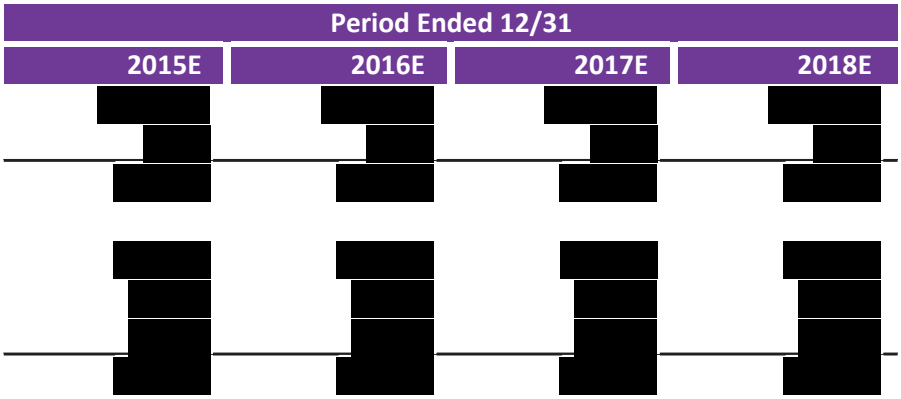
ProForma Trillium Community Health Plan, Inc. Financial Statements

(US$ 000s)

Balance Sheet



Income Statement



Projections are based upon current Company estimates, and do not include the impact from any dividend paid prior to closing.

SECRETARY'S CERTIFCATE

The undersigned, being the duly elected Secretary of Centene Corporation (the "Corporation"), does hereby certify that the following resolution was duly adopted by the Corporation's Board of Directors at a meeting held on December 29, 2014 and further certifies that such resolution remains in full force and effect:

> **RESOLVED**, that the Board of Directors hereby approves the 100% acquisition of PREFONTAINE for a cash transaction value of [redacted]

IN WITNESS WHEREOF, the undersigned has hereto executed this certificate as of this 23rd day of January, 2015.

[redacted]

Keith H. Williamson
Secretary

State of Missouri
County of St. Louis

The foregoing instrument was acknowledged before me this 23rd day of January, 2015, by Keith H. Williamson, who is personally known to me.

[redacted]

(Seal) [redacted]

Rosemarie Bayes
Print Notary Name

June 3, 2016
My commission expires

Agate Resources, Inc.
Secretary's Certificate

I, Terry W. Coplin, the Secretary of Agate Resources, Inc., an Oregon corporation (the "Company"), hereby certify on behalf of the Company that attached as Exhibit A is a true, correct, and complete copy of certain resolutions which were adopted by the Board of Directors of the Company at a duly called meeting held on January 16, 2015. Such resolutions have not been amended, revoked, or rescinded, and are in full force and effect.

This Secretary's Certificate is executed and delivered as of January 19, 2015.

Agate Resources, Inc.

[redacted]

Terry W. Coplin
Secretary

Exhibit A

Resolutions Adopted by the
Board of Directors of
Agate Resources, Inc.

Meeting Date: January 16, 2015

Acquisition of the Company by Centene Corporation

WHEREAS, Agate Resources, Inc., an Oregon corporation (the **"Company"**), has entered into discussions with Centene Corporation, a Delaware corporation ("**Parent**"), regarding a statutory merger pursuant to which (i) a wholly-owned subsidiary of Parent ("**Merger Sub**") would merge with and into the Company and (ii) the Company would become a wholly-owned subsidiary of Parent (the "**Merger**");

WHEREAS, the Board of Directors (the "**Board**") believes that it is advisable and fair and in the best interests of the Company and its shareholders that the Company enter into an Agreement and Plan of Merger with Parent, Merger Sub, and James Dalton, as Stockholder Representative, in substantially the form attached hereto as **Exhibit A** (the "**Merger Agreement**"), pursuant to which the issued and outstanding shares of capital stock of the Company and options outstanding immediately before the effective time of the Merger will convert into the right to receive a portion, as set forth in the Merger Agreement, of [redacted] (subject to a working capital adjustment and Risk Based Capital adjustment), *less* (ii)(A) up to [redacted] of amounts released to shareholders and option holders on the first, second and third anniversaries of the closing date to cover costs incurred by the Stockholder Representative as contemplated by the Merger Agreement, (B) transaction costs incurred by the Company as contemplated by the Merger Agreement and (C) [redacted] to partner with Parent to create a community investment fund, *plus* (iii)(A) up to $[redacted] in future bonus payments payable in accordance with the terms of the Merger Agreement and (B) up to [redacted] in deferred purchase price;

RESOLVED, that the Board has determined that the Merger Agreement and the transactions provided for in the Merger Agreement, including the Merger, and the consideration to be paid for each share of the Company's Common Stock in the Merger, are fair to the shareholders;

RESOLVED, that the terms and provisions of the Merger Agreement, in substantially the form attached hereto, and the transactions and agreements contemplated by the Merger Agreement, including the Merger, are hereby approved and adopted;

RESOLVED, that the form, terms and provisions of the Stockholder Support Agreement, in substantially the form attached to the Merger Agreement, are hereby approved and adopted;

RESOLVED, that the Merger and the Merger Agreement are advisable and the Merger and the Merger Agreement be submitted to the Company's shareholders for approval at a special meeting of the shareholders;

ORS 192.502(4) (confidential information)
ORS 192.501(2); ORS 646.461 - 475 (trade secrets)

RESOLVED, that the Board recommends to the Company's shareholders that they vote in favor of and approve and adopt the Merger and the Merger Agreement;

RESOLVED, that each of Terry Coplin and David Cole (each, an "**Authorized Officer**" and collectively, the "**Authorized Officers**") is authorized and directed in the name and on behalf of the Company to execute and deliver the Merger Agreement, with such changes as any Authorized Officer may approve, such officer's execution and delivery of the Merger Agreement constituting conclusive evidence of such officer's approval;

RESOLVED, that each of the Authorized Officers is authorized to negotiate, execute and deliver any and all other agreements, documents, instruments or certificates contemplated by the Merger Agreement (collectively, the "**Transaction Documents**"), including the Stockholder Support Agreement and the Articles of Merger, or necessary for the delivery or performance thereof, all in such form as the officer executing such Transaction Document shall approve and deem necessary or appropriate, such officer's execution and delivery thereof to serve as conclusive evidence of such officer's approval;

RESOLVED, that each of the Authorized Officers is authorized (i) to execute and deliver a written consent on behalf of the Company, as a shareholder of Trillium Community Health Plan, Inc. (**"Trillium"**), directing Trillium, in accordance with Trillium's articles of incorporation and subject to the completion of the Merger, to distribute the Excess Cash Amount (as defined in the Merger Agreement) to Trillium's shareholders, and (ii) to take any other action the Authorized Officer deems necessary or advisable to, subject to the completion of the Merger, cause the entire Excess Cash Amount to be distributed to the Company, including through a distribution by Lane Individual Practice Association, Inc. (**"LIPA"**) to the Company of the portion of the Excess Cash Amount distributed by Trillium to LIPA;

RESOLVED, that, subject to the approval and adoption of the Merger Agreement by the shareholders, the Board approves the filing of the Articles of Merger on the Closing Date (as defined in the Merger Agreement);

RESOLVED, that the Company's performance of its obligations under the Merger Agreement, the Transaction Documents to which it is a party and the transactions contemplated thereby is approved in all respects; and

RESOLVED, that each Authorized Officer of the Company is authorized to prepare or cause to be prepared, and to execute and file, jointly with Parent or otherwise, all such applications, amendments thereof, and documents related thereto, as may be deemed by either officer to be necessary or desirable to obtain such approvals or authorizations of regulatory authorities as may be required to effect the Merger on the basis, or on substantially the basis, set forth in the Merger Agreement.

Treatment of Options and Company Option Plan

WHEREAS, in connection with the Merger, the Board believes that it is in the best interests of the Company and its shareholders to treat outstanding options (each, an "**Option**") under

the Company's Amended and Restated 2004 Stock Incentive Plan (the "**Company Option Plan**") in the manner described in the Merger Agreement;

RESOLVED, that, (i) pursuant to Section 8.2-3 of the Company Option Plan and subject to the completion of the Merger, during the period beginning on the later of (A) the date on which the Merger Agreement is executed and delivered on behalf of the Company or (B) the date which is 30 days before the Effective Time (as defined in the Merger Agreement) and ending at the Effective Time (the "**Merger Exercise Period**"), Options outstanding under the Company Option Plan may be exercised to the extent then exercisable, (ii) subject to the completion of the Merger, immediately prior to the expiration of the Merger Exercise Period, Options outstanding under the Company Option Plan shall become fully vested and exercisable, and (iii) subject to the completion of the Merger, upon the expiration of the Merger Exercise Period, all unexercised Options and related option agreements shall immediately terminate and be canceled in exchange for the consideration set forth in the Merger Agreement;

RESOLVED, that, subject to the completion of the Merger and in accordance with the Merger Agreement, the holder of each Option outstanding under the Company Option Plan as of immediately before the expiration of the Merger Exercise Period shall be entitled to receive, subject to the terms and conditions of the Merger Agreement, the consideration set forth in the Merger Agreement;

RESOLVED, that each of the Authorized Officers is authorized and directed, in the name and on behalf of the Company, to do all things, perform all acts and execute all documents deemed by him or her to be necessary or appropriate to give effect to the purpose and intent of the foregoing resolutions; and

RESOLVED, that, as of the Effective Time, the Company Option Plan shall terminate and be of no further force or effect.

Special Shareholders Meeting Date

RESOLVED, that a Special Meeting of the shareholders (the "**Special Shareholders Meeting**") be held no later than the date that is 35 days following the date on which the Oregon Insurance Division approves the "Form A" filed by Parent pursuant to the Merger Agreement for the purpose of obtaining the Necessary Stockholder Approval (as defined in the Merger Agreement) at such time and location as management may determine.

Record Date; Solicitation of Proxies

RESOLVED, that the record date for determining shareholders entitled to notice of and to vote at the Special Shareholders Meeting and for purposes of solicitation of proxies referenced below shall be 5:00 p.m., Pacific time, on the date that is 15 Business Days after the date of the Merger Agreement; and

RESOLVED, that the Company is authorized and directed to solicit proxies (each, a "**Proxy**") in favor of Thomas Wuest, M.D., Terry Coplin and David Cole, or any of them, with respect to the Merger and the Merger Agreement.

Approval of Notice and Proxy Statement

RESOLVED, that the Notice of Special Meeting of Shareholders, Proxy Statement and Proxy, each in the form approved by the chief executive officer of the Company, are approved, and the chief executive officer of the Company is authorized to cause to be transmitted to the shareholders the Notice of Special Meeting of Shareholders, Proxy Statement and Proxy.

General Authorization; Ratification

RESOLVED, that the officers of the Company are each authorized to execute and deliver all such further instruments and documents (including amendments to any agreement or other document approved in the foregoing resolutions), pay such expenses and do and perform such other acts and things as, in the judgment of the officer or officers taking the action, may be necessary or desirable to carry out fully the intent and accomplish the purposes of the foregoing resolutions; and

RESOLVED, that any acts of any officer or officers of the Company and of any person or persons designated and authorized to act by any officer of the Company, which acts would have been authorized by the foregoing resolutions except that such acts were taken prior to the adoption of such resolutions, are hereby severally ratified, confirmed, approved, and adopted as the acts of the Company.

Confidentiality Statement

The Attached Pages Are Not Subject to Public Disclosure Under Oregon Law

The following pages in this file are provided to the Oregon Insurance Division in response to a request for additional information related to a "Form A" filing. The materials are confidential and are exempt from public disclosure pursuant to Oregon law under ORS 192.501(2) and ORS 192.502(4).

ORS 192.502(4) (confidential information)
ORS 192.501(2); ORS 646.461 - 475 (trade secrets)
ORS 192.502(2)(personal information)

Estimated Consideration to be Paid to Each Owner

Last Name	First Name	Consideration
[redacted]	[redacted]	[redacted]

ORS 192.502(4) (confidential information)
ORS 192.501(2); ORS 646.461 - 475 (trade secrets)
ORS 192.502(2)(personal information)

Last Name	First Name	Consideration
[redacted]	[redacted]	[redacted]

ORS 192.502(4) (confidential information)
ORS 192.501(2); ORS 646.461 - 475 (trade secrets)
ORS 192.502(2)(personal information)

Last Name	First Name	Consideration
[redacted]	[redacted]	[redacted]

ORS 192.502(4) (confidential information)
ORS 192.501(2); ORS 646.461 - 475 (trade secrets)
ORS 192.502(2)(personal information)

Last Name	First Name	Consideration
[redacted]	[redacted]	[redacted]

ORS 192.502(4) (confidential information)
ORS 192.501(2); ORS 646.461 - 475 (trade secrets)
ORS 192.502(2)(personal information)

Last Name	First Name	Consideration
[redacted]	[redacted]	[redacted]
TOTAL		[redacted]