

**AFFILIATION AGREEMENT**  
**BY AND BETWEEN**  
**SAMARITAN HEALTH SERVICES, INC.**  
**AND**  
**SANTIAM MEMORIAL HOSPITAL**

**DATE: SEPTEMBER 12, 2024**

## TABLE OF CONTENTS

	Page
<b>ARTICLE 1.</b>	1
DEFINED TERMS AND INTERPRETATION.....	1
<b>ARTICLE 2. AFFILIATION.....</b>	<b>2</b>
2.1 Affiliation.....	2
<b>ARTICLE 3. CLOSING.....</b>	<b>2</b>
3.1 Closing; Closing Date; Effective Time.....	2
3.2 Closing Deliveries.....	2
<b>ARTICLE 4. REPRESENTATIONS AND WARRANTIES OF SANTIAM.....</b>	<b>4</b>
4.1 Due Organization; Good Standing; Power .....	4
4.2 Corporate Authorization .....	4
4.3 No Violation; Approvals.....	5
4.4 Subsidiaries.....	5
4.5 Financial Statements .....	6
4.6 Books and Records .....	6
4.7 Real and Personal Property.....	6
4.8 No Undisclosed Liabilities.....	7
4.9 No Material Adverse Change.....	8
4.10 Absence of Certain Changes and Events .....	8
4.11 Contracts .....	9
4.12 Insurance.....	11
4.13 Legal Proceedings; Orders.....	12
4.14 Government Authorizations.....	12
4.15 Compliance With Legal Requirements .....	13
4.16 Government Programs .....	13
4.17 Exclusion from Health Care Programs .....	14
4.18 Compliance with Health Care Laws .....	14
4.19 Accreditation.....	15
4.20 Environmental Matters .....	15
4.21 Tax Exempt Status .....	16
4.22 Taxes.....	16
4.23 Employee Benefits.....	18
4.24 Employees and Consultants.....	21
4.25 Labor Disputes; Compliance.....	22
4.26 Intellectual Property Rights .....	22
4.27 Related Persons.....	23
4.28 Medical Staff.....	23
4.29 Solvency.....	23
4.30 Brokers or Finders .....	23
<b>ARTICLE 5. REPRESENTATIONS AND WARRANTIES OF SAMARITAN.....</b>	<b>23</b>
5.1 Due Organization; Good Standing; Power .....	24
5.2 Corporate Authorization .....	24
5.3 No Violation; Approvals.....	24
5.4 Tax Exempt Status .....	24
5.5 Brokers or Finders .....	25
<b>ARTICLE 6. COVENANTS OF SANTIAM.....</b>	<b>25</b>

6.1	Interim Conduct of Business.....	25
6.2	Access to Information and Real Property .....	26
6.3	Maintain Books and Accounting Practices .....	27
6.4	Filings, Notifications and Consents .....	27
6.5	Estoppel Certificates .....	27
6.6	Performance of Undertakings .....	27
6.7	Consummation of Transactions .....	27
6.8	Real Property .....	27
6.9	Exclusivity .....	28
6.10	Confidentiality of Information.....	29
<b>ARTICLE 7. COVENANTS OF SAMARITAN .....</b>		<b>30</b>
7.1	Filings, Notifications and Consents .....	30
7.2	Performance of Undertakings .....	30
7.3	Consummation of Transactions .....	30
7.4	Employee Matters .....	30
7.5	Medical Staff; Hospital Employees .....	32
7.6	Post-Closing Audit.....	33
7.7	Ongoing Capital Support .....	33
7.8	Post-Closing Boards of Directors and Leadership Council .....	33
7.9	Post-Closing Boards of Directors .....	33
7.9	Post-Closing Services and Operations .....	334
7.11	Assumption of Debt .....	35
<b>ARTICLE 8. CONDITIONS PRECEDENT TO OBLIGATIONS OF SAMARITAN .....</b>		<b>36</b>
8.1	Accuracy of Representations and Warranties .....	36
8.2	Performance of Covenants .....	36
8.3	Bring Down Certificate.....	36
8.4	No Pending Action.....	36
8.5	Regulatory Approvals .....	36
8.6	Consents .....	37
8.7	Closing Documents .....	37
8.8	Board and Member Approval .....	37
8.9	Material Adverse Change .....	37
8.10	Title Report and Survey .....	37
8.11	Oregon Health Authority Approval .....	37
8.12	No Claims or Lien.....	38
8.13	Tax Exempt Status .....	38
8.14	Obligated Group .....	38
<b>ARTICLE 9. CONDITIONS PRECEDENT TO OBLIGATIONS OF SANTIAM.....</b>		<b>38</b>
9.1	Accuracy of Representations and Warranties .....	38
9.2	Performance of Covenants.....	38
9.3	Bring Down Certificate.....	38
9.4	No Pending Action.....	39
9.5	Regulatory Approvals .....	39
9.6	Consents .....	39
9.7	Closing Documents.....	39
<b>ARTICLE 10. TERMINATION.....</b>		<b>39</b>
10.1	Termination Events.....	39
10.2	Termination Consequences .....	40
<b>ARTICLE 11. DISPUTE RESOLUTION .....</b>		<b>40</b>

11.1	Resolution of Potential Disputes.....	40
11.2	Dispute Resolution Procedures .....	41
11.3	Binding Arbitration.....	41
<b>ARTICLE 12. GENERAL PROVISIONS .....</b>		<b>42</b>
12.1	Amendment.....	42
12.2	Notices .....	42
12.3	Expenses .....	43
12.4	Entire Agreement .....	44
12.5	Applicable Law; Forum .....	44
12.6	Further Assurances .....	44
12.7	Waiver of Terms .....	44
12.8	Partial Invalidity .....	44
12.9	Exhibits and Schedules .....	44
12.10	Non-Assignment .....	44
12.11	Counterparts.....	45
12.12	Access to Records and Information .....	45
12.13	No Third-Party Beneficiaries.....	45
12.14	Time is of the Essence .....	45
<b>ARTICLE 13. EXECUTION DATE REQUIREMENTS .....</b>		<b>45</b>
<b>DEFINITIONS AND INTERPRETATION .....</b>		<b>1</b>
13.2	Definitions .....	1
13.3	Usage .....	7

## LIST OF EXHIBITS

EXHIBITS TO AFFILIATION AGREEMENT	
EXHIBIT	DESCRIPTION
Exhibit A	Defined Terms
Exhibit 2.1(a)	Restated Santiam Articles
Exhibit 2.1(b)	Restated Santiam Bylaws
Exhibit 3.2(a)(iii)	General Release
Exhibit 8.7(a)	Form of Estoppel Certificate

## AFFILIATION AGREEMENT

This Affiliation Agreement (“**Agreement**”), is made and entered into September 12, 2024 (the “**Execution Date**”), by and between Samaritan Health Services, Inc., an Oregon nonprofit corporation (“**Samaritan**” or “**SHS**”), on the one hand, and Santiam Memorial Hospital, (“**Santiam**” or “**SMH**”), and Santiam Hospital and Clinics Foundation (“**Foundation**”), both Oregon nonprofit corporations, on the other hand. Samaritan and Santiam will each be referred to as a “**Party**” and collectively, as the “**Parties.**”

### RECITALS<sup>1</sup>

A. Santiam operates a community-based hospital in Stayton, Oregon and multiple clinics serving the Santiam Canyon in Marion and Linn counties (collectively, the “**Hospital**”).

B. Samaritan is a non-profit integrated health system that operates five (5) community hospitals, more than one hundred (100) physician clinics and multiple health insurance plans to serve residents in Oregon’s Benton, Lincoln and Linn counties.

C. The Foundation, of which Santiam is the sole member, is a charitable foundation with a mission to invest in Santiam in order to support the infrastructure needed for the health and well-being of its communities.

D. The Parties believe that it is in their respective best interests, will promote their charitable purposes, and benefit the communities they serve to engage in the transaction contemplated by this Agreement whereby Santiam and the Foundation will continue as distinct corporate entities and will become part of the Samaritan integrated health system, and Samaritan will become the sole member of Santiam, subject to the terms and conditions of this Agreement.

E. This affiliation is intended to allow the Parties to collaborate in order to strengthen both organizations through increased and improved health equity, enhanced services and increased access to the highest quality of healthcare throughout the regions served by the Parties while also realizing operational efficiencies and cost reduction opportunities through centralization and coordination of non-clinical services all while aligning to each organization’s charitable purposes to deliver compassionate, high quality and effective medical, hospital and healthcare services to the communities served by Santiam and Samaritan.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained in this Agreement, the Parties agree as follows:

### Article 1.

#### DEFINED TERMS AND INTERPRETATION

Terms capitalized but not defined in this Agreement are defined on Exhibit A, which also contains rules of interpretation for this Agreement.

## Article 2.

### AFFILIATION

#### 2.1 Affiliation

On the terms and subject to the terms and conditions of this Agreement, Santiam will become part of the Samaritan integrated health system, and Samaritan will become the sole member of Santiam. Thus, at the Closing:

(a) Santiam will cause the amendment of its articles of incorporation in the form of Exhibit 2.1(a) (the “**Restated Santiam Articles**”) to provide that Samaritan is the sole member (as defined in [Act]) of Santiam.

(b) Santiam will cause the amendment of its bylaws in the form of Exhibit 2.1(b) (the “**Restated Santiam Bylaws**”) to provide that Samaritan is the sole member of Santiam.

(c) Santiam will become part of Samaritan’s Obligated Group which will make Santiam eligible to receive funds for qualified capital projects from the proceeds of Samaritan’s debt financings, subject to the availability of funds therefor under Samaritan’s annual capital budget.

(d) Subject to the assumption of debts, liabilities and obligations in connection with this Agreement contained herein, Samaritan will not pay any other purchase price or similar consideration to or for the benefit of Santiam or any of its affiliates in connection hereto. At the Closing Date, SHS agrees to assume liability for payment of approximately \$25 million of SMH’s then existing debt obligations to HUD (approximately \$20 million), and to Key Bank (approximately \$5 million), which will be a Closing covenant of SHS in Article 7

## Article 3.

### CLOSING

#### 3.1 Closing; Closing Date; Effective Time

The Parties’ completion of the Contemplated Transactions (the “**Closing**”) will take place remotely via the exchange of documents and signature pages on the date (the “**Closing Date**”) that is as promptly as practical (but in no event later than the fifth Business Day, unless Samaritan and Santiam otherwise agree) after satisfaction or waiver of the conditions set forth in Article 8 and 9. “**Effective Time**” means the later of the time and date of the filing of the Restated Santiam Articles with the Secretary of State of the State of Oregon or such other time and date as may be specified in the Restated Santiam Articles pursuant to applicable Legal Requirements. At the Closing, all documents to be executed and actions to be taken, pursuant to this Agreement, as of the Closing Date, will be deemed to have been executed and taken concurrently, and no action will be deemed to be complete until all are completed and all documents called for in this Agreement have been executed and delivered. As of the Execution Date, the Parties anticipate that the Closing Date will be June 1, 2025.

#### 3.2 Closing Deliveries

(a) At or prior to the Closing, Santiam will deliver or caused to be delivered to Samaritan or to Title Company (as applicable) each of the following, executed by Santiam:

(i) The Restated Santiam Articles, in a form suitable and ready to be filed with the Secretary of State of the State of Oregon.

(ii) The Restated Santiam Bylaws, certified as of the Closing Date by the Secretary of Santiam.

(iii) A general release in the form of Exhibit 3.2(a)(iii), releasing all claims against Samaritan and their respective Related Persons.

(iv) Certificates dated as of a date not more than ten (10) days prior to the Closing Date as to the good standing of Santiam and the Foundation, issued by the appropriate Governmental Body of the jurisdiction of its organization and each jurisdiction in which Santiam is licensed or qualified to do business as a foreign entity.

(v) The Governing Documents of Santiam that are filed with a Governmental Body in connection with its organization, certified as of a recent date by the Secretary of State or other appropriate authority of the jurisdiction of its incorporation or organization, together with a certificate dated as of the Closing Date from the Secretary of Santiam to the effect that no amendments to such Governing Documents have been filed since the date referred to above.

(vi) The Governing Documents of Santiam that are not filed with a Governmental Body in connection with its organization, certified as of the Closing Date by the Secretary of Santiam.

(vii) A certificate of the Secretary of Santiam, dated as of the Closing Date, certifying as to the due adoption and continued effectiveness of, and attaching a copy of, all requisite resolutions or actions of the member, board or directors or other governing body approving the execution, delivery and performance of this Agreement and each Transaction Document and the amendments and restatements of Governing Documents contemplated by this Agreement.

(viii) A certificate of the Secretary of Santiam, dated as of the Closing Date, certifying to the incumbency and signatures of their respective officers who are executing this Agreement and any Transaction Document.

(ix) A reliance letter entitling Samaritan to rely on the Phase I environmental survey, in form and substance satisfactory to Samaritan and its counsel.

(x) Title Company's standard form of gap indemnity and owner's affidavit required for the issuance of an extended coverage Title Policy and standard form of non-imputation affidavit required for the issuance of a non-imputation endorsement.

(xi) Such other instruments and documents as may reasonably be requested by Samaritan or Title Company to carry out the Contemplated Transactions or confirm compliance with the terms of this Agreement, each in form and substance satisfactory to Samaritan and its counsel.

(b) At or prior to the Closing, Samaritan will deliver or cause to be delivered to Santiam each of the following, executed by Samaritan:

(i) A certificate dated as of a date not more than ten (10) days prior to the Closing Date as to the good standing of Samaritan, issued by the appropriate Governmental Body of the



jurisdiction of Samaritan's organization and each jurisdiction in which Samaritan is licensed or qualified to do business as a foreign entity.

(ii) A certificate of the Secretary of Samaritan, dated as of the Closing Date, certifying as to the due adoption and continued effectiveness of, and attaching a copy of, all requisite resolutions or actions of the Samaritan Board approving the execution, delivery and performance of this Agreement and each Transaction Document.

(iii) A certificate of the Secretary of Samaritan, dated as of the Closing Date, certifying to the incumbency and signatures of its officers who are executing this Agreement or any Transaction Document.

(iv) Such other instruments and documents as may reasonably be requested by Santiam to carry out the Contemplated Transactions or confirm compliance with the terms of this Agreement, each in form and substance satisfactory to Santiam and its counsel.

#### **Article 4.**

#### **REPRESENTATIONS AND WARRANTIES OF SANTIAM<sup>2</sup>**

Except as disclosed in the Schedules delivered by Santiam to Samaritan on the Execution Date, Santiam represents and warrants to Samaritan that the following representations and warranties are true and accurate as of the Execution Date (or such other date as specifically set forth in any such representation or warranty, or such date as specifically set forth in any amendment to or update of any Schedule) and will be true and accurate as of the Closing Date; provided, however, that notwithstanding anything to the contrary in this Agreement, SMH shall have the right to amend and/or update any of the Schedules after the Execution Date and before the Closing Date in the event SMH determines that any of the previously submitted Schedules are incomplete or inaccurate:

##### **4.1 Due Organization; Good Standing; Power**

Santiam is a nonprofit corporation duly organized, validly existing, and in good standing under the laws of Oregon, with full corporate power and authority to conduct its business as it is now being conducted, to own or use the properties and assets that it purports to own or use, and to perform all its obligations under this Agreement and the Transaction Documents to which it is party.

##### **4.2 Corporate Authorization**

Santiam has full corporate power and authority to enter into and to perform its respective obligations under this Agreement and the Transaction Documents to which it is party. The execution, delivery and performance by Santiam of this Agreement and the Transaction Documents to which it is party have been duly authorized by all necessary corporate action in accordance with their Governing Documents and Legal Requirements. This Agreement has been duly executed and delivered by Santiam and constitutes the legal, valid, and binding obligation of Santiam, enforceable against Santiam in accordance with its terms. Upon the execution and delivery of the Transaction Documents to which Santiam is party, such Transaction Documents will constitute the legal, valid, and binding obligation of Santiam, enforceable against Santiam in accordance with its terms.

#### **4.3 No Violation; Approvals**

(a) Except to the extent specified in Schedule 4.3(a), neither the execution and delivery of this Agreement nor the consummation or performance of any Contemplated Transaction will, directly or indirectly (with or without notice or lapse of time):

(i) contravene, conflict with, or violate (A) any Governing Document of Santiam, or (B) any resolution adopted by the Santiam Board or members (or Persons exercising similar authority) of Santiam.

(ii) contravene, conflict with, or violate, or give any Governmental Body or other Person the right to challenge any Contemplated Transaction, or to exercise any remedy or obtain any relief under, any Legal Requirement or any Order to which Santiam, or any Transferred Assets or assets owned or used by Santiam, could be subject.

(iii) contravene, conflict with, violate, result in the loss of any benefit to which Santiam is entitled under, or give any Governmental Body the right to revoke, suspend, cancel, terminate, or modify, any Government Authorization held by Santiam or that otherwise relates to the business of, or any assets owned or used by, Santiam.

(iv) Breach, or give any Person the right to declare a default or exercise any remedy or to obtain any additional rights under, or to accelerate the maturity or performance of, or payment under, or cancel, terminate, or modify, any material Contract to which Santiam is a party.

(v) result in the imposition or creation of any Encumbrance upon, or with respect to, any Santiam Assets.

(b) Except to the extent specified in Schedule 4.3(b), Santiam is not nor will be required to give notice to, or obtain Consent from, any Person in connection with the execution and delivery of this Agreement or the consummation or performance of any Contemplated Transaction.

#### **4.4 Subsidiaries.**

(a) Other than the Santiam Board, no other Person has any power, authority or right (by virtue of any Governing Document, Contract, Order, Legal Requirement or otherwise) with respect to the governance or management of Santiam or the disposition of its assets. The filing of the Restated Santiam Articles, together with the approval of the Restated Santiam Bylaws, will be sufficient to transfer all such membership interests and rights to Samaritan; upon such filing and approval, Samaritan will be the sole corporate member of Santiam, and Santiam will be the sole corporate member of the Foundation. The Foundation Board of Directors and its Primary Purposes as currently stated in its Bylaws and Articles of Incorporation will not change as a result of this Transaction.

(b) Schedule 4.4(b) lists all Subsidiaries of Santiam. Santiam has no other Subsidiaries or Persons with any kind of equity ownership in Santiam business.

(c) Santiam does not own any equity security or other security of any Person or any direct or indirect equity or ownership interest in any other business or is a party to or bound by any Contract to acquire any of the foregoing. Santiam is not obligated to provide funds to or make any investment (whether in the form of a loan, capital contribution, or otherwise) in any other Person.

#### 4.5 Financial Statements

(a) Schedule 4.5(a) contains copies of the audited financial statements of Santiam for the three (3) years ended December 31, 2021, 2022 and 2023, and unaudited financial statements of Santiam for the interim period ending July 31, 2024, which is the most recent month-end date for which financial statements were available prior to the Execution Date (the “**Financial Statements**”).

(b) The Financial Statements are complete and present fairly in all material respects the financial position of Santiam, and the results of its operations and cash flows, at the dates and for the periods indicated, in conformity with GAAP (except as otherwise disclosed on Schedule 4.5(b)), applied consistently for the periods specified, except that the interim Financial Statements are subject to normal recurring year-end adjustments (the effect of which will not, individually or in the aggregate, be material) and the absence of notes (that, if presented, would not differ materially from those included in the audited Financial Statements). The Financial Statements were prepared from, and are consistent with, the accounting records of Santiam. Copies of all letters from auditors to Santiam’s board of directors or audit committee during the 36 months prior to the Execution Date, together with copies of all responses thereto, have been delivered to Samaritan.

(c) Since December 31, 2023, except as set forth in Schedule 4.5(c), Santiam has not made any material changes to its accounting methods or practices, including methods or practices used to establish reserves on any patient and notes receivables; establish estimates of any third-party settlements; establish valuation estimates related to the investment plan and any defined benefit plan; or determine the value of any other accounts which require subjective determinations.

(d) Except as disclosed on Schedule 4.5(d), none of the assets of Santiam is subject to restrictions imposed by the donors of specific funds.

(e) Schedule 4.5(e) is a list of all outstanding Indebtedness of Santiam.

#### 4.6 Books and Records

(a) The books of account and other records of Santiam, which have been delivered to Samaritan, are complete and correct in all material respects, and represent actual, bona fide transactions. Santiam has implemented and maintain a system of internal control over financial reporting sufficient to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP.

(b) The minute books of Santiam contain materially complete and correct records of all meetings held by, and actions taken by written consent of, the members, the Santiam Board or Persons exercising similar authority, and committees of the board or such Persons of Santiam.

#### 4.7 Real and Personal Property

(a) Schedule 4.7(a) lists all real estate owned by Santiam (the “**Owned Real Property**”), including the legal description, street address, and any tax parcel identification number of each property, and the owner of such property. Santiam has delivered to Samaritan copies of the deeds and other instruments by which Santiam acquired the Owned Real Property and copies of all title insurance policies, mortgage documents and surveys in the possession of Santiam relating to the Owned Real Property. Santiam has not granted any leases, subleases, licenses, concessions or other agreements (whether written or oral) with respect to the Owned Real Property.

(b) Schedule 4.7(b) lists all real estate leased by Santiam as a lessee, sub-lessee, or assignee (the “**Leased Real Property**” and, together with the Owned Real Property, the “**Real Property**”), including a description of the premises leased, the true and correct street address for the Leased Real Property, and the current name and complete contact information for each landlord. All Leased Real Property is leased pursuant to valid written leases listed in Schedule 4.11(a). Santiam has delivered to Samaritan copies of all leases, amendments, and related correspondence material to the terms of the leases. Such leases contain the entire agreement between the landlord of each of the leased premises and the lessee, and there is no other Contract between the landlord and the lessee affecting such Leased Real Property. All rents and additional rents due on each such Leased Real Property have been paid. In each case, Santiam has been in peaceable possession since it acquired its leasehold interests under each Leased Real Property and is not in default thereunder and there exists no default or event, occurrence, condition or act in respect of or on the part of Santiam, which, with giving of notice, the lapse of time or the happening of any further event or condition, would become a default or event of default under any such lease.

(c) Santiam has good and valid title to, or leasehold interest in, the Real Property, free and clear of all Encumbrances (other than Permitted Encumbrances). The buildings, structures, appurtenances, improvements and fixtures located on the Real Property are structurally sound and do not violate any applicable building, occupancy, land use, environmental and zoning laws, or any recorded restrictions on the Real Property. The improvements, building systems, mechanical, electrical, plumbing, and HVAC systems located on the Real Property are in good condition and repair, except for ordinary, routine maintenance and repairs, and do not need to be replaced. All buildings, plants, and structures included in the Real Property lie wholly within the boundaries of the Real Property in question and do not encroach upon the property of, or otherwise conflict with the property rights of, any other Person. There are no buildings, structures, fixtures, or other improvements primarily situated on adjoining property that encroach on any part of the Real Property. The Real Property has direct vehicular access to a public right of way or has access to such right of way via permanent appurtenant easement. Each parcel of Real Property has parking spaces sufficient to comply with all Government Authorizations and Legal Requirements. To Santiam’s Knowledge, certificates of occupancy are in full force and effect for each location of Real Property. No third party has a right to acquire any interest in the Owned Real Property or in the lessees’ interests in the Leased Real Property. Santiam has not received written notice of any existing or proposed plan to modify or realign any street or highway or any existing or proposed eminent domain Proceeding that would result in the taking of all or any part of any parcel of Real Property or that would prevent or hinder the continued use of any such parcel as used by Santiam. To Santiam’s Knowledge, none of the Real Property is located within a flood plain for flood insurance purposes.

(d) Santiam owns all tangible personal property reflected as owned in the Financial Statements (other than inventory sold since then in the Ordinary Course of Business), free and clear of all Encumbrances, other than Permitted Encumbrances. All the tangible personal property purchased or otherwise acquired by Santiam since then (other than inventory acquired and sold in the Ordinary Course of Business) is owned by Santiam free and clear of all Encumbrances, other than Permitted Encumbrances.

(e) The assets owned and leased by Santiam constitute all the assets used in connection with the business of Santiam. Such assets constitute all the assets reasonably necessary for Santiam to continue to conduct its business following the Closing.

#### **4.8 No Undisclosed Liabilities**

Santiam has no Liability or obligation of any nature (whether known or unknown and whether absolute, accrued, contingent, or otherwise) other than (a) Liabilities or obligations to the extent shown in the Financial Statements, (b) current liabilities incurred in the Ordinary Course of Business as of the interim

unaudited Financial Statements of Santiam dated July 31, 2024, (c) Liabilities that (i) would not be required by GAAP to be set forth on a balance sheet prepared in accordance with GAAP as a Liability and (ii) are not in any event in excess of \$50,000 in the aggregate, or (d) as disclosed on Schedule 4.8.

#### **4.9 No Material Adverse Change**

Since December 31, 2023, Santiam has not suffered any Material Adverse Change and to Santiam's Knowledge no event has occurred, and no circumstance exists, that can reasonably be expected to result in a Material Adverse Change.

#### **4.10 Absence of Certain Changes and Events**

Since December 31, 2023, Santiam has conducted its business only in the Ordinary Course of Business, and, except as set forth in Schedule 4.10, there has not been any:

- (a) amendment to the Governing Documents of Santiam.
- (b) other than any payments, increases or decreases by Santiam of bonuses, salaries, benefits, or other compensation in the Ordinary Course of Business, payment, increase or decrease by Santiam of any bonus, salary, benefit, or other compensation to any holder of an equity security, director, manager, officer, employee, or consultant.
- (c) entry into or amendment of any employment, severance, bonus, retirement, loan, or other Contract with any holder of any equity security, director, manager, officer, employee, or consultant.
- (d) any change to persons serving as chief executive or financial officer, director or other officer of Santiam.
- (e) adoption of or amendment to any Benefit Plan that would result in a material increase in aggregate payments or benefits under the Benefit Plans.
- (f) material damage to or destruction or material loss of any material asset owned or used by Santiam, whether or not covered by insurance.
- (g) entry into, modification, termination, or expiration of, or receipt of written notice of termination of, any Applicable Contract.
- (h) sale (other than sales of inventory in the Ordinary Course of Business), lease, other disposition of, or imposition of an Encumbrance on any material asset owned or used by Santiam.
- (i) release or waiver of any claim or right of Santiam with a value in excess of \$50,000.
- (j) change in the accounting methods used by Santiam.
- (k) capital expenditure (or related capital expenditures) by Santiam either involving more than \$50,000 or outside the Ordinary Course of Business.
- (l) capital investment in, loan to, or acquisition of the securities or assets of, any Person, or related capital investments, loans, and acquisitions, by Santiam either involving more than

\$50,000 or outside the Ordinary Course of Business or acquisition (by merger, exchange, consolidation, acquisition of equity securities or assets, or otherwise) of any Person by Santiam.

(m) note, bond, debenture, or other Indebtedness for borrowed money issued, created, incurred, assumed, or guaranteed (including advances on existing credit facilities) involving more than \$10,000 in the aggregate by Santiam.

(n) Contract by Santiam to do any of the foregoing.

#### **4.11 Contracts**

(a) Schedule 4.11(a) lists, and Santiam has delivered to Samaritan a copy of, each of the following Applicable Contracts (and each amendment, supplement, or modification):

(i) any management Contracts whereby the Hospital, or any of its officers or employees provide management services to other hospitals, educational, or other healthcare institutions involving payment of more than \$10,000 in the aggregate during any twelve consecutive months.

(ii) all management or consulting Contracts involving payment of more than \$50,000 in the aggregate during any twelve consecutive months.

(iii) all service, shared service, joint purchasing, provider or similar Contracts involving payment of more than \$50,000 in the aggregate during any twelve consecutive months.

(iv) all leases of space or equipment involving payment of more than \$50,000 in the aggregate.

(v) all Contracts for the sale or acquisition of capital assets involving payment of more than \$50,000 in the aggregate.

(vi) all service Contracts and warranties with respect to assets of Santiam involving payment of more than \$50,000 in the aggregate.

(vii) all installment payment Contracts involving payment of more than \$50,000 in the aggregate.

(viii) all membership or other Contracts with groups or entities which engage in quality review or rate review procedures, involving payment of more than \$50,000 in the aggregate.

(ix) all Contracts with third-party administrators, involving payment of more than \$50,000 in the aggregate.

(x) all membership or other Contracts with groups formed to coordinate facilities or services planning, involving payment of more than \$50,000 in the aggregate.

(xi) all affiliation and transfer Contracts with educational institutions, other health care facilities, and government agencies, involving payment of more than \$50,000 in the aggregate.

(xii) all supply Contracts involving payment of more than \$100,000 in the aggregate.

(xiii) all brokers' or finders' Contracts involving payment of more than \$50,000 in the aggregate.

(xiv) all Contracts involving any joint venture, partnership, or limited liability company agreement involving a sharing of profits, losses, costs, Taxes, or other liabilities by Santiam with any other Person.

(xv) all Contracts with a Referral Source, including physician employment, medical director, professional services, teaching services, call-coverage, research, recruitment, income guarantee, loan, loan guarantee, billing services, practice support and management services Contracts and Contracts for the sale or purchase of assets.

(xvi) all Contracts related to accountable care organizations, physician hospital organizations, independent practice associations, medical services organizations, physician networks, community care networks, integrated delivery networks, or other health care delivery systems or networks.

(xvii) all indemnity Contracts for officers, directors, members, shareholders, or advisory board members of Santiam.

(xviii) all license and sublicense agreements with respect to any computer software (other than off-the-shelf software) involving payment of more than \$50,000 in the aggregate during any twelve consecutive months.

(xix) all easement and real property operating agreements, loan agreements, promissory notes, trust deeds, mortgages, and other Contracts related to real property interest of Santiam.

(xx) all Contracts containing covenants that in any way purport to restrict the right or freedom of Santiam to (A) engage in any business activity, (B) compete with any Person, or (C) solicit any Person to enter into a business or employment relationship, or enter into such a relationship with any Person.

(xxi) all Contracts containing a power of attorney granted by Santiam.

(xxii) all Contracts involving the settlement, release, compromise, or waiver of any material rights, claims, obligations, duties, or liabilities.

(xxiii) all Contracts providing for material payments to or by any Person based on sales, purchases, or profits, other than direct payments for goods.

(xxiv) all Contracts relating to the employment of any employee of Santiam involving payment of more than \$100,000 annually.

(xxv) any other Contract involving the performance of services, delivery of goods or materials, or payments by or to Santiam of an amount or value in excess of \$50,000.

(b) Each Applicable Contract is in full force and effect, and is valid and enforceable in accordance with its terms. The completion or performance of each Applicable Contract will not result in a materially adverse consequence to Santiam.

(c) Except as set forth in Schedule 4.11(c):

(i) Santiam has been in compliance in all material respects with each Applicable Contract since the effective date of such Applicable Contract.

(ii) to Santiam's Knowledge, each other Person that has any obligation or liability under any Applicable Contract has been in compliance in all material respects with such Applicable Contract since the effective date of such Applicable Contract.

(iii) to Santiam's Knowledge, no event has occurred or circumstance exists that (with or without notice or lapse of time) would result in a material Breach of, or give Santiam or other Person the right to declare a material default or exercise any remedy under, or accelerate the maturity or performance of or payment under, or cancel, terminate, or modify, any Applicable Contract.

(iv) to Santiam's Knowledge, no event has occurred or circumstance exists under or by virtue of any Applicable Contract that (with or without notice or lapse of time) would cause the creation of any Encumbrance affecting any material assets owned or used by Santiam.

(v) Santiam has not given to, or received from, any other Person any written notice regarding any actual, alleged, or potential Breach of any Applicable Contract.

(d) There is no renegotiation of, attempt to renegotiate, or outstanding rights to renegotiate any material Applicable Contract with any Person, and no Person has made written demand for such renegotiation.

(e) Each Applicable Contract relating to the sale or provision of products or services by or to Santiam has been entered into without the commission of any act alone or to Santiam's Knowledge in concert with any other Person, or any consideration having been paid or to Santiam's Knowledge promised, in violation in any material respect of any Legal Requirement.

#### **4.12 Insurance**

(a) Schedule 4.12(a) sets forth a list (including the policy name and number, insurer, amount of coverage and term) of all binders and policies of insurance and any fidelity bonds (collectively, together with renewals thereof, the "**Insurance Policies**") maintained by Santiam; or which otherwise insure any Transferred Assets.

(b) The Insurance Policies are valid, outstanding, and enforceable; are sufficient for compliance in all material respects with applicable Legal Requirements and all Applicable Contracts to which Santiam is a party or by which it is bound; and all premiums have been paid when due. Santiam has not provided any information to any insurer in connection with any application for insurance that could impair the rights of Santiam, result in cancellation of any Insurance Policy or denial of coverage for a risk otherwise covered by an Insurance Policy. Santiam has not given to, or received from, any other Person any written notice, and to Santiam's Knowledge no event has occurred or circumstance exists, that could impair the rights of Santiam under any Insurance Policy, result in cancellation of any Insurance Policy or denial of coverage for a risk otherwise covered by an Insurance Policy. No insurance policy has been cancelled in the last two (2) years excluding those that expired and were replaced in the Ordinary Course of Business, nor has any notice or threat of cancellation been received in writing.

(c) Any program of self-insurance including any captive insurance company or other funding mechanism is in compliance in all material respects with Legal Requirements of the state of



domicile and adequately funded in accord with independent actuarial recommendations included in reports to Santiam for the last five (5) years.

(d) Schedule 4.12(d) sets forth for Santiam for the current policy year and each of the preceding five policy years a summary by the insurer of the loss experience under each policy of insurance.

#### **4.13 Legal Proceedings; Orders**

(a) Except as set forth in Schedule 4.13, there is no pending or, to Santiam's Knowledge, threatened, Proceeding by or against Santiam or that otherwise relates to the business of, or any assets owned or used by, Santiam; or that challenges, or that would have the effect of preventing, materially delaying, making illegal, imposing material limitations or conditions on, or otherwise interfering in any material respect with, any Contemplated Transaction. To Santiam's Knowledge, no event has occurred or circumstance exists that could give rise to or serve as a basis for the commencement of any such Proceeding. Santiam has delivered to Samaritan copies of all material pleadings, correspondence, and other documents relating to each pending or threatened Proceeding listed in Schedule 4.13.

(b) Except as set forth in Schedule 4.13(b), Santiam has not received any written notice of any investigation or threatened investigation by any Governmental Body involving Santiam.

(c) Except as set forth in Schedule 4.13(c), there is no Order to which Santiam, or any assets owned or used by Santiam, is subject.

(d) Santiam has at all times been in compliance in all material respects with each Order to which it, or any assets owned or used by it, is or has been subject; to Santiam's Knowledge no event has occurred or circumstance exists that could constitute or result in (with or without notice or lapse of time) a material violation of, or failure to comply in all material respects with, any Order to which Santiam, or any assets owned or used Santiam, is subject; and Santiam has not, at any time received any written notice from any Governmental Body or any other Person regarding any actual, alleged, or potential violation of, or failure to comply with, any Order to which Santiam, or any assets owned or used by Santiam, is subject.

#### **4.14 Government Authorizations**

(a) Schedule 4.14(a) lists each Government Authorization that is held by Santiam or that otherwise relates to the business of, or to any assets owned or used by, Santiam (other than immaterial Government Authorizations, such as local business licenses). Each such Government Authorization is valid and in full force and effect.

(b) Except as set forth in Schedule 4.14(b):

(i) Santiam has at all times been in material compliance with each Government Authorization;

(ii) To Santiam's Knowledge no event has occurred or circumstance exists that could (with or without notice or lapse of time) (A) constitute or result, directly or indirectly, in a material violation of, or a failure on the part of Santiam to comply in any material respect with, any Government Authorization described in Section 4.14(a), or (B) result, directly or indirectly, in the revocation, suspension, cancellation, termination, or modification of any Government Authorization;

(iii) To Santiam's Knowledge Santiam has not received any written notice from any Governmental Body or any other Person regarding (A) any actual, alleged, or potential violation of, or failure to comply with, any Government Authorization, or (B) any actual, proposed, or potential revocation, suspension, cancellation, termination, or modification of any Government Authorization; and

(iv) all applications required to have been filed for the renewal or reissuance of the Government Authorizations described in Section 4.14(a) have been duly filed on a timely basis with the appropriate Governmental Bodies, and all other filings required to have been made with respect to such Government Authorizations have been duly made on a timely basis, or timely request for extension made, with the appropriate Governmental Bodies.

(c) The Government Authorizations described in Section 4.14(a) constitute all material Government Authorizations necessary to permit Santiam lawfully to continue to conduct its business in the manner in which it conducts such business and to own and use its assets in the manner in which it owns and uses such assets.

#### **4.15 Compliance With Legal Requirements**

(a) Except as set forth in Schedule 4.15:

(b) Santiam has at all times been in material compliance with each Legal Requirement that is or was applicable to it or the conduct of its business or the ownership or use of any of its assets.

(c) To Santiam's Knowledge no event has occurred or circumstance exists that (with or without notice or lapse of time) (A) could constitute or result in a material violation by Santiam of, or a failure on the part of Santiam to comply in all material respects with, any Legal Requirement, or (B) could give rise to any material obligation on the part of Santiam to undertake, or to bear all or any portion of the cost of, any material remedial action.

(d) Santiam has not received any written notice from any Governmental Body or any other Person regarding (A) any actual, alleged, or potential violation of, or failure to comply with, any Legal Requirement, or (B) any actual, alleged, or potential obligation on the part of Santiam to undertake, or to bear all or any portion of the cost of, any remedial action.

#### **4.16 Government Programs**

(a) To Santiam's Knowledge, Santiam and the Hospital are in material compliance with the conditions for participation in all Government Programs. Santiam is not engaged in termination Proceedings as to its participation in any Government Program. Santiam has not received written notice that Santiam's participation in any Government Program is subject to any contest, termination or suspension or investigation as to any of the foregoing. To Santiam's Knowledge, no such contest, termination, suspension or investigation has been threatened. To Santiam's Knowledge no event has occurred or circumstance exists that (with or without notice or lapse of time) could constitute or result, directly or indirectly, in a material violation of, or a failure on the part of Santiam to comply in any material respect with, such conditions of participation or result, directly or indirectly, in the revocation, suspension, cancellation, termination, or modification of Santiam's participation in any Government Program.

(b) To Santiam's Knowledge, all billing and collection practices of Santiam, and of any billing or collection agent acting on behalf of Santiam, are in material compliance with all Health Care Laws and the conditions for participation, Contracts, standards, policies, rules, regulations, manuals,

procedures and requirements of all Government Programs. Santiam has not submitted to any Government Program any materially false, fraudulent, abusive or improper claim for payment, billed any Government Program for any item or service not rendered or not rendered as claimed, or received and retained any material payment or reimbursement from any Government Program in excess of the proper amount permitted by Legal Requirements and Applicable Contracts with Government Programs.

(c) Except as set forth in Schedule 4.16(c), no Government Program or any of its agents has requested or threatened in writing any recoupment, refund or set off from Santiam, or imposed any fine, penalty or other sanction on Santiam. No audit, investigation, adverse action or civil, administrative or criminal Proceeding is pending or, to Santiam's Knowledge, threatened relating to participation in any Government Program by Santiam. To Santiam's Knowledge, no event has occurred or circumstance exists that could give rise to or serve as a basis for the commencement of any such audit, investigation, adverse action or Proceeding.

#### **4.17 Exclusion from Health Care Programs**

Except as listed on Schedule 4.17, to Santiam's Knowledge, no current employee or independent contractor (whether an individual or entity) and none of the officers, directors, agents or managing employees (as such term is defined in 42 U.S.C. §1320a-5(b)) of Santiam has been (a) excluded from participating in any Government Program, (b) subject to sanction or indicted or convicted of a crime, or pled nolo contendere, in connection with any allegation of violation of any Health Care Law or (c) debarred or suspended from any Government Program.

#### **4.18 Compliance with Health Care Laws**

(a) To Santiam's Knowledge, Santiam has not (i) paid more than fair market value for any property or services received by it from any member of the Santiam Board, officer or Referral Source, or any legal entity in which such person has an ownership interest or (ii) received consideration from any Referral Source that is less than fair market value for goods or services rendered by Santiam. Santiam has only acquired goods or services reasonably necessary to advance or further its legitimate business and charitable purposes.

(b) Schedules 4.11(a)(xv) and 4.18(b) list all compensation, business co-ownership or other financial relationships between Santiam and any Referral Source. All such relationships are set forth in written Contracts (except where a written contract is not required to comply with a relevant exception under Health Care Law) or Governing Documents, which have been delivered to Samaritan. For the past four (4) years, each of the Contracts or other financial relationships entered into between Santiam and any Referral Source is, or was during its duration, in material compliance with Legal Requirements, including those relating to the prohibition of fraudulent and abusive practices by health care providers, including the anti-kickback statute set forth at 42 U.S.C. §§ 1320a-7(a) and 7(b) and its related regulations, the physician self-referral statute set forth at 42 U.S.C. §1395nn and its related regulations, the Civil Money Penalty Law set forth at 42 U.S.C. §§ 1320a-7a and similar Oregon Legal Requirements.

(c) Santiam is and has been in material compliance with the applicable requirements of the administrative simplification section of the Health Insurance Portability and Accountability Act of 1996, as amended by the Health Information Technology for Economic and Clinical Health Act, enacted as Title XIII of the American Recovery and Reinvestment Act of 2009 and its implementing regulations ("HIPAA") governing the privacy of protected health information (as defined in HIPAA) and the security of such information maintained in electronic form, Legal Requirements governing the privacy and security of health-related medical information or personal information, and any "business associate" agreement

entered into at the request of a HIPAA covered entity. Santiam has at all times taken appropriate steps (including implementing reasonable and appropriate technical, physical and administrative safeguards, and monitoring compliance therewith) to (a) protect personally identifiable information of its patients, including protected health information (collectively, “**personally identifiable information**”), against unauthorized access, use, transfer, modification, disclosure, misuse, destruction, loss or anticipated threats or hazards, and (b) ensure the availability, integrity and confidentiality of any such protected health information in compliance with applicable laws. Except as set forth in Schedule 4.18(c), to Santiam’s Knowledge, Santiam has not suffered any breach (as that term is defined in HIPAA), unauthorized disclosure or misuse of any personally identifiable information. No Proceeding relating to any breach (as that term is defined in HIPAA), unauthorized disclosure or misuse of any personally identifiable information is pending or, to Santiam’s Knowledge, threatened against Santiam.

(d) Santiam (i) is not a party to a corporate integrity agreement with the Office of Inspector General of the United States Department of Health and Human Services; (ii) has no reporting obligations pursuant to any settlement agreement entered into with any Governmental Body; (iii) to Santiam’s Knowledge, has not been the subject of any Government Program investigation within the past three years; (iv) has not been a defendant in any unsealed qui tam/False Claims Act litigation within the past three years; (v) has not been served with or received, within the past three years, any search warrant, subpoena, civil investigative demand, contact letter, or, to Santiam’s Knowledge, telephone or personal contact by or from any Governmental Body relating to compliance with Health Care Laws; or (vi) has not received, to Santiam’s Knowledge, any complaints within the past three years from employees, independent contractors, vendors, physicians, or any other person that resulted in a claim being filed with a Governmental Body alleging that Santiam has violated any Health Care Laws.

(e) Except as listed on Schedule 4.18(e), Santiam has not made or is in the process of making a voluntary self-disclosure under the self-referral disclosure protocol established by the United States Department of Health and Human Services pursuant to the Patient Protection and Affordable Care Act, or under the self-disclosure protocol established and maintained by the Office of the Inspector General or any other Governmental Body. To Santiam’s Knowledge, Santiam does not have an obligation to make any self-disclosure in lieu of repayment under the Patient Protection and Affordable Care Act.

#### **4.19 Accreditation**

The Hospital is accredited by each of the organizations listed on Schedule 4.19. Santiam has not received any notice or other communication from any accreditation organization regarding the suspension, revocation or termination of any such accreditation, and to Santiam’s Knowledge, no event has occurred or circumstance exists that could (with or without notice or lapse of time) result, directly or indirectly, in the suspension, revocation or termination of any such accreditation.

#### **4.20 Environmental Matters**

Except as set forth in Schedule 4.20:

(a) To Santiam’s Knowledge, no present noncompliance with Environmental Laws is occurring and, to Santiam’s Knowledge, no past noncompliance with Environmental Laws has occurred, in connection with the Real Property.

(b) To Santiam’s Knowledge, Santiam has not received any written Order, notice, or other communication relating to any actual, alleged, or potential violation of or failure to comply with any

Environmental Law, or any actual or potential Environmental, Health, and Safety Liability in connection with the Real Property.

(c) There are no pending or, to Santiam's Knowledge, threatened claims or Encumbrances pursuant to any applicable Environmental Law, with respect to or affecting any of the Real Property.

(d) Neither Santiam, nor to Santiam's Knowledge, any other Person for whose conduct it is or could be held responsible, has any Environmental, Health, and Safety Liability.

(e) To Santiam's Knowledge, there are no materials regulated under Environmental Laws for their dangerous or deleterious properties (collectively, "**Hazardous Materials**") present on or under the Real Property except those that are in compliance with Environmental Laws. No release of Hazardous Materials has occurred on, under, or from the Real Property in violation of any Environmental Law.

(f) To Santiam's Knowledge, none of the Real Property contains any (i) above-ground or underground storage tanks, (ii) asbestos-containing material in any friable or damaged form or condition, (iii) materials or equipment containing polychlorinated biphenyls (PCBs), or (iv) landfills, surface impoundments, or disposal areas.

(g) Santiam has delivered to Samaritan copies of all reports, studies, analyses, or tests initiated by or on behalf of or in the possession of Santiam pertaining to the environmental condition of, Hazardous Materials in, on, or under, the Real Property, or concerning compliance by Santiam or any other Person for whose conduct any of them is responsible, with Environmental Laws. A list of such reports, studies, analyses, or tests is included in Schedule 4.20(g).

#### **4.21 Tax Exempt Status**

(a) Santiam is exempt from federal income taxation under Section 501(a) of the Code, as an organization described in Section 501(c)(3) of the Code, and is not a "**private foundation**" within the meaning of Section 509(a) of the Code.

(b) Santiam has not received any indication or notice, written or oral, from the IRS to the effect that its exemption under Section 501(c)(3) of the Code has been revoked or modified, or that the IRS is considering revoking or modifying such exemption, or that Santiam's status as a non-private foundation may be changed. To Santiam's Knowledge there is no cause or reason for the IRS to revoke or modify such exemption or non-private foundation status.

(c) To Santiam's Knowledge, there is no current or former "**organization manager**" (within the meaning of Section 4958 of the Code) of Santiam (a) whose participation in a transaction has resulted, or is reasonably expected to result, in the payment of a tax on such organization manager pursuant to Section 4958(a)(2) of the Code, the regulations thereunder or any comparable state statute, and (b) whom Santiam has an obligation to indemnify against, or reimburse for, his or her obligation to pay such tax, or any costs or expenses (including attorney's fees, interest or penalties) incurred in connection therewith.

#### **4.22 Taxes**

##### **(a) Filed Returns and Tax Payments**

(i) Santiam has filed or caused to be filed on a timely basis all IRS Forms 990s and other material Tax Returns that were required to be filed by or with respect to it pursuant to applicable Legal Requirements.

(ii) Santiam has not requested any extension of time within which to file any Tax Return, except as to a Tax Return that has since been timely filed.

(iii) All Tax Returns filed by (or that include on a consolidated basis) Santiam are complete and correct in all material respects and comply in all material respects with applicable Legal Requirements.

(iv) Santiam has paid, or made provision for the payment of, all material Taxes that have or could have become due for all periods covered by any Tax Return or otherwise, including pursuant to any assessment received by Santiam, except such Taxes, if any, that are listed in Schedule 4.22(a) and that are being contested in good faith by appropriate Proceedings and for which adequate reserves have been provided in the Financial Statements.

(v) Santiam has withheld or collected and paid to the proper Governmental Body or other Person all Taxes required to be withheld, collected, or paid by it.

(vi) Schedule 4.22(a) lists each Tax Return filed within the past six years by Santiam, and Santiam has delivered to Samaritan copies of all such Tax Returns.

(vii) No claim in writing has ever been made by any Governmental Body in a jurisdiction where Santiam does not file Tax Returns that it is or could be subject to taxation by that jurisdiction, nor to Santiam's Knowledge, is there any reasonable basis for such a claim.

(b) Audited or Closed Tax Years

(i) Schedule 4.22(b) lists all audits within the past six years of all Tax Returns, including a description of the nature and, if completed, the outcome of each audit. Santiam has delivered copies of any reports, statements of deficiencies, or similar items with respect to such audits. Schedule 4.22(b) describes all adjustments to any Tax Return filed by or with respect to Santiam for all taxable years and the resulting deficiencies proposed by the IRS or other Governmental Body. Schedule 4.22(b) lists all deficiencies proposed as a result of such audits, all of which have been paid or, as set forth in Schedule 4.22(b), have been settled or are being contested in good faith by appropriate Proceedings. To Santiam's Knowledge, no Governmental Body will assess any additional taxes for any period for which Tax Returns have been filed.

(ii) To Santiam's Knowledge, no Tax Return of Santiam is under audit by the IRS or other Governmental Body. No written notice of such an audit has been received by Santiam. To Santiam's Knowledge, there are no threatened Proceedings for or relating to Taxes, and there are no matters under discussion with the IRS or other Governmental Body with respect to Taxes. No issues relating to Taxes have been raised in writing by the IRS or other Governmental Body during any pending audit, and no issues relating to Taxes have been raised in writing by the IRS or other Governmental Body in any audit that could recur in a later taxable period. There is no proposed Tax assessment against Santiam.

(iii) No Proceedings are pending before the IRS or other Governmental Body with respect to the Taxes of Santiam.

(iv) Santiam has not given or been requested in writing to give waivers or extensions (or is or would be subject to a waiver or extension given by any other Person) of any statute of limitations relating to the payment of Taxes of Santiam or for which Santiam could be liable.

(v) No Encumbrance for Taxes exists with respect to any assets of Santiam, except statutory liens for Taxes not yet due.

(c) Accruals and Reserves

The charges, accruals, and reserves with respect to Taxes on the accounting records of Santiam are adequate and are at least equal to Santiam's liability for Taxes.

(d) Status

(i) There is no tax sharing agreement, tax allocation agreement, tax indemnity obligation, or similar agreement, arrangement, understanding, or practice, oral or written, with respect to Taxes that will require any payment by Santiam. Santiam is not liable for the Taxes of any other Person.

(ii) Santiam is not required to include in income any adjustment by reason of a voluntary change in accounting method initiated by Santiam, and the IRS has not proposed in writing any such change in accounting method.

(iii) Santiam has not entered into a Contract with a Governmental Body relating to Taxes that would have a continuing effect after the Closing Date.

(iv) Santiam has disclosed on its federal income Tax Returns all positions taken by it that could give rise to substantial understatement of federal income Tax within the meaning of Section 6662 of the Code.

(v) Santiam has not participated in any “**reportable transaction**” as defined in Treasury Regulation Section 1.6011-4(b).

#### 4.23 Employee Benefits

(a) Schedule 4.23(a) (a) sets forth a list of all “**employee welfare benefit plans**” (as defined in Section 3(1) of the Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”)), “**employee pension benefit plans**” (as defined in Section 3(2) of ERISA), and all other employee benefit plan agreements and arrangements and employee benefit policies, whether funded or unfunded, qualified or nonqualified, whether or not subject to ERISA, maintained or contributed to (or required to be contributed to) by Santiam for the benefit of any of its officers, employees or other persons (collectively, “**Benefit Plans**”). Santiam has delivered to Samaritan copies of:

(i) the most recent version of each Benefit Plan document and any amendment thereto;

(ii) the most recent annual report on Form 5500, if required, filed with the IRS or the Department of Labor with respect to any Benefit Plan, including all schedules and attachments;

(iii) the most recent version of each trust agreement, group annuity contract or other funding vehicle relating to any Benefit Plan and any amendments thereto;

(iv) the most recent financial statements relating to any Benefit Plan for which such financial statements are required by ERISA;

(v) the current summary plan description and any summaries of material modifications for each Benefit Plan, if required, or such other summary documents as currently are being distributed;

(vi) collective bargaining agreements or other such contracts as currently are in effect, including any riders or amendments thereto;

(vii) the most recent determination letter, private letter ruling and any outstanding ruling request on the tax-exempt status of any qualified Benefit Plan or any voluntary employees' beneficiary association implementing a Benefit Plan; and

(viii) sample correspondence to Employees giving notice of their rights under Section 4980B of the Code.

(b) Except as disclosed on Schedule 4.23(b):

(i) all contributions to, and payments from, the Benefit Plans required to be made in accordance with the Benefit Plans have been timely made; and

(ii) no Benefit Plan is subject to the funding rules of Section 302 of ERISA or Section 412 of the Code.

(c) All Benefit Plans (and all related trust agreements or annuity contracts or any funding instruments) currently are and at all times in the past have been, both as to form and operation, in material compliance with and administered in accordance with their terms and the provisions of tax laws and the Code, where required for the Benefit Plan to be tax-qualified under Sections 401(a) and 501(a) of the Code, and all other Legal Requirements. Except as disclosed on Schedule 4.23(c), the Benefit Plans that are pension benefit plans intended to be tax-qualified under Sections 401(a) and 501(a) of the Code have received determination letters or private letter rulings from the IRS to the effect that such Benefit Plans are qualified and exempt from federal income taxes under Sections 401(a) and 501(a), respectively, of the Code, and no such determination letter or private letter ruling has been revoked or, to Santiam's Knowledge, has revocation been threatened.

(d) All reports, returns and similar documents with respect to the Benefit Plans required to be filed with any government agency or distributed to any Benefit Plan participant have been duly and timely filed or distributed. To Santiam's Knowledge, there are no investigations by any Governmental Body, termination proceedings or other claims (except claims for benefits payable in the normal operation of the Benefit Plans) or Proceedings against or involving any Benefit Plan or asserting any rights or claims to benefits under any Benefit Plan that could give rise to any material liability to Santiam, nor, to Santiam's Knowledge, are there any presently existing facts that could give rise to any material liability in the event of any such investigation, claim or Proceeding.

(e) No "**prohibited transaction**" (as defined in Section 4975 of the Code or Section 406 of ERISA) has occurred which involves the assets of any Benefit Plan and which could subject Santiam, or any of their respective employees, or a trustee, administrator or other fiduciary of any trust created under any Benefit Plan to the tax or penalty on prohibited transactions imposed by Section 4975 of the Code or



the sanctions imposed under Title I of ERISA. To Santiam's Knowledge, Santiam has not and will not have any liability with respect to any Benefit Plan that has been terminated.

(f) Except as disclosed in Schedule 4.23(f), Santiam (i) does not maintain or contribute to any Benefit Plan which provides, or has any liability to provide, life insurance, medical, severance or other employee welfare benefits to any Employee upon his retirement or termination of employment, except as may be required by Section 4980B of the Code or other Legal Requirements; or (ii) has never represented, promised or contracted (whether in oral or written form) to any Employee (either individually or to Employees as a group) that such Employee(s) would be provided with life insurance, medical, severance or other employee welfare benefits upon their retirement or termination of employment, except to the extent required by Section 4980B of the Code or other Legal Requirements.

(g) Neither the execution and delivery of this Agreement nor the consummation of the Contemplated Transaction (whether alone or in connection with any other event) will, with respect to any Employee under any Benefit Plan, except as disclosed in Schedule 4.23(g):

(i) result in any material payment from Santiam (including severance, unemployment compensation, bonus or otherwise) becoming due;

(ii) materially increase any benefits otherwise payable; or

(iii) result in (w) any acceleration of the time of payment or vesting of any such benefits, (x) any forgiveness of any Indebtedness, (y) any obligation to fund benefits, or (z) the imposition of any restrictions with respect to the amendment or termination of any of the Benefit Plans (or any adverse consequence for so doing).

(h) With respect to each Benefit Plan that is an **"employee welfare benefit plan"** within the meaning of Section 3(2) of ERISA, all claims incurred (including claims incurred but not reported) by Employees, former employees and their dependents thereunder for which Santiam or the Foundation is, or will become, liable are:

(i) insured pursuant to a contract of insurance whereby the insurance company bears any risk of loss with respect to such claims;

(ii) covered under a contract with a health maintenance organization (an **"HMO"**) pursuant to which the HMO bears the liability for such claims, or

(iii) reflected as a liability or accrued for on the Santiam's consolidated financial statements for the most recently completed fiscal year end (or, if incurred in the current fiscal year, will be so reflected on such financial statements for the current fiscal year and disclosed to Samaritan prior to Closing).

(i) Santiam has no liability under any Benefit Plan that is a **"multiemployer plan"** within the meaning of Sections 3(37) or 4001(a)(3) of ERISA and the Contemplated Transaction will not give rise to any such liability.

(j) No individual classified as a non-employee for purposes of receiving employee benefits (such as an independent contractor, leased employee, consultant or special consultant), regardless of actual legal status, is eligible to participate in or receive benefits under any Benefit Plan that does not specifically provide for their participation.

(k) Santiam has complied in all material respects with the applicable continuation requirements for each Benefit Plan under (i) Section 4980B of the Code (as well as its predecessor provision, Section 162(k) of the Code) and Sections 601 through 608, inclusive, of ERISA (“COBRA”) and (ii) any applicable state Legal Requirements mandating welfare benefit continuation coverage for employees.

(l) Santiam has not made any written or oral promise or representation to any employee or former employee of Santiam concerning employee benefits of Samaritan, except as set forth in Section 7.4 of this Agreement.

(m) Except as set forth in Schedule 4.23(m), no Benefit Plan is subject to Section 409A of the Code.

#### **4.24 Employees and Consultants**

(a) Schedule 4.24(a) lists the following information for every consultant or sales agent of Santiam: name, responsibilities, date of engagement, and compensation. Each such independent contractor, consultant, or sales agent qualifies as an independent contractor in relation to Santiam for purposes of all applicable Legal Requirements, including those relating to Taxes, insurance, and employee benefits.

(b) Except as set forth in Schedule 4.24(b), to Santiam’s Knowledge, (i) no director, officer, or other key employee of Santiam intends to terminate such Person’s employment, and (ii) no independent contractor (which for the avoidance of doubt will not include members of the medical staff), consultant, or sales agent intends to terminate such Person’s arrangement with Santiam as a result of this Agreement.

(c) Schedule 4.24(c) lists the following information for each retired employee or director of Santiam, or their dependents, receiving benefits or scheduled to receive benefits from Santiam in the future: name, pension benefits, pension option election, retiree medical insurance coverage, retiree life insurance coverage, and other benefits.

(d) Schedule 4.24(d) states the following information for each employee terminated or laid off by Santiam, or whose hours of work have been reduced by more than 50% by Santiam, in the six months prior to the Execution Date: (i) the date of such termination, layoff, or reduction in hours; and (ii) the location to which the employee was assigned. Prior to Closing, Santiam will update such Schedule for the six month period prior to the date of the updated Schedule.

(e) During the Lookback Period, Santiam has not violated the Worker Adjustment and Retraining Notification Act or any similar state or local Legal Requirement.

(f) To Santiam’s Knowledge, no director, officer, employee, agent, consultant, or independent contractor of Santiam is bound by any Contract or subject to any Order that purports to limit materially the ability of such director, officer, employee, agent, consultant, or independent contractor (i) to engage in or continue or perform any conduct, activity, duties, or practice relating to the business of Santiam or (ii) to assign to Santiam any rights to any invention, improvement, or discovery. No Employee (or, to Santiam’s Knowledge, former employee of Santiam) is a party to, or is otherwise bound by, any Contract that materially adversely affected, affects, or could affect the ability of Santiam to continue to conduct its business as conducted.

#### **4.25 Labor Disputes; Compliance**

(a) To Santiam's Knowledge, Santiam has at all times complied in all material respects with all Legal Requirements relating to employment practices, terms, and conditions of employment, equal employment opportunity, nondiscrimination, sexual harassment, immigration, wages, hours, benefits, collective bargaining and similar requirements, the payment of Social Security and similar Taxes, and occupational safety and health. To Santiam's Knowledge, Santiam is not liable for the payment of any Taxes, fines, penalties, or other amounts, however designated, for failure to comply with any of the foregoing Legal Requirements.

(b) Except as set forth in Schedule 4.25(b):

(i) Santiam is not nor has been a party to any collective bargaining agreement or other labor contract;

(ii) during the Lookback Period, there has not been, there is not pending or existing, and, to Santiam's Knowledge, there is not threatened, any strike, slowdown, picketing, work stoppage, employee grievance process, organizational activity, or other labor dispute involving Santiam;

(iii) to Santiam's Knowledge, no event has occurred or circumstance exists that could provide the basis for any work stoppage or other labor dispute;

(iv) during the Lookback Period, there has not been, and there is not pending or, to Santiam's Knowledge, threatened against or affecting Santiam any Proceeding relating to the alleged material violation of any Legal Requirement pertaining to labor relations or employment matters, including any charge or complaint filed with the National Labor Relations Board or any comparable Governmental Body;

(v) no application or petition for an election or for certification of a collective bargaining agent is pending;

(vi) during the Lookback Period, there has not been, and there is not pending or, to Santiam's knowledge, threatened, any lockout of any employees by Santiam; and

(vii) during the Lookback Period, there has not been, and there is not pending or, to Santiam's Knowledge, threatened, against Santiam any charge of discrimination or sexual harassment filed with the Equal Employment Opportunity Commission or similar Governmental Body, and to Santiam's Knowledge, no event has occurred or circumstances exist that could provide the basis for any such charge.

#### **4.26 Intellectual Property Rights**

(a) Santiam owns or possesses licenses or other rights to use all Intellectual Property Rights that are material to the operation of their business as currently conducted. No such Intellectual Property Right is or has been infringed or has been challenged, and, to Santiam's Knowledge, no such challenge is threatened.

(b) Schedule 4.26(b) contains a list of all registered Intellectual Property Rights and pending applications to register Intellectual Property Rights.

(c) Schedule 4.26(c) contains a list of all material licenses of Intellectual Property Rights (excluding off-the-shelf software licensed pursuant to shrink-wrap or “click to accept” agreements that are commercially available for use on a nonexclusive basis). Santiam has all rights necessary to use all copies of all software used by Santiam.

(d) Schedule 4.26(d) contains a list of all software owned exclusively by Santiam that is material to the operation of their business as currently conducted.

(e) All internet domain names used in connection with the business of Santiam have been registered in the name of Santiam and are in compliance with all applicable Legal Requirements.

#### **4.27 Related Persons**

(a) Except as set forth in Schedule 4.27, no Related Person of Santiam is a party to any Applicable Contract with, or has any claim or right against, Santiam.

#### **4.28 Medical Staff**

Copies of the bylaws, policies, rules and regulations of the medical staff of the Hospital (the “**Santiam Medical Staff**”) have been delivered to Samaritan. Except as set forth in Schedule 4.28, no member of the medical staff has given written notice resigning membership or requesting a reduction of privileges or otherwise materially affecting his or her relations with Santiam, and, to Santiam’s Knowledge, no member intends to do so. Except as previously disclosed to Samaritan in writing, to Santiam’s Knowledge no member of the medical staff is subject to any sanction, monitoring program or (other than in the ordinary course of what occurs in the peer review process) investigation or peer review proceeding, and each member of the medical staff has been appropriately credentialed as required by Legal Requirements. No appeals of any medical staff disciplinary action or denial or reduction of privileges regarding services provided through the Hospital currently is pending, or to Santiam’s Knowledge, threatened against Santiam or the Hospital.

#### **4.29 Solvency**

Before and immediately after Closing, to Santiam’s Knowledge (a) the fair value of the property of Santiam is greater than the total amount of liabilities, including contingent liabilities, of Santiam, and (b) Santiam does not intend to incur debts or liabilities beyond its ability to pay as such debts and liabilities mature.

#### **4.30 Brokers or Finders**

Neither Santiam nor any of its respective representatives has incurred any obligation or liability, contingent or otherwise, for any brokerage or finder’s fee or agent’s commission or other similar payment in connection with this Agreement or the Contemplated Transactions.

### **Article 5.**

#### **REPRESENTATIONS AND WARRANTIES OF SAMARITAN**

Samaritan represents and warrants to Santiam that the following representations and warranties are true and accurate as of the Execution Date and will be true and accurate as of the Closing Date:

### **5.1 Due Organization; Good Standing; Power**

Samaritan is a nonprofit corporation duly organized, validly existing, and in good standing under the laws of Oregon, with full corporate power and authority to conduct its business as it is now being conducted, to own or use the properties and assets that it purports to own or use, and to perform all its obligations under this Agreement and the Transaction Documents to which it is party.

### **5.2 Corporate Authorization**

Samaritan has full corporate power and authority to enter into and to perform its respective obligations under this Agreement and the Transaction Documents to which it is party. The execution, delivery and performance by Samaritan of this Agreement and the Transaction Documents to which it is party have been duly and properly authorized by all necessary corporate action in accordance with its Governing Documents and Legal Requirements. This Agreement has been duly executed and delivered by Samaritan and constitutes the legal, valid, and binding obligation of Samaritan, enforceable against Samaritan in accordance with its terms. Upon the execution and delivery of the Transaction Documents to which Samaritan is party, such Transaction Documents will constitute the legal, valid, and binding obligation of Samaritan, enforceable against Samaritan in accordance with its terms.

### **5.3 No Violation; Approvals**

(a) Except to the extent specified in Schedule 5.3(a), neither the execution and delivery of this Agreement nor the consummation or performance of any Contemplated Transaction will, directly or indirectly (with or without notice or lapse of time):

(i) contravene, conflict with, or violate (A) any Governing Document of Samaritan or (B) any resolution adopted by the board of directors or members (or Persons exercising similar authority) of Samaritan.

(ii) contravene, conflict with, or violate, or give any Governmental Body or other Person the right to challenge any Contemplated Transaction, or to exercise any remedy or obtain any relief under, any Legal Requirement or any Order to which Samaritan could be subject.

(iii) Breach, or give any Person the right to declare a default or exercise any remedy or to obtain any additional rights under, or to accelerate the maturity or performance of, or payment under, or cancel, terminate, or modify, any Contract to which Samaritan is a party.

(b) Except to the extent specified in Schedule 5.3(b), Samaritan neither is nor will be required to give notice to, or obtain Consent from, any Person in connection with the execution and delivery of this Agreement or the consummation or performance of any Contemplated Transaction.

### **5.4 Compliance With Legal Requirements**

(a) Except as set forth in Schedule 5.4:

(b) Samaritan has at all times been in material compliance with each Legal Requirement that is or was applicable to it or the conduct of its business or the ownership or use of any of its assets.

(c) To Samaritan's Knowledge no event has occurred or circumstance exists that (with or without notice or lapse of time) (A) could constitute or result in a material violation by Samaritan of, or

a failure on the part of Samaritan to comply in all material respects with, any Legal Requirement, or (B) could give rise to any material obligation on the part of Samaritan to undertake, or to bear all or any portion of the cost of, any material remedial action.

(d) Samaritan has not received any written notice from any Governmental Body or any other Person regarding (A) any actual, alleged, or potential violation of, or failure to comply with, any Legal Requirement, or (B) any actual, alleged, or potential obligation on the part of Santiam to undertake, or to bear all or any portion of the cost of, any remedial action.

## **5.5 Tax Exempt Status**

Samaritan is exempt from federal income taxation under Section 501(a) of the Code, as an organization described in Section 501(c)(3) of the Code, and is not a “**private foundation**” within the meaning of Section 509(a) of the Code.

## **5.6 Brokers or Finders**

Neither Samaritan nor any of its representatives has incurred any obligation or liability, contingent or otherwise, for any brokerage or finder’s fee or agent’s commission or other similar payment in connection with this Agreement or the Contemplated Transactions.

# **Article 6.**

## **COVENANTS OF SANTIAM**

Santiam will keep, perform and fully discharge the following covenants and agreements, as applicable:

### **6.1 Interim Conduct of Business**

From the Execution Date to the Closing Date, Santiam will do the following:

(a) conduct the business of Santiam only as a going concern and in the Ordinary Course of Business, including paying or otherwise satisfying in the Ordinary Course of Business all of its Liabilities and obligations.

(b) preserve intact the current business organization of Santiam.

(c) use Reasonable Efforts to keep available the services of the officers, employees and agents of Santiam, and maintain its relations and goodwill with all persons having business or other relations with Santiam, including physicians, employees, patients, customers, suppliers and landlords.

(d) consult with Samaritan prior to implementing operational decisions of a material nature.

(e) report to Samaritan at such times as Samaritan may reasonably request concerning the status of the business, condition (financial or otherwise), assets, results of operations, or prospects of Santiam.

(f) make no material changes in management personnel of Santiam without the prior consent of Samaritan and discuss any new hires prior to offering employment to anyone.

(g) maintain the assets owned or used by Santiam in a state of repair and condition that complies with Legal Requirements and Contracts and is consistent with the requirements and normal conduct of the business of Santiam.

(h) keep in full force and effect, without amendment, all material rights relating to the business of Santiam, including all certificates, certificates of need, certificates of exemption, accreditation and Government Authorizations.

(i) comply in all material respects with all Legal Requirements applicable to, and all Applicable Contracts of, Santiam.

(j) continue in full force and effect the insurance coverage under the policies set forth in Schedule 4.12 or substantially equivalent policies.

(k) except as required to comply with ERISA or to maintain qualification under Section 401(a) of the Code or as set forth in Section 7.4(c) of this Agreement, not amend, modify, or terminate any Benefit Plan.

(l) maintain all records of Santiam in accordance with all Legal Requirements.

(m) not make any changes, or permit any changes to be made, to the Governing Documents of Santiam, other than the Restated Santiam Articles and Restated Santiam Bylaws.

(n) not make any changes, or permit any changes to be made, to the bylaws, rules or policies of the Hospital's medical staff other than as provided for in Section 7.5(c).

(o) not enter into any Contract of a type described in Section 4.11(a) or terminate or in any material respect modify or waive rights under any such Contract without the prior consent of Samaritan.

(p) take no action, or fail to take any reasonable action within its control, as a result of which any of the changes or events listed in Section 4.10 would be reasonably likely to occur.

## **6.2 Access to Information and Real Property**

From the Execution Date to the Closing Date, Santiam will:

(a) Give to Samaritan and to its representatives full and free access, during normal business hours, to all properties (including the Real Property), books, records and contracts pertaining to the businesses, properties and assets of Santiam, as may be reasonably requested, and in accordance with guidelines approved by the Parties' antitrust counsel and medical staff counsel, subject to reasonable advance notice and provided that Samaritan will not exercise such rights of access in such manner as would unreasonably interfere with the operations of Santiam's personnel or the activities of the Hospital patients or guests or the operations and confidentiality of the operations of the medical staff. Samaritan's due diligence rights hereunder with respect to the Real Property will include the right to inspect the Real Property and all improvements and structures on the Real Property, and to conduct environmental, geotechnical, engineering, and other inspections and studies thereof, as Samaritan desires in its sole discretion. Samaritan will comply with the first sentence of this Section with respect to any such inspections and studies.

(b) Keep Samaritan reasonably informed and will promptly notify Samaritan of any change having a Material Adverse Change or other materially adverse change in the Ordinary Course of Business of Santiam.

### **6.3 Maintain Books and Accounting Practices**

From the Execution Date to the Closing Date, Santiam will maintain the books of account in the Ordinary Course of Business in accordance with GAAP consistently applied and on a basis consistent with prior years, and not make or cause to be made any material changes in the accounting methods or practices of Santiam or relating to the Real Property.

### **6.4 Filings, Notifications and Consents**

As promptly as practicable after the Execution Date, and in any event within the applicable time period prescribed by Legal Requirements, Santiam will, and will cause its Related Persons to, make all filings and notifications required by Legal Requirements to be made by them in connection with the Contemplated Transactions. Santiam will, and will cause each of its Related Persons to, cooperate with Samaritan, its Related Persons, and their respective representatives (a) with respect to all filings and notifications that Samaritan or its Related Persons elect to make or will be required by Legal Requirements and under Applicable Contracts in order to consummate the Contemplated Transactions, (b) in identifying and obtaining the Government Authorizations required in connection with the Contemplated Transactions, and (c) in obtaining all Consents.<sup>3</sup>

### **6.5 Estoppel Certificates**

From the Execution Date to the Closing Date, Santiam will solicit and use Reasonable Efforts to obtain estoppel certificates (using a form provided by Samaritan) from each and every third party to a lease of Real Property in which Santiam is a party.

### **6.6 Performance of Undertakings**

Santiam will perform faithfully at all times any and all covenants, undertakings, stipulations and provisions applicable to them contained in this Agreement and in any and every document executed, authenticated and delivered hereunder.

### **6.7 Consummation of Transactions**

Santiam will use Reasonable Efforts to consummate the Contemplated Transaction and will not take any other action inconsistent with its obligations hereunder or which could materially hinder or materially delay the consummation of the Contemplated Transactions.

### **6.8 Real Property**

(a) No later than twenty (20) days after the Execution Date, Santiam will provide to Samaritan a preliminary title commitment for an ALTA standard coverage leasehold policy of title insurance for the Leased Real Property and a preliminary title commitment for an ALTA extended coverage owner's policy of title insurance for the Owned Real Property (collectively, the "**Title Report**") issued by the Title Company, along with a copy of each instrument listed as an exception in the Title Report. No later than fifteen (15) Business Days after Samaritan's receipt of the Title Report, Samaritan will advise Santiam in



writing of any objections to any exception or other matters set forth in such Title Report (“**Samaritan’s Title Notice**”). The failure of Samaritan to include in Samaritan’s Title Notice any exception(s) to title contained in the Title Report will be deemed approval by Samaritan of such exception(s), and such exception(s) will be included as Permitted Encumbrances with respect to such Real Property. Also, if Samaritan fails to provide Santiam with the Samaritan Title Notice, then all title exceptions included in the Title Report will be deemed approved by Samaritan and will be Permitted Encumbrances with respect to such Real Property. If Samaritan disapproves of any matter in the Title Report as set forth in Samaritan’s Title Notice, then, within ten (10) Business Days after Santiam’s receipt of Samaritan’s Title Notice, Santiam will provide Samaritan written notice of those disapproved title items and exceptions, if any, that Santiam elects to eliminate or cause to be eliminated from the Title Report, or otherwise to have the Title Company endorse or correct (“**Santiam’s Title Response**”). Santiam’s failure to deliver Santiam’s Title Response within such ten (10) Business Day period will be deemed Santiam’s election not to eliminate or cause to be eliminated from the Title Report the title matters noted in Samaritan’s Title Notice. If Santiam provides Santiam’s Title Response, Samaritan will have ten (10) Business Days from the date of receipt of Santiam’s Title Response to approve or disapprove in writing Santiam’s Title Response. If Samaritan approves Santiam’s Title Response, Santiam will eliminate or cause to be eliminated from the Title Report, by the Closing Date, those disapproved title exceptions and matters that Santiam has elected (or deemed elected) to eliminate or cause to be eliminated in Santiam’s Title Response. If Samaritan does not approve of Santiam’s Title Response, or if Santiam does not deliver the Santiam’s Title Response, then the conditions precedent set out in Section 8.10 will be deemed to have failed, unless Samaritan elects, within ten (10) Business Days, to waive such condition in writing by notice to Santiam.

(b) No later than ten (10) days prior to the Closing Date, Samaritan may elect, in its sole discretion, to obtain and provide to the Title Company and Santiam, either one ALTA survey reflecting each parcel of the Owned Real Property listed in Schedule 4.7(a) or a survey of each parcel of the Owned Real Property listed in Schedule 4.7(a) (the “**Surveys**”), prepared by a registered land surveyor or engineer reasonably satisfactory to Samaritan, licensed in Oregon, dated on or after the Execution Date, sufficient to cause the Title Company to issue ALTA extended coverage title insurance in favor of Santiam, together with the non-imputation endorsement and any other title endorsements and coverages as Samaritan may desire. The Surveys may be recertifications of prior surveys, provided that they meet the above-described criteria, are acceptable to the Title Company, are recertified in favor of the Title Company, Samaritan and such other entities as Samaritan may select, and do not delay the Closing Date.

## **6.9 Exclusivity**

Between the Execution Date and the Closing Date, neither Santiam, its Related Persons nor their respective officers, directors, employees, or representatives will (a) solicit, initiate, encourage, induce or entertain any proposal from a third-party for any transaction in the nature of the Contemplated Transaction (e.g., merger, consolidation, sale of assets, or other form of transaction that results in a change in control) or that would make the Contemplated Transaction impractical or unfeasible (each, a “**Covered Proposal**”), (b) participate in any discussions or negotiations regarding, or furnish any other Person any non-public information with respect to, or take any other action to facilitate inquiries or other activities that may reasonably be expected to lead to, any Covered Proposal, (c) engage in discussions with any other Person with respect to advancing a Covered Proposal, (d) approve, endorse or recommend any Covered Proposal with any other Person, or (e) enter into any letter of intent or similar document or any Contract or commitment with any other Person contemplating or otherwise relating to any Covered Proposal. Santiam agrees that a Breach of this section would result in irreparable injury to Samaritan and money damages would not be an adequate remedy for such Breach. Without limiting the availability of other remedies, Santiam agrees that Samaritan will be entitled to specific performance and equitable relief by way of injunction or otherwise if Santiam Breaches or threatens to Breach these provisions.

## **6.10 Confidentiality of Information**

(a) “**Confidential Information**” includes any of the following information held or used by or relating to Santiam: all information that is a trade secret or otherwise concerning the business and affairs of Santiam, including historical and current financial statements, financial projections and budgets, tax returns and accountants’ materials, historical, current, and projected revenue, capital spending budgets and plans, business plans, strategic plans, marketing and advertising plans, medical staff and patient lists and files, including, without limitation, any records that would otherwise be subject to the protections of ORS 41.675, price lists, market studies and Contracts, however documented. Santiam acknowledges the confidential and proprietary nature of the Confidential Information and agrees that Santiam and its Related Persons will, from and after the Closing: (i) keep the Confidential Information confidential and deliver promptly to Samaritan, or immediately destroy at Samaritan’s option, all embodiments and copies of the Confidential Information that are in Santiam’s possession; (ii) not use the Confidential Information for any reason or purpose; and (iii) without limiting the foregoing, not disclose the Confidential Information to any Person, except with Samaritan’s Consent. Notwithstanding the foregoing, Santiam and its Related Persons will (I) be permitted to retain a copy of the Confidential Information to the extent required to comply with applicable Legal Requirements or bona fide document retention policies, and (II) not be required to destroy, delete, or modify any backup tapes or other media pursuant to automated archival processes in the Ordinary Course of Business of Santiam, provided in each case (I) and (II) herein, any such Confidential Information retained will remain subject to the confidentiality obligations of this Section 6.10(a) for so long as such Confidential Information is retained.

(b) Section 6.10(a) does not apply to that part of the Confidential Information that becomes generally available to the public other than as a result of a Breach of this Section by Santiam or any of its Related Persons.

(c) If Santiam or any of its Related Persons is required or requested in any Proceeding to make any disclosure that is prohibited by this Section 6.10, Santiam will, to the extent legally permissible, provide Samaritan with prompt notice of such requirement or request so that Samaritan may seek an appropriate protective order or other appropriate remedy or waive compliance with the provisions of this Section 6.10. In the absence of a protective order or other remedy, Santiam or its Related Person may disclose that portion (and only that portion) of the Confidential Information that, based upon the advice of Santiam’s counsel, Santiam or its Related Person is legally required to disclose; provided, however, that Santiam will use its Reasonable Efforts to obtain written assurance that any Person to whom any Confidential Information is so disclosed will accord confidential treatment to such Confidential Information.

(d) Nothing in this Section 6.10 will diminish the protections and benefits under applicable Legal Requirements to which any trade secret or medical staff record of Santiam is entitled. If any information that Santiam asserts to be a trade secret is found by a court of competent jurisdiction not to be such a trade secret, such information will nonetheless be considered Confidential Information of Santiam for purposes of this Section 6.10. Similarly, if any information that Santiam asserts to be a confidential medical staff record protected by ORS 41.675 is found by a court of competent jurisdiction not to be such a medical staff record, such information will nonetheless be considered Confidential Information of Santiam for purposes of this Section.

## **6.11 Audit Rights**

Between the Execution Date and the Closing Date, Samaritan may request an audit of Santiam’s coding and billing practices to ensure compliance with applicable Legal Requirements. In the event that

the findings of such audit reveal practices that cause Samaritan to have concerns about regulatory and/or legal risks that could arise from those practices, Samaritan may terminate this Agreement per Section 10.1(b)(iii).

## **Article 7.**

### **COVENANTS OF SAMARITAN**

Samaritan hereby agrees to keep, perform and fully discharge the following covenants and agreements:

#### **7.1 Filings, Notifications and Consents**

As promptly as practicable after the Execution Date, and in any event within the applicable time period prescribed by Legal Requirements, Samaritan will make all filings and notifications required by Legal Requirements to be made by Samaritan in connection with the Contemplated Transactions. Samaritan will cooperate with Santiam, its Related Persons and its representatives (a) with respect to all filings and notifications that Santiam or its Related Persons elect to make or will be required by Legal Requirements and under Applicable Contracts in order to consummate the Contemplated Transactions, (b) in identifying and obtaining the Government Authorizations required by Santiam to consummate the Contemplated Transactions, and (c) in obtaining all Consents; provided, however, that Samaritan will not be required to dispose of or make any material change to its business, expend any material funds, or incur any other material obligation in order to comply with this Section.

#### **7.2 Performance of Undertakings**

Samaritan will perform faithfully at all times any and all covenants, undertakings, stipulations and provisions applicable to it contained in this Agreement and in any and every document executed, authenticated and delivered hereunder.

#### **7.3 Consummation of Transactions**

Samaritan will use Reasonable Efforts to consummate the Contemplated Transaction and will not take any other action inconsistent with its obligations hereunder or which could hinder or materially delay the consummation of the Contemplated Transaction.

#### **7.4 Employee Matters**

(a) SMH Senior Management. At Closing, SMH or SHS will agree to employ the Senior Management set forth in Schedule 7.4(a) ("Senior Management" or "Senior Managers") for a term of at least two (2) years after the Closing Date at no less than the total amount of compensation and benefits for each such person as a package that such person was receiving at Closing, or to pay such person severance in an amount equal to one year's salary upon termination prior to the expiration of such two-year term if such person's employment with SMH or SHS is terminated (1) by SMH or SHS without cause (as defined in the employment agreement or amendment, as applicable), or (2) by such person as a result of a material diminution in such person's authority, duties, or responsibilities caused by SMH or SHS; provided that any change or diminution in a person's title, authority, duties, or responsibilities resulting from SMH being part of the SHS system (e.g., reporting relationships, degree of decision-making) will not constitute a material diminution with respect to such person's authority, duties, or responsibilities. The CEO of

SMH will have a written employment agreement with SHS, which will be effective at the Closing and supersede their current employment agreement with SMH.

(b) Job Titles of SMH Senior Management After the Closing. The job titles of the CEO, CFO, CMO, CNO, COO, and Executive Director Foundation may change after the Closing to align with the job titles of comparable or similar positions at SHS, and such change in job titles will not constitute a material diminution in such person's authority, duties, or responsibilities for purposes of Section 7.4(a).

(c) Severance. SHS and SMH will use reasonable efforts to terminate any written severance agreements between SMH and its Senior Managers as of the Closing, and will be replaced by the severance provisions for Senior Managers in Section 7.4(a).

(d) SMH Employees Other Than Senior Management. The Parties agree that substantially all of the employees of SMH other than SMH Senior Management as of the Closing Date (the "Employees") shall be offered employment by SMH or SHS following the Closing Date. All such Employees will receive a total compensation and benefits package that is comparable to similar positions and longevity at SHS immediately prior to the Closing Date. Consistent with the immediately preceding sentence, the Parties currently intend to maintain SMH's current health and welfare (medical, dental, and vision) benefit structure until May 31, 2025. Nothing in this Agreement guarantees the continuation of a specific benefit or compensation practice. Where permitted under such benefit plans, programs and policies, the Employees shall be credited seniority on the same basis as if they had been SMH or SHS employees during the time they were employed by SMH, whichever is more favorable to the Employees. The Employees shall be subject to SHS's standard employment policies, including without limitation, drug testing requirements and severance policies. Subject to SHS's due diligence review, SHS will as of the Closing Date, honor SMH's obligations for employment of the Employees, including without limitation, PTO/vacation accruals, and extended illness bank (EIB) accruals pursuant to SMH's written policies and procedures. However, nothing in this Agreement guarantees the continuation of any particular benefit, only that SHS shall recognize the value of the accrual as of the Closing Date and ensure that any applicable usage or payments obligations are met as provided in Section 7.4(e) below. SMH's physician and other provider (e.g., midlevels) with employment agreements in existence on the date of Closing, and who wish to be employed by Samaritan Medical Group, will be transitioned to Samaritan's applicable employment agreement. Prior to the Closing Date, the Employees shall not be subject to all of SHS's standard new hire employment policies and practices; however, all employee records of the Employees will be audited for licensure, certification, criminal background checks, employee health records, drug testing and other documents confirming such Employee's legal right and fitness to practice in the assigned position and if such confirmation does not exist, appropriate action will be taken, including requiring Employees to provide the documentation. In addition, in the event that any Employee is the subject of written corrective action by SMH immediately prior to the Closing Date, such Employee shall remain subject thereto immediately following the Closing Date. For the purposes of this Section, "written corrective action" means any documented performance concern, regardless of level, such as verbal warning, written warning or final written warning. A copy of the "written corrective action" shall remain in the employee's personnel file post-Closing pursuant to SMH's or SHS's document retention policies.

(e) The Parties understand and agree that the continuation of the Employees and the SMH Senior Management as SMH employees as of the Closing Date, or the hiring of such Employees or SMH Senior Management by SHS as of the Closing Date will technically mean that the Employees and SMH Senior Management will be terminated by SMH immediately prior to or as of the Closing, and employed by SMH or SHS, as applicable, as of the Closing, which will require SMH to pay all wages and salaries earned and unpaid at the time of termination by the end of the first business day after the termination. On

the first day of each Employee's and each Senior Manager's continued employment by SMH or SHS after the Closing Date, SHS will process a conversion of each SMH Senior Management and SMH employee's PTO hours to SHS. At the time of the conversion, if their pay rate is higher with SMH than it is with SHS, SHS will credit the employee additional PTO hours so that the amount aligns with that earned under SMH. Conversely, if the employee's wage is less at SMH than at SHS, the employee's PTO conversion will be less. Subject to the terms of this Section 7.4 and its subsections, SHS and SMH will agree prior to the Closing on a plan to terminate SMH's Benefit Plans to be effective at or after the Closing to assure integration with SHS's compensation and Benefit Plans at such time as the SMH Senior Managers and the Employees transition to the SHS compensation and Benefit Plans; provided however, that the medical, dental and vision plans of SMH will terminate as of May 31, 2025 as provided in Section 7.4(d).

(f) Notwithstanding anything herein to the contrary, no provision of this Agreement is intended to or will create any beneficial or other rights in any person other than the Parties hereto. Nothing contained in this Section 7.4 or elsewhere in this Agreement, express or implied, will constitute an amendment or modification of any Benefit Plan, Post-Closing Plan, Santiam Retirement Plan, Contract, policy or arrangement.

## **7.5 Medical Staff; Hospital Employees**

(a) Subject to Sections 7.5(b) and 7.5(c), Samaritan will not cause the Closing to change (i) the medical staff membership or privileges for Hospital Employees or members of the medical staff of the Hospital on the Closing Date or (ii) Applicable Contracts with members of the medical staff, provided, however, that the foregoing will not preclude Samaritan and the Hospital from taking necessary action for the protection of persons at the Hospital and/or engaging in peer review and/or credentialing activities, and maintenance of medical staff membership and privileges after the Closing Date. Further, the Closing will not change the medical staff officers or department or committee chairs/heads or vice-chairs/heads or the independence of the Hospital's medical staff or the medical staffs of any other hospital in Samaritan; such change, if any, would only occur with action taken in accordance with the Hospital's medical staff bylaws. Subject to Sections 7.5(b) and 7.5(c), the consummation of the Contemplated Transaction will not result in a need for any reapplications of current members of the Hospital's medical staff, except as otherwise required by the Hospital's medical staff bylaws with respect to expiration of medical staff appointments or credentials. Samaritan and Santiam will work with the medical staff to evaluate and, where feasible, pursue opportunities for medical staff/clinical integration where doing so offers opportunities for advancement in quality of care.

(b) If prior to the Closing Date, Samaritan identifies one or more Applicable Contracts, arrangements or relationships with a Referral Source to which Samaritan requires amendments, termination or other actions ("**Identified Contractual Actions**"), then prior to Closing Santiam and Samaritan will use Reasonable Efforts to attempt to accomplish the Identified Contractual Actions to Samaritan's reasonable satisfaction.

(c) The Santiam Board of Directors will, and will recommend to the Santiam Medical Staff that they, effective as of the Closing Date, adopt amendments to the Santiam Medical Staff Bylaws, in accordance with the requirements set forth in each of the respective documents, to include the provisions set forth in Schedule 7.5(c).<sup>4</sup>

## **7.6 Post-Closing Audit**

After the Closing, Samaritan may cause an audit to be performed by, and secure an audit opinion from, Samaritan's selected auditor on the financial position, results of operations, changes in net assets and cash flows of Santiam, applying Samaritan's policies and procedures relating to accounting and financial controls. Santiam will provide all books, records and other information reasonably requested by Samaritan or the auditor and otherwise cooperate in a reasonable manner with such audit.

## **7.7 Ongoing Capital Support**

Samaritan will provide to Santiam ongoing capital and operational support for initiatives and projects as reflected on Schedule 7.7 (the "**Capital Plan**"), and that would, in the opinion of Samaritan, optimally position Santiam in its market for future success under a population health model and otherwise best meet the needs of the local community. Funds from Samaritan to Santiam immediately due upon close shall be paid from Samaritan's funds and not from Santiam's assets, cash flow, operations, and/or debt. Routine capital for equipment, furnishings, and maintenance of Santiam shall be maintained by Samaritan for Santiam in accordance with the Samaritan annual budgeting process. The Capital Plan will be developed by Samaritan and monitored by the Samaritan Board. Notwithstanding anything to the contrary, in the event of any Losses incurred by Samaritan as a result of any breach by Santiam of any representation, warranty, covenant or other obligation in this Agreement or any Transaction Document, the aforementioned capital and operational support to be provided by Samaritan may be reduced or eliminated at Samaritan's reasonable discretion to off-set and provide a remedy to Samaritan for such Losses.]<sup>5</sup>

## **7.8 Post-Closing Boards of Directors and Leadership Council**

As of the Closing Date, the Samaritan Board will:

(a) Elect each of the individuals set forth on Schedule 7.8(a) to the Samaritan Board to begin their term effective as of the Closing Date.

(b) Appoint each of the individuals set forth on Schedule 7.8(b) to the Samaritan Medical Group leadership council to begin their term effective as of the Closing Date.

(c) Appoint each of the individuals set forth on Schedule 7.8(c) to the Samaritan Medical Group governance committee to begin their term effective as of the Closing Date.

## **7.9 Post-Closing Boards of Directors**

(a) Prior to the Closing Date, the Samaritan Board will elect each of the individuals set forth on Schedule 7.8(a) to the Samaritan Board to begin their term effective as of the Closing Date.

(b) As of the Closing Date, the Samaritan Board will elect each of the individuals set forth on Schedule 7.9(b) to the Santiam Board to begin their terms effective as of the Closing Date. The individuals set forth on Schedule 7.9(b) shall be all of Santiam's then current Board of Directors immediately prior to the Closing, in order to maintain local governance over operations and the medical staff. Samaritan as the sole member of Santiam after the Closing will have certain reserve rights defined in the Bylaws of Santiam, which reserve rights will be similar to those of the other hospital subsidiaries of Samaritan. All of the members of the Santiam Board shall be persons who are nominated by the Santiam

Board. Samaritan, as the sole corporate member of Santiam, shall have the authority to approve or reject the election or appointment of directors to the Santiam Board. In the event Samaritan rejects a nominee made by the Santiam Board, the Santiam Board shall make another nomination for approval or rejection by Samaritan.

The primary role of Santiam's Board of Directors will include:

- Realization of the mission, vision and values of Samaritan Health Services, Inc.
- Ensuring appropriate healthcare access is available for local community members and that high quality care is provided
- Assessment of community needs
- Assessment of the needs of the medical staff
- Development of strategic direction and planning
- Annual operating and capital budgets
- Strategic resource and patient care decisions
- Establishing committees to further its fiduciary and advisory duties.

(c) Subject to and to the extent authorized by the reserve powers of Samaritan reserved to Samaritan in the Bylaws of Santiam, the Board of Santiam will have the following responsibilities:

- (i) All business and properties of Santiam shall be directed by and managed by the Board.
- (ii) The Board shall review and approve the major plans and programs of Santiam and ensure that they are consistent with the mission and objectives of SHS and Santiam.
- (iii) The Board shall review and approve capital budgets and shall use its best efforts to reduce costs to the greatest extent possible consistent with the delivery of quality service.
- (iv) The Board shall maintain a qualified medical staff and ensure that it is properly organized.
- (v) The Board shall evaluate performance improvement initiatives of Santiam including the quality of medical care.
- (vi) The Board shall provide informational resources to the community which Santiam serves regarding its goals and performance.
- (vii) The Board shall make all rules and regulations concerning the use of the facilities of Santiam by the medical profession in keeping with Santiam's accrediting body.
- (viii) The Board shall reflect the perspectives of and be inclusive of the Santiam community, Samaritan leaders, and physician/provider stakeholders."

#### **7.10 Post-Closing Services and Operations**

(a) For a period of 5 years following the Effective Date, subject to any conditions of approval by the Oregon Health Authority under the Oregon Health Care Market Oversight Program, Santiam will remain an Oregon nonprofit corporation operating under a general acute care hospital license with the following Service Lines: 24/7 emergency care, trauma services, ICU/CCU care, inpatient and outpatient medical and surgical services, family birth center, women's services (inpatient and outpatient obstetrical and gynecological services), comprehensive diagnostic imaging services, primary care services, and

ambulance services. unless approval is obtained from the Santiam Hospital Board to discontinue or change one or more of the Service Lines.

(b) Santiam and its affiliates will function as a part of Samaritan as of the Closing Date and thereafter, and will be subject to, and will operate and conduct its hospital, health care and other business activities in accordance with, all of Samaritan's policies and procedures in effect from time to time.

(c) Subject to any capital commitments contained in Exhibit 7.7, Samaritan will fund capital for strategic initiatives and capital projects of the Santiam service area, including physician employment alignment or engagement, delivery system development (e.g., CCO, clinical integration, etc.), ambulatory diversification, growth, construction and other projects, based on the capital available under Samaritan's annual capital budget and the satisfaction of its policies, procedures and standards (including business plan development, minimum projected return on investment thresholds, etc.) for capital projects and strategic initiatives.

(d) Samaritan provides corporate functions to each of its hospitals and will provide the same services and support to Santiam.

As with every other Samaritan hospital, Santiam will be charged an overhead assessment for services and support provided by Samaritan's Corporate Functions in the same manner and based upon the same assessment formula applied to Samaritan's other operating divisions and subsidiaries, including its acute care hospitals.

(e) Santiam's physicians and other clinicians that accept employment with Samaritan will become part of the Samaritan Medical Group with professional liability insurance coverage by Paradigm, Samaritan's captive insurance company. In the event that any coverage under Santiam's insurance program maintained prior to the Closing Date (or other effective date for the integration of the insurance programs) is on a "claims made" rather than on an "occurrences" basis, the Parties will purchase unlimited reporting (i.e., "tail") coverage respecting all risks covered on a "claims made" basis.

(f) The Foundation's Primary Purposes, Bylaws, Articles of Incorporation and Board of Directors will not be changed as a result of this Transaction.

(g) Santiam's name will be changed to "Samaritan Santiam Hospital" and will operate under Samaritan's logo.

(h) Samaritan agrees that cash balances will be maintained by Samaritan on behalf of SMH after the Closing Date in amounts sufficient to satisfy the loan covenants in the HUD and Key Government Finance, Inc. loans to SMH.

#### **7.11 Assumption of Debt**

At the Closing Date, SHS agrees to assume liability for payment of approximately \$25 million of SMH's then existing debt obligations to HUD (approximately \$20 million), and to Key Bank (approximately \$5 million).



## **Article 8.**

### **CONDITIONS PRECEDENT TO OBLIGATIONS OF SAMARITAN**

The obligations of Samaritan to consummate the Contemplated Transaction are subject to the satisfaction, at or prior to the Closing, of each of the following conditions (any of which may be waived in whole or in part only by Samaritan):

#### **8.1 Accuracy of Representations and Warranties**

(a) Each of Santiam's Fundamental Representations contained in Sections 4.1 (Due Organization; Good Standing; Power), 4.2 (Corporate Authorization), and 4.3 (No Violation; Approvals) will have been accurate in all respects as of the Execution Date and will be accurate in all respects as of the Closing Date as if then made.

(b) Each of Santiam's Fundamental Representations contained in Sections 4.16 (Government Programs), 4.17 (Exclusion from Health Care Programs), 4.20 (Environmental Matters), 4.21 (Tax Exempt Status), 4.22 (Taxes), 4.23 (Employee Benefits) and each of Santiam's Non-Fundamental Representations (without giving effect to any qualification or limitation as to "**materiality**," "**Material Adverse Change**" or similar terms, words or phrases set forth therein) will have been accurate in all material respects as of the Execution Date and will be accurate in all material respects as of the Closing Date as if then made.

#### **8.2 Performance of Covenants**

The covenants and obligations that Santiam is required to perform or to comply with pursuant to this Agreement at or prior to the Closing will have been duly performed and complied with in all material respects.

#### **8.3 Bring Down Certificate**

Samaritan will have received a certificate executed by Santiam confirming (a) the accuracy of its representations and warranties as of the Execution Date and as of the Closing Date in accordance with Section 8.1 and (b) Santiam's performance of and compliance with their respective covenants and obligations to be performed or complied with at or prior to the Closing in accordance with Section 8.2.

#### **8.4 No Pending Action**

No Proceeding before any court or Governmental Body will be pending or threatened in writing wherein an unfavorable judgment, decree or order would prevent the carrying out of this Agreement or any of the Contemplated Transactions, declare unlawful the Contemplated Transactions or cause any of the Contemplated Transactions to be rescinded.

#### **8.5 Regulatory Approvals**

All regulatory Consents and Government Authorizations set forth on Schedule 8.5 will have been obtained on or before the Closing Date, without imposition of terms or conditions unacceptable to Samaritan in its reasonable discretion.

## **8.6 Consents**

All Consents of third parties set forth on Schedule 8.6 will have been obtained on or before the Closing Date, without imposition of terms or conditions unacceptable to Samaritan in its reasonable discretion.

## **8.7 Closing Documents**

Each of the items to be delivered pursuant to Section 3.2(a) and each of the following documents will have been delivered (or tendered subject only to Closing) to Samaritan:

(a) Estoppel certificates dated as of a date not more than 30 days prior to the Closing Date, each in the form of Exhibit 8.7(a), executed by the lessors under leases of the Real Property.

(b) Such other documents as Samaritan may reasonably request, each in form and substance satisfactory to Samaritan, and, if necessary, executed by Santiam, for the purpose of evidencing the performance by Santiam of, or the compliance by Santiam with, any covenant or obligation required to be performed or complied with by Santiam; evidencing the satisfaction of any condition referred to in Article 8; or otherwise facilitating the consummation or performance of any of the Contemplated Transactions.

## **8.8 Board and Member Approval**

The Restated Santiam Articles and Restated Santiam Bylaws will have been approved by all required corporate action by or on behalf of Santiam.

## **8.9 Material Adverse Change**

Since the Execution Date there will not have been a Material Adverse Change and no event will have occurred, and no circumstance will exist, that can reasonably be expected to result in a Material Adverse Change.

## **8.10 Title Report and Survey**

(a) Samaritan will have satisfied itself in its reasonable discretion with the condition of title to the Real Property and Santiam will have performed each and every obligation required of it under Section 6.8.

(b) Title Company is irrevocably committed to issuing an ALTA extended coverage title insurance policy for the Owned Real Property approved by Samaritan ("**Title Policy**"), together with the non-imputation endorsement and other endorsements requested by Samaritan, subject only to the Permitted Encumbrances.

## **8.11 Oregon Health Authority Approval**

Samaritan and Santiam will have received the approval and consent of the Oregon Health Authority under its Health Care Market Oversight Program to consummate the Contemplated Transaction with conditions, requirements or directives, if any, contained in the Oregon Health Authority's Approval or other response from the Oregon Health Authority with respect to the Contemplated Transactions reasonably acceptable to Samaritan.

#### **8.12 No Claims or Lien**

(a) The other assets of Santiam will be free and clear of all Encumbrances (other than Permitted Encumbrances).

(b) Samaritan will have received evidence of subsections (a)-(b) reasonably satisfactory to Samaritan.

#### **8.13 Tax Exempt Status**

Samaritan will have received assurances, reasonably satisfactory to Samaritan, that each of Santiam and Foundation will maintain its tax-exempt and non-private foundation status under Sections 501(c)(3) and 509 of the Code immediately after the Effective Time.

#### **8.14 Obligated Group**

Samaritan will have received assurances, reasonably satisfactory to Samaritan, that Santiam has fulfilled all obligations to become a part of Samaritan's Obligated Group.

### **Article 9.**

#### **CONDITIONS PRECEDENT TO OBLIGATIONS OF SANTIAM**

The obligations of Santiam to consummate the Contemplated Transaction are subject to satisfaction by the Closing Date, or waiver by Santiam, of each of the following conditions:

##### **9.1 Accuracy of Representations and Warranties**

(a) Each of Samaritan's Fundamental Representations will have been accurate in all respects as of the Execution Date and will be accurate in all respects as of the Closing Date as if then made.

(b) Each of Samaritan's Non-Fundamental Representations (without giving effect to any qualification or limitation as to "materiality," "Material Adverse Change" or similar terms, words or phrases set forth therein) will have been accurate in all material respects as of the Execution Date and will be accurate in all material respects as of the Closing Date as if then made.

##### **9.2 Performance of Covenants**

The covenants and obligations that Samaritan is required to perform or to comply with pursuant to this Agreement at or prior to the Closing will have been duly performed and complied with in all material respects.

##### **9.3 Bring Down Certificate**

Santiam will have received a certificate executed by Samaritan confirming (a) the accuracy of its representations and warranties as of the Execution Date and as of the Closing Date in accordance with Section 9.1 and (b) Samaritan's performance of and compliance with its covenants and obligations to be performed or complied with at or prior to the Closing in accordance with Section 9.2.

#### **9.4 No Pending Action**

No Proceeding before any court or Governmental Body will be pending or threatened wherein an unfavorable judgment, decree or order would prevent the carrying out of this Agreement or any of the Contemplated Transactions, declare unlawful the Contemplated Transactions or cause any of the Contemplated Transactions to be rescinded.

#### **9.5 Regulatory Approvals**

All regulatory Consents and Government Authorizations set forth on Schedule 8.5 will have been obtained on or before the Closing Date.

#### **9.6 Consents**

All Consents of third parties set forth on Schedule 8.6 will have been obtained on or before the Closing Date. Schedule 9.6 will be prepared and approved by the Parties prior to the Closing Date.

#### **9.7 Closing Documents**

Each of the items to be delivered pursuant to Section 3.2(b) will have been delivered (or tendered subject only to Closing) to Santiam.

### **Article 10.**

## **TERMINATION**

#### **10.1 Termination Events**

Subject to Section 10.2, by notice given prior to or at the Closing, this Agreement may be terminated as follows:

- (a) By mutual written consent of Samaritan and Santiam.
- (b) By Samaritan:
  - (i) If there will be any Legal Requirement that makes consummation of the Contemplated Transactions illegal or otherwise prohibited.
  - (ii) If consummation of the Contemplated Transactions would violate any non-appealable final order, decree or judgment of any court or Governmental Body having competent jurisdiction.
  - (iii) Per Section 6.11, if concerns about Santiam's coding and billing practices are not resolved to Samaritan's satisfaction prior to Close.
  - (iv) Provided that Samaritan is not then in Breach of any of its obligations under this Agreement, if Santiam will fail to perform a material covenant contained in this Agreement when performance thereof is due and not cure the failure within twenty Business Days after Samaritan delivers written notice thereof.
  - (v) If Santiam Breaches any of its representations and warranties in this Agreement such that satisfaction of the condition in Section 8.1 by the End Date becomes impossible.

(vi) If satisfaction of any other condition in Article 8 by the End Date becomes impossible (other than through the failure of Samaritan to comply with its obligations under this Agreement).

(vii) If the Closing has not occurred on or before the End Date.

(c) By Santiam:

(i) If there will be any Legal Requirement that makes consummation of the Contemplated Transactions illegal or otherwise prohibited.

(ii) If consummation of the Contemplated Transactions would violate any non-appealable final order, decree or judgment of any court or Governmental Body having competent jurisdiction.

(iii) Provided Santiam is not then in Breach of any of their respective obligations under this Agreement, if Samaritan will fail to perform a material covenant contained in this Agreement when performance thereof is due and not cure the failure within twenty Business Days after Santiam delivers written notice thereof.

(iv) If Samaritan Breaches any of its representations and warranties in this Agreement such that satisfaction of the condition in Section 9.1 by the End Date becomes impossible.

(v) If satisfaction of any other condition in Article 9 by the End Date becomes impossible (other than through the failure of Santiam to comply with its obligations under this Agreement).

(vi) If the Closing has not occurred on or before the End Date.

(d) If this Agreement is terminated, any agreement entered into pursuant to this Agreement will terminate in accordance with the terms thereof.

(e) No Party may terminate this Agreement after the Closing Date.

## **10.2 Termination Consequences**

If this Agreement is terminated pursuant to Section 10.1, all further obligations of the Parties under this Agreement will terminate, except that (a) the obligations in Sections 12.3 (Expenses and Attorneys' Fees) and 12.5 (Applicable Law; Forum) will survive, (b) each party will pay the costs and expenses incurred by it in connection with this Agreement, except as provided in Section 12.3 and (c) nothing will prevent any party hereto from pursuing any of its rights or remedies against any other party to this Agreement as to any Breach of this Agreement.

## **Article 11.**

### **DISPUTE RESOLUTION**

#### **11.1 Resolution of Potential Disputes**

Santiam and Samaritan acknowledge that notwithstanding their Reasonable Efforts, disagreements or disputes may arise between them regarding their respective rights, responsibilities, covenants, obligations and liabilities under this Agreement and in any document delivered in anticipation of the Closing. Prior to

the Closing, Santiam and Samaritan will attempt to resolve the dispute in good faith in a manner consistent with the procedures set forth in this Article 11.

## **11.2 Dispute Resolution Procedures**

(a) Prior to the Closing, in the event of a dispute between Samaritan and Santiam, either may give written notice to the other setting forth the nature of such dispute and requesting that the Parties meet and confer to discuss the dispute (the **“Meet and Confer Request”**). Not later than ten (10) days after a Meet and Confer Request, the Chief Executive Officer of Santiam, or his designee (**“Santiam representative”**) and Samaritan’s President/Chief Executive Officer, or his designee, will meet and confer to discuss the dispute in good faith in an attempt to resolve the dispute. Such representatives will meet at such dates and times as are mutually convenient to the representatives of each applicable Party within a twenty (20) day period following the representatives’ initial meeting.

(b) In the event any dispute is not or cannot be resolved by the Samaritan and the Santiam representative during the meet and confer process described in Section 11.2(a), either Santiam or Samaritan may give written notice of such Party’s intention to submit the issue in dispute to non-binding mediation pursuant to this Article 11 (the **“Dispute Notice”**). Not later than ten (10) days after Samaritan or Santiam’s receipt of a Dispute Notice, the Santiam representative and the Samaritan representative will jointly appoint a mediator.

(i) If the Santiam representative and the Samaritan representative cannot agree upon a mediator within the ten (10) day period, or within such other period as they may mutually agree upon, then the Santiam representative and Samaritan representative will each appoint a mediator acceptable to him or her within the following five (5) days, and the two (2) mediators will jointly appoint, within three (3) days after the date on which the second mediator is appointed, a third mediator who will mediate the issue in dispute;

(ii) Samaritan on the one hand and Santiam on the other hand will engage in a good faith effort to resolve the issue in dispute following the appointment of the mediator. Samaritan and Santiam each will share equally the fees and expenses of the mediator and such other costs and expenses as they will mutually agree upon; and

(iii) If Samaritan on the one hand and Santiam on the other hand are unable to resolve the dispute within thirty (30) days following the appointment of the mediator as provided in this Section 11.2(b), either Samaritan or Santiam may submit the matter to binding arbitration by giving to the other Party a written demand for arbitration (the **“Arbitration Demand”**).

## **11.3 Binding Arbitration**

(a) Not later than twenty (20) days after either Samaritan or Santiam gives to the other Party an Arbitration Demand, Samaritan and Santiam will jointly select an arbitrator. If Samaritan and Santiam cannot agree upon an arbitrator within such twenty (20) day period, they will jointly submit, or either one of them may submit, to the Arbitration Service of Portland, Inc., a request to select a panel of seven (7) potential arbitrators, each of whom will be licensed to practice law in the State of Oregon, from which panel the Parties will select a single arbitrator to hear their dispute. In the event either Party is dissatisfied with the panel of potential arbitrators, each Party may request one alternate panel of potential arbitrators. The request will state that it is the intention of both Parties to submit to the jurisdiction and procedures of the Arbitration Service of Portland, Inc., for a hearing in the Portland, Oregon area, and to be bound by the Arbitration Service of Portland’s rules, to resolve their dispute.

(b) Not later than thirty (30) days after the date on which the arbitrator is selected, the arbitrator will conduct a formal hearing into the issue in dispute in accordance with the applicable rules for arbitration of JAMS then in effect or such rules as Samaritan and Santiam may mutually agree upon.

(c) The arbitrator's decision will be final and binding upon Samaritan and Santiam, and will be enforceable in accordance with its terms under Oregon law.

(d) Samaritan and Santiam will share equally the cost of arbitration, including the arbitrator's fees, but Samaritan and Santiam each will bear its own legal and other expenses incurred by it in connection with the arbitration.

(e) Nothing in this Agreement will be interpreted to limit any Party's right to pursue preliminary or provisional equitable relief pending the arbitration award, including specific performance or a temporary restraining order or preliminary injunctive relief, from a court of competent jurisdiction at any time. By way of example, the foregoing provisions of this Section 11.3 will not be interpreted to require either Party to submit to meet-and-confer, mediation or arbitration prior to exercising such Party's right to pursue preliminary equitable relief to protect trade secrets, medical staff confidentiality or prevent irreparable harm. Recognizing the substantial resources and costs incurred in integrating the governance and operations of Santiam with Samaritan following the Closing, and the difficulty of segregating integrated operations, no Party will bring suit against any other Party seeking the equitable remedy of contract rescission or attempting to challenge the validity or enforceability of this Agreement following the Closing Date.

## **Article 12.**

### **GENERAL PROVISIONS**

#### **12.1 Amendment**

Except as otherwise provided in this Agreement, no amendment of any provision of this Agreement will be effective, unless the same will be in writing and signed by the Parties, and then such amendment will be effective only in the specific instance and for the specific purpose for which given.

#### **12.2 Notices**

All notices, requests, demands and other communications hereunder will be in writing and will be delivered personally or sent by overnight courier or registered or certified mail, postage prepaid, as follows:

If to Samaritan:

Douglas R. Boysen, JD, MHA  
2300 NW Walnut Blvd, Ste 1-A  
Corvallis, OR 97330  
Email: dboysen@samhealth.org

with a copy to:

Tyler Jacobsen, JD  
2300 NW Walnut Blvd, Ste 1-A  
Corvallis, OR 97330

Email: [tjacobsen@samhealth.org](mailto:tjacobsen@samhealth.org)

with an additional copy to:

Ryan Maughn  
Davis Wright Tremaine LLP  
560 SW 10th Avenue, Suite 700  
Portland, OR 97205  
Email: [ryanmaughn@dwt.com](mailto:ryanmaughn@dwt.com)

If to Santiam (prior to the Closing Date):

Maggie Hudson  
President/CEO  
Santiam Memorial Hospital  
1401 N Tenth Ave.  
Stayton, OR 97383

A Party may change its address for receiving notice by written notice given to the others named above. All notices will be effective when received, if by personal delivery or overnight courier, or two (2) Business Days after being deposited in the mail addressed as set forth above, if mailed.

### **12.3 Expenses**

(a) Except as otherwise provided in this Agreement, Santiam, on the one hand, and Samaritan on the other hand, will each pay their own fees and expenses and those of their respective agents, advisors, consultants, attorneys and accountants with respect to the transactions described in this Agreement, their respective due diligence investigations, and the negotiation of the Agreement and the Closing. The obligation of each party to bear its own fees and expenses will be subject to any rights of such party arising from a Breach of this Agreement by another party.

(b) Santiam will pay the title premium for any title insurance associated with the Real Property, provided that Samaritan will pay one-half and Santiam will pay one-half of any endorsements requested by Samaritan and each Party will pay one-half of any survey costs. Santiam will pay any recording fees required in connection with the Closing of the transactions described in this Agreement. Santiam will pay the costs of any required “Phase I” environmental survey. Samaritan will pay the costs of any audits on the Real Property. All stamp, documentary, and other transfer Taxes (including any penalties and interest) incurred in connection with this Agreement will be paid by Santiam. Santiam will, at its own expense, file all Tax Returns and other documentation Santiam is required to file with respect to all such Taxes.



#### **12.4 Entire Agreement**

This Agreement contains the entire understanding of the Parties with respect to the Contemplated Transaction and supersedes all other agreements and understandings of the Parties on the subject matter hereof, except that, to the extent that any agreement (including any agreement attached as an Exhibit) is referred to herein in such manner as to clearly indicate that such agreement is designed to detail the agreement of the Parties with respect to the specified subject matter, the terms of such agreements will govern with respect to such subject matter, except that the dispute resolution procedures set forth in Article 11 will apply to disputes under any agreement delivered on or prior to the Closing. The recitals constitute a substantive part of this Agreement.

#### **12.5 Applicable Law; Forum**

This Agreement will be governed by and construed in accordance with the internal laws of the State of Oregon. Subject to Article 11, any proceeding which arises out of or relates in any way to the subject matter of this Agreement will be brought in the courts in the state of Oregon. The Parties hereby consent to the jurisdiction of such courts and waive their right to challenge any proceeding involving or relating to this Agreement on the basis of lack of jurisdiction over the Party or forum *non conveniens*.

#### **12.6 Further Assurances**

After the Closing, each Party will take such further actions and execute and deliver such additional documents and instruments as may be reasonably requested by another Party in order to perfect and complete the transactions specifically contemplated herein.

#### **12.7 Waiver of Terms**

Any of the terms or conditions of this Agreement may be waived at any time by the Party which is entitled to the benefit thereof but only by a written notice signed by the Party waiving such terms or conditions. The waiver of any term or condition will not be construed as a waiver of any other term or condition of this Agreement.

#### **12.8 Partial Invalidity**

In case any one or more of the provisions contained herein will, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability will not affect any other provision of this Agreement, but this Agreement will be construed as if such invalid, illegal or unenforceable provision or provisions had never been contained herein.

#### **12.9 Exhibits and Schedules**

The attached Exhibits and Schedules will be construed with and as an integral part of this Agreement to the same extent as if the same had been set forth verbatim herein.

#### **12.10 Non-Assignment**

This Agreement will be binding upon and inure to the benefit of the Parties and their respective successors, assigns and legal representatives, but no Party may assign its rights in this Agreement or delegate its duties under this Agreement to a third party by any means without first obtaining the prior written consent of the other Party.

#### **12.11 Counterparts**

This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. The Parties agree that facsimile or PDF copies of signatures will be deemed originals for all purposes hereof and that a Party may produce such copies, without the need to produce original signatures, to prove the existence of this Agreement in any proceeding brought hereunder.

#### **12.12 Access to Records and Information**

If and to the extent applicable to this Agreement and to any agreement contemplated hereunder or entered into pursuant hereto between or among the Parties, the Parties agree to comply with the requirements of Public Law 96-499, Section 952 (Section 1861(v)(I)(I) of the Social Security Act) and regulations promulgated thereunder.

#### **12.13 No Third-Party Beneficiaries**

This Agreement will not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns.

#### **12.14 Time is of the Essence**

Time is of the essence for all dates and time periods set forth in this Agreement.

### **Article 13.**

#### **EXECUTION DATE REQUIREMENTS**

This Agreement will not be binding on any of the Parties until each Party has received the items specified in subsections (a) through (b) below:

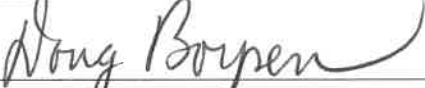
(a) A copy of resolutions of the Samaritan Board, certified by the Secretary of Samaritan as having been duly adopted and still in effect as of the Execution Date, authorizing and approving the execution and delivery of this Agreement by Samaritan, the performance of all actions to be taken on behalf of Samaritan pursuant to this Agreement, and the completion of the Contemplated Transactions.

(b) A copy of resolutions of the Santiam Board, certified by the Secretary of Santiam as having been duly adopted and still in effect as of the Execution Date, authorizing and approving the execution and delivery of this Agreement by Santiam, the performance of all actions to be taken on behalf of Santiam pursuant to this Agreement, and the completion of the Contemplated Transactions.

**SIGNATURES APPEAR ON THE FOLLOWING PAGE**

IN WITNESS WHEREOF, the Parties, acting through their duly authorized representatives, have executed this Affiliation Agreement as of the day and year first above written.

SAMARITAN

By:   
Douglas R. Boysen, JD, MHA  
Title: President and CEO

SANTIAM

By:   
Maggie Hudson, MBA  
Title: President & CEO

By: \_\_\_\_\_

Title: \_\_\_\_\_

Exhibit A

**DEFINITIONS AND INTERPRETATION**

**13.2 Definitions**

**“Agreement”**—as defined in the introductory paragraph.

**“Applicable Contract”**—any Contract that Santiam is a party to or under which Santiam has or could acquire any rights, under which Santiam has or could become subject to any obligation or liability, or by which Santiam or any assets owned or used by it is or could become bound which involves payment by Santiam of an annual amount in excess of \$150,000 to another person or entity. Applicable Contracts will include Contracts that are Transferred Assets.

**“Arbitration Demand”**—as defined in Section 11.2(b)(iii).

**“Benefit Plans”**—as defined in Section 4.25(a). [Note: this should be Section 4.23(a)]

**“Breach”**—any breach of, or any inaccuracy in, any representation or warranty or any breach of, or failure to perform or comply with, any covenant or obligation, in or of this Agreement or any other Contract.

**“Business Day”**—any day other than (a) Saturday or Sunday or (b) any other day on which banks in Oregon are permitted or required to be closed.

**“Closing”**—as defined in Section 3.1.

**“Closing Date”**—as defined in Section 3.1.

**“Code”**—the Internal Revenue Code of 1986, as amended.

**“Confidential Information”**—as defined in Section 6.10.

**“Consent”**—any approval, consent, ratification, waiver or other authorization.

**“Contemplated Transactions”**—all of the transactions contemplated by this Agreement.

**“Contract”**—any agreement, contract, lease, consensual obligation, promise or undertaking (whether written or oral and whether express or implied), whether or not legally binding.

**“Control”**—possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity whether through ownership of voting securities, by contract or otherwise.

**“Covered Proposal”**—as defined in Section 6.9.

**“Dispute Notice”**—as defined in Section 11.2(b).

**“Effective Time”**—as defined in Section 3.1.

**“Employees”**—as defined in Section 7.4.

**“Encumbrance”**—any charge, claim, community or other marital property interest, equitable interest, lien, option, pledge, security interest, mortgage, right of way, easement, encroachment, servitude,

right of first option, right of first refusal or similar restriction, including any restriction on use, voting (in the case of any security or equity interest), transfer, receipt of income or exercise of any other attribute of ownership.

**“End Date”** End date will be determined by the Parties prior to the Closing Date. Upon seven days prior written notice, Samaritan or Santiam may unilaterally extend the End Date for up to 30 days if such Party is actively working towards completing all of the conditions precedent to Closing.

**“Environmental Law”**—any and all applicable Legal Requirements relating to the identification, reporting, generation, manufacture, processing, distribution, use, treatment, storage, disposal, emission, discharge, release, transport or other handling of any pollutants, contaminants, chemicals, wastes, including medical wastes, radioactive material, or other noxious or harmful substances or materials.

**“Environmental, Health, and Safety Liability”**—any Loss, obligation, or other responsibility resulting from or arising under an Environmental Law or any Legal Requirement designed to promote safe and healthful working conditions and to reduce occupational safety and health hazards, including the Occupational Safety and Health Act.

**“ERISA”**—the Employee Retirement Income Security Act of 1974, as amended.

**“Execution Date”**—as defined in the introductory paragraph.

**“Financial Statements”**—as defined in Section 4.5.

**“Foundation”**—as defined in the Recitals.

**“Foundation Board”**—the Board of Directors of Foundation.

**“Fundamental Representations”**—the representations and warranties of Santiam contained in Sections 4.1 (Due Organization; Good Standing; Power), 4.2 (Corporate Authorization), 4.3 (No Violation; Approvals), 4.16 (Government Programs), 4.17 (Exclusion from Health Care Programs), 4.21 (Tax Exempt Status), 4.22 (Taxes) and 4.23 (Employee Benefits); and the representations and warranties of Samaritan contained in Sections 5.1 (Due Organization; Good Standing; Power), 5.2 (Corporate Authorization) and 5.3 (No Violation; Approvals).

**“GAAP”**—generally accepted accounting principles for financial reporting in the United States, applied on a basis consistent with the basis on which the Financial Statements were prepared.

**“Governing Documents”**—with respect to any particular entity, (a) if a corporation, the articles or certificate of incorporation and the bylaws; (b) if a general partnership, the partnership agreement and any statement of partnership; (c) if a limited partnership, the limited partnership agreement and the certificate of limited partnership; (d) if a limited liability company, the articles of organization and operating agreement; (e) if another type of Person, any other charter or similar document adopted or filed in connection with the creation, formation or organization of the Person; (f) all member or equity holders’ agreements, voting agreements, voting trust agreements, joint venture agreements, registration rights agreements or other agreements or documents relating to the organization, management or operation of any Person or relating to the rights, duties and obligations of the members or equity holders of any Person; and (g) any amendment or supplement to any of the foregoing.

**“Government Authorization”**—any Consent, license, registration or permit issued, granted, given or otherwise made available by or under the authority of any Governmental Body or pursuant to any Legal Requirement.

**“Government Programs”**—Medicare and Tri-Care.

**“Governmental Body”**—any (a) nation, state, county, city, town, borough, village, district or other jurisdiction; (b) federal, state, local, municipal, foreign or other government; (c) governmental or quasi-governmental authority of any nature (including any agency, branch, department, board, commission, court, tribunal or other entity exercising governmental or quasi-governmental powers); (d) multinational organization or body; (e) body exercising, or entitled or purporting to exercise, any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power; or (f) official of any of the foregoing. The term includes, for purposes of any Legal Requirements relating to Government Programs, the Centers for Medicare & Medicaid Services and any fiscal intermediary, carrier, administrative contractor or recovery audit contractor.

**“Hazardous Materials”**—as defined in Section 4.20(e).

**“Health Care Laws”**—all Legal Requirements applicable to health care providers and facilities; Government Program conditions of participation, standards, policies, rules, procedures and other requirements; and accreditation standards of any applicable accrediting organization. Health Care Laws include the Federal (Title XIX of the Social Security Act) and state Medicaid programs and their implementing regulations, the Medicare Program (Title XVIII of the Social Security Act) and its implementing regulations, the Federal False Claims Act (31 U.S.C. §§3729 et seq.), the Federal Health Care Program Anti-Kickback Statute (42 U.S.C. §1320a 7b(b)), the Federal Physician Self-Referral Law (42 U.S.C. §1395nn), the civil monetary penalty Laws (42 U.S.C. § 1320a-7a and 31 U.S.C. § 3801 et seq.) (the **“Civil Money Penalty Law”**), the Federal Administrative False Claims Law (42 U.S.C. §1320a 7b(a)), HIPAA and the HIPAA Privacy Rule, the HIPAA Security Rule and the HIPAA Standards for Transactions and Code Sets (42 U.S.C. 1320d 1329d 8; 45 C.F.R. Parts 160 and 164), the Federal Confidentiality of Alcohol and Drug Abuse Patient Records Act (42 U.S.C. 290ee 3), the Rehabilitation Act, the Americans with Disabilities Act, the Occupational Safety and Health Administration statutes and regulations for blood borne pathogens and workplace risks, and any Legal Requirements that address the same or similar subject matter.

**“HIPAA”**—as defined in Section 4.18(c).

**“Hospital”**—as defined in the Recitals.

**“Identified Contractual Actions”**—as defined in Section 7.5.

**“Indebtedness”**—any (a) indebtedness, whether or not contingent, for borrowed money; (b) obligations evidenced by bonds, debentures, notes or other similar instruments; (c) obligations to pay the deferred purchase price of property or services; (d) obligations as lessee under leases that have been, or should be, recorded as capitalized leases under GAAP; (e) indebtedness created or arising under any conditional sale or other title retention agreement with respect to acquired property; (f) obligations, contingent or otherwise, under or with respect to acceptance credit, letters of credit or similar facilities; (g) obligation with respect to factoring arrangements or to interest rate and currency cap, collar, hedging or swap Contracts; (h) obligation secured by an Encumbrance; (i) guarantee of the obligations of any other Person; (j) guaranty of any of the foregoing; (k) accrued interest, fees and charges in respect of any of the foregoing; and (l) prepayment premiums and penalties, and any other fees, expenses, indemnities and other amounts payable as a result of the prepayment or discharge of any of the foregoing.

**“Insurance Benefits”** —means payments made by insurers for either indemnity or expenses.

**“Insurance Policies”**—as defined in Section 4.12(a).

**“Intellectual Property Rights”**—all intellectual property owned, licensed (as licensor or licensee), or used by Santiam, including the name of Santiam, assumed, fictional, business and trade names, registered and unregistered trademarks, service marks, and logos, and trademark and service mark applications; patents and patent applications; copyrights and mask works; software (including firmware and other software embedded in hardware devices) and software code (including source code and executable or object code); all know-how, trade secrets, confidential or proprietary information, customer lists, technical information, data, process technology, plans, drawings, inventions, and discoveries, whether or not patentable; and all rights in Internet websites, Internet domain names, and keywords.

**“IRS”**—the Internal Revenue Service.

**“Knowledge”**—an individual will be deemed to have Knowledge of a particular fact or other matter if (a) that individual is actually aware of that fact or matter; or (b) a reasonably prudent individual would reasonably be expected to discover that fact or matter in the ordinary course of diligently performing his or her duties for Santiam. A Person (other than an individual) will be deemed to have Knowledge of a particular fact or other matter if an officer or department director of that Person has, or at any time had, Knowledge of that fact or other matter (as set forth in (a) and (b) above). Santiam’s Knowledge will include the Knowledge of [•].

**“Leased Real Property”**—as defined in Section 4.7.

**“Legal Requirement”**—any federal, state, local, municipal, foreign, international, multinational or other constitution, law, ordinance, principle of common law, code, regulation, statute or treaty.

**“Liability”**—any liability or obligation of any kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable or otherwise.

**“Lookback Period”** – means the five (5) year period prior to the Execution Date.

**“Loss”**—any cost, loss, liability, obligation, claim, cause of action, damage, deficiency, expense (including costs of investigation and defense and reasonable attorneys’ fees and expenses), fine, penalty, judgment, award, assessment, or diminution of value.

**“Material Adverse Change”**—with respect to Santiam, any event, change, development, or occurrence that, individually or together with any other event, change, development, or occurrence, is materially adverse to its business, financial condition, assets, or results of operations; provided, however, that **“Material Adverse Change”** will not include any event or change that Santiam can demonstrate (1) arose from (i) general economic conditions, (ii) national or international political or social conditions, including the engagement by the United States or any other country or group in hostilities, whether or not pursuant to the declaration of a national emergency or war, or the occurrence of any military or terrorist attack upon the United States or any other country or group, (iii) changes in GAAP or other accounting requirement or principle, (iv) changes relating to the financial, banking or securities markets in general (including any disruption thereof and any decline in the price of any security or any market index), (v) changes in Legal Requirements, (vi) any **“act of God,”** including weather, fires, natural disasters and earthquakes, (vii) changes generally affecting the United States hospital industry, or (viii) the taking of any action, or failure to take any action, as required under this Agreement and in connection with the Contemplated Transactions or the pendency or consummation of such transactions (including customer or industry knowledge thereof).

**“Meet and Confer Request”**—as defined in Section 11.2(a).

**“Non-Fundamental Representations”**—all representations and warranties of Santiam or Samaritan, as the case may be, that are contained in this Agreement or in any certificate delivered pursuant to this Agreement and that are not Fundamental Representations.

**“Obligated Group”** — means [•].

**“Order”**—any order, injunction, judgment, decree, ruling, assessment or arbitration award of any Governmental Body or arbitrator.

**“Ordinary Course of Business”**—an action taken by a Person will be deemed to have been taken in the Ordinary Course of Business only if that action (a) is consistent in nature, scope and magnitude with the past practices of such Person and is taken in the ordinary course of the normal, day-to-day operations of such Person; (b) does not require authorization by the board of directors or shareholders of such Person (or by any Person or group of Persons exercising similar authority); and (c) is similar in nature, scope and magnitude to actions customarily taken, without any separate or special authorization, in the ordinary course of the normal, day-to-day operations of other Persons that are in the same line of business as such Person.

**“Owned Real Property”**—as defined in Section 4.7.

**“Party”**—as defined in the introductory paragraph.

**“Permitted Encumbrances”**—Encumbrances for Taxes or special assessments that are not yet due and payable or the validity of which are being contested in good faith and as to which adequate reserves are reflected in the Financial Statements and the Estimated Closing Working Capital and Closing Working Capital; matters disclosed in the Title Report which are approved or deemed approved by Samaritan pursuant to Section 6.8 hereof; Encumbrances of carriers, warehousemen, mechanics, workmen, repairmen, materialmen and other similar Encumbrances imposed by Legal Requirement arising or incurred in the Ordinary Course of Business, provided that, with respect to such Encumbrances relating to construction projects on the Real Property, the Estimated Closing Working Capital and Closing Working Capital include in current liabilities all accounts payable due or work in process by such Persons; and Encumbrances in favor of lessors arising in connection with any property leased to Santiam.

**“Person”**— an individual, partnership, corporation, business trust, limited liability company, limited liability partnership, joint stock company, trust, unincorporated association, joint venture or other entity or a Governmental Body.

**“Post-Closing Plan”**—as defined in Section ~~Error! Reference source not found.~~

**“Proceeding”**—any action, arbitration, audit, hearing, investigation, litigation or suit (whether civil, criminal, administrative, judicial or investigative, whether formal or informal, whether public or private) commenced, brought, conducted or heard by or before, or otherwise involving, any Governmental Body or arbitrator.

**“Real Property”**—as defined in Section 4.7(b).

**“Reasonable Efforts”**—all commercially reasonable steps under the circumstances to achieve the objective, but do not include any material modifications of the terms or conditions of this Agreement, the initiation of litigation or other judicial or administrative process, any change in the corporate structure or the officers or directors of a corporation, the provision of any consideration to any third party or the suffering of any economic detriment to a party’s ongoing operations for the procurement of any consent, authorization or approval required under this Agreement except for (i) the costs of gathering and supplying



data or other information or making any filings; (ii) fees and expenses of counsel and consultants; and (iii) customary fees and charges of governmental authorities and accreditation organizations.

**“Record”**—information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

**“Referral Source”**—any physician (or immediate family member of such physician, as determined under applicable Legal Requirements) or group of physicians or any supplier, contractor or other Person in a position to refer, recommend or arrange for the referral of patients or other health care business.

**“Related Person”**—(a) With respect to an individual, (i) each member of such individual’s family; (ii) any person that is directly or indirectly Controlled by such individual or any one or more members of such individual’s family; (iii) any person in which members of such individual’s family hold (individually or in the aggregate) a material interest; and (iv) any person with respect to which one or more members of such individual’s family serves as a director, officer, partner, manager, executor, or trustee (or in a similar capacity).

(b) With respect to a Person other than an individual, (i) any Person that directly or indirectly Controls, is directly or indirectly Controlled by, or is directly or indirectly under common Control with, such specified Person; (ii) any Person that holds a material interest in such specified Person; (iii) each Person that serves as a director, officer, partner, manager, executor, or trustee of such specified Person (or in a similar capacity); (iv) any Person in which such specified Person holds a material interest; and (v) any Person with respect to which such specified Person serves as a general partner, manager, or a trustee (or in a similar capacity).

(c) For purposes of this definition, **“material interest”** means direct or indirect beneficial ownership of voting securities or other voting interests representing at least 10% of the outstanding voting power of a Person or equity interests representing at least 10% of the outstanding equity interests in a Person.

**“Representative”**—includes any director, officer, manager, employee, agent, consultant, advisor, accountant, financial advisor or legal counsel.

**“Restated Santiam Articles”**—as defined in Section 2.1(a).

**“Restated Santiam Bylaws”**—as defined in Section 2.1(b).

**“Samaritan”**—as defined in the introductory paragraph.

**“Samaritan Board”**—the Board of Directors of Samaritan.

**“Santiam”**—as defined in the introductory paragraph.

**“Santiam Board”**—the Board of Directors of Santiam.

**“Santiam representative”**—as defined in Section 11.2(a).

**“Samaritan’s Title Notice”**—as defined in Section 6.8.

**“Santiam’s Title Response”**—as defined in Section 6.8.

**“Schedules”**—the disclosure schedules delivered by Santiam to Samaritan concurrently with the execution and delivery of this Agreement.

“Service Lines” - 24/7 emergency care, trauma services, ICU/CCU care, inpatient and outpatient medical and surgical services, family birth center, women's services (inpatient and outpatient obstetrical and gynecological services), comprehensive diagnostic imaging services, primary care services, and ambulance services.

“**Subsidiary**”—with respect to any Person (the “owner”), any corporation or other Person of which securities or other interests having the power to elect a majority of that corporation’s or other Person’s board of directors or similar governing body, or otherwise having the power to direct the business and policies of that corporation or other Person (other than securities or other interests having such power only upon the happening of a contingency that has not occurred), are held by directly or indirectly by the owner.

“**Survey**”—an as-built plat of survey of each parcel of Real Property.

“**Tax**”—any income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, property, environmental, windfall profit, customs, vehicle, airplane, boat, vessel or other title or registration, capital stock, franchise, employees’ income withholding, foreign or domestic withholding, Social Security, unemployment, disability, real property, personal property, sales, use, transfer, value added, concession, alternative, add-on minimum and other tax, fee, assessment, levy, tariff, charge, or duty of any kind whatsoever and any interest, penalty, addition, or additional amount thereon imposed, assessed, or collected by or under the authority of any Governmental Body or payable under any tax-sharing agreement or any other Contract.

“**Tax Return**”—any return (including any information return), report, statement, schedule, notice, form, declaration, claim for refund, or other document or information filed with or submitted to, or required to be filed with or submitted to, any Governmental Body in connection with the determination, assessment, collection, or payment of any Tax or in connection with the administration, implementation, or enforcement of or compliance with any Legal Requirement relating to any Tax.

“**Title Company**”— First American Title Insurance, Attn: Crystal Flood, 920 5<sup>th</sup> Avenue, Suite 1200, Seattle, WA 98104.

“**Title Policies**”—as defined in Section 6.8.

“**Title Report**”—as defined in Section 6.8.

“**Transaction Documents**”—the documents identified in Section 3.2.

“**Transaction Expenses**”—all fees, costs and expenses incurred by Santiam in connection with the Contemplated Transactions, the negotiation, preparation, and execution of this Agreement or any previous processes undertaken in connection with any similar transaction, including all amounts owed to brokers, bankers, accountants, attorneys and other professionals. •

### 13.3 Usage

(a) In this Agreement:

(i) the singular number includes the plural number and vice versa.

(ii) reference to any Person includes such Person’s successors and assigns but, if applicable, only if such successors and assigns are not prohibited by this Agreement, and reference to a Person in a particular capacity excludes such Person in any other capacity or individually.

(iii) reference to any gender includes each other gender.

(iv) reference to any agreement, document or instrument means such agreement, document or instrument as amended or modified and in effect from time to time in accordance with the terms thereof and will be deemed to refer as well to all addenda, exhibits, schedules or amendments thereto.

(v) reference to any Legal Requirement means such Legal Requirement as amended, modified, codified, replaced or reenacted, in whole or in part, and in effect from time to time, including rules and regulations promulgated thereunder and interpretations of Governmental Bodies, and reference to any section or other provision of any Legal Requirement means that provision of such Legal Requirement from time to time in effect and constituting the substantive amendment, modification, codification, replacement or reenactment of such section or other provision.

(vi) “hereunder,” “hereof,” “hereto,” and words of similar import will be deemed references to this Agreement as a whole and not to any particular Article, Section or other provision.

(vii) “including” (and with correlative meaning “include”) means including without limiting the generality of any description preceding such term.

(viii) “or” is used in the inclusive sense of “and/or”.

(ix) with respect to the determination of any period of time, “from” means “from and including” and “to” means “to but excluding”.

(x) reference to a “copy” or “copies” of any document, instrument or agreement means a copy or copies that are complete and correct. Reference to a list, or any like compilation, means that the list or compilation is complete and correct.

(b) Unless otherwise specified, all accounting terms will be interpreted and all accounting determinations hereunder will be made in accordance with GAAP.

(c) This Agreement will be construed according to its fair meaning. This Agreement was negotiated by the Parties with the benefit of legal representation, and any rule of construction or interpretation otherwise requiring this Agreement to be construed or interpreted against any party will not apply to any construction or interpretation hereof.

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<<Client>>-<<Matter>>

**Schedule 4.3(a)**

**TO AFFILIATION AGREEMENT BY AND BETWEEN**

**SAMARITAN HEALTH SERVICES, INC.**

**AND**

**SANTIAM MEMORIAL HOSPITAL**

**THE EXCEPTIONS TO SECTION 4.3(a) ARE AS FOLLOWS:**

There are no known violations, contraventions, or breaches as described in Section 4.3(a) of the Affiliation Agreement. See Schedule 4.3(b) regarding needed Consents.

**Schedule 4.3 (b)**

**TO AFFILIATION AGREEMENT BY AND BETWEEN**

**SAMARITAN HEALTH SERVICES, INC.**

**AND**

**SANTIAM MEMORIAL HOSPITAL**

**REQUIRED NOTICES OR CONSENTS**

HCMO

Oregon Attorney General

HUD

Key Government Finance

Amerisource Bergen

Cardinal Health

ASD Specialty Healthcare

Key Government Finance

Cannon Financial Services

CT Corporation/CSI Leasing/Cysco

McKesson

Intuitive Surgical

Oregon Health Authority Public Health Division, Health Care Facility Licensing and Certification

Oregon Health Authority, Ambulance Service License

Oregon Health Authority, Level IV Trauma Center

Oregon Board of Pharmacy, Institutional Drug Outlet with Controlled Substance Registration

United States Department of Justice, DEA Registration

Oregon Board of Pharmacy, Retail Drug Outlet with Controlled Substance Registration

United States Department of Justice, Retail DEA Registration

US Department of Health and Human Services, Certified Mammography Facility

Oregon Health Authority, Radioactive Materials License  
CMS / The Joint Commission, Hospital and Clinics  
CMS / Swing Bed Certification  
CMS / The Joint Commission, Laboratory  
CMS / CLIA Licenses (Clinical Laboratory Improvement Amendments): managed by OHA Public Health Laboratory  
CMS / Provider-Based Rural Health Clinics  
Certified Patient-Centered Medical Home Clinics

[Note: there will be additional written consents needed from contract counterparties after all of the Contracts in Schedule 4.11(a) are reviewed. SMH will update this Schedule to include the additional written consents, as provided in the first paragraph of Article 4 of the Affiliation Agreement.]

**Schedule 4.4 (b)**

**TO AFFILIATION AGREEMENT BY AND BETWEEN**

**SAMARITAN HEALTH SERVICES, INC.**

**AND**

**SANTIAM MEMORIAL HOSPITAL**

**SUBSIDIARIES**

Santiam Hospital & Clinics Foundation

Santiam Medical Group, LLC - Dissolved

Willamette Healthcare Alliance, LLC - Dissolved

Willamette Valley Community Health, LLC - Dissolved

**Schedule 4.5 (a)**  
**TO AFFILIATION AGREEMENT BY AND BETWEEN**  
**SAMARITAN HEALTH SERVICES, INC.**  
**AND**  
**SANTIAM MEMORIAL HOSPITAL**

**THE FOLLOWING FINANCIAL STATEMENTS HAVE BEEN PROVIDED TO**  
**SAMARITAN HEALTH SERVICES:**

Audited Financial Statements 2021,2022,2023, interim unaudited through June 2024

Retirement Plan Audits 2021, 2022, 2023



**Schedule 4.5 (b)**

**TO AFFILIATION AGREEMENT BY AND BETWEEN**

**SAMARITAN HEALTH SERVICES, INC.**

**AND**

**SANTIAM MEMORIAL HOSPITAL**

**NONCONFORMITY WITH GAAP**

[Nothing to Disclose]

**Schedule 4.5 (c)**

**TO AFFILIATION AGREEMENT BY AND BETWEEN**

**SAMARITAN HEALTH SERVICES, INC.**

**AND**

**SANTIAM MEMORIAL HOSPITAL**

**MATERIAL CHANGES TO ACCOUNTING METHODS**

[Nothing to Disclose]

**Schedule 4.5 (d)**  
**TO AFFILIATION AGREEMENT BY AND BETWEEN**  
**SAMARITAN HEALTH SERVICES, INC.**  
**AND**  
**SANTIAM MEMORIAL HOSPITAL**  
  
**DONOR RESTRICTED FUNDS**

**Santiam Hospital & Clinics Foundation Funds**

**Hospital**

HUD Mortgage Reserve Fund

Santiam Canyon Wildfire Relief Fund

HARP – Community Development Block Grant

PacificSource Community Health Excellence Grant

Oregon Community Foundation, Capacity Building Grant

Behavioral Health Resource Network, Increasing Access and Awareness Grant

Marion County Tobacco Prevention

WHC Seasons for Safety

WHC Community Impact

PacificSource Community Solutions

Marion Polk Early Learning Hub

OHA BHW initiative

OHA ELC Subaward



## **Schedule 4.5 (e)**

### **TO AFFILIATION AGREEMENT BY AND BETWEEN**

**SAMARITAN HEALTH SERVICES, INC.**

**AND**

**SANTIAM MEMORIAL HOSPITAL**

## **INDEBTEDNESS**

Santiam Memorial Hospital  
Summary of Debts

	Origination Date	End Date	Term (Months)		Original Debt		6/30/2024 Balance
Midland Bank - HUD Mortgage Loan	2/1/2015	9/1/2037	272	\$	27,100,000	\$	18,930,819
Key Bank EPIC SNAP Revenue Note	6/1/2023	5/1/2028	60	\$	5,000,000	\$	3,933,639
DaVinci Robot Lease	9/23/2023	10/31/2028	60	\$	1,946,500	\$	1,871,686
St. Charles Health System Loan	12/31/2023	12/31/2024	12	\$	1,148,688	\$	592,016
CSI - Network Server Lease #1	4/1/2023	3/31/2026	36	\$	517,668	\$	318,948
Copiers Northwest - Canon Copiers Lease	1/1/2023	3/31/2026	36	\$	260,941	\$	196,098
CSI - Network Server Lease #2	8/1/2023	7/31/2026	36	\$	185,958	\$	132,611

**Schedule 4.7(a)**  
**TO AFFILIATION AGREEMENT BY AND BETWEEN**  
**SAMARITAN HEALTH SERVICES, INC.**

**AND**

**SANTIAM MEMORIAL HOSPITAL**

**LIST OF REAL PROPERTY OWNED**

<b>Description</b>	<b>Address</b>	<b>Tax parcel ID</b>	<b>Approximate Size</b>	<b>Land/Building</b>
Main Hospital Campus	1401 N 10 <sup>th</sup> Ave Stayton, OR 97383	r103903	101,900 SQ. FT.	Building
Medical Clinics	1369-1373 N 10 <sup>th</sup> Ave Stayton, OR 97383	r103903	5,171 SQ. FT.	Building
Medical Clinic	1375 N 10 <sup>th</sup> Ave Stayton, OR 97383	r103903	3,200 SQ. FT.	Building
Medical Clinic	1377 N 10 <sup>th</sup> Ave Stayton, OR 97383	r103914	5,540 SQ. FT.	Building
Medical Clinic	205 Main St Aumsville, OR 97325	r97703	2,850 SQ. FT.	Building
Medical Clinic	208 S 1 <sup>st</sup> Ave Mill City, OR 97360	8348	3,680 SQ. FT.	Building
Medical Clinic	114 SE Church St Sublimity, OR 7385	r105489	4,662 SQ. FT.	Building
Admin Office/ House	1208 E Pine St Stayton, OR 97383	r34652	2,500 SQ. FT.	Building
Admin Office/ House	1189 N 9 <sup>th</sup> Ave Stayton, OR 97383	r103919	3,500 SQ. FT.	Building
Vacant Lot	1100 Block 10 <sup>th</sup> Ave Stayton, OR 97383	r34644	41,382 SQ. FT.	Land
Vacant Lot	Adjacent to the Hospital on the South Side N 10 <sup>th</sup> Ave Stayton, OR 97383	r103903	10,018 SQ. FT.	Land
Vacant Lot used as temp parking lot	1053 E Santiam St Stayton, OR 97383	r103903	93,654 SQ. FT.	Land
Vacant Lot	7480 3 <sup>rd</sup> St Turner, OR 97392	530902	0.56 AC	Land
Vacant Lot	7480 3 <sup>rd</sup> St Turner, OR 97392	530902	0.33 AC	Land

**Schedule 4.7(b)**  
**TO AFFILIATION AGREEMENT BY AND BETWEEN**

**SAMARITAN HEALTH SERVICES, INC.**

**AND**

**SANTIAM MEMORIAL HOSPITAL**

**LIST OF REAL PROPERTY LEASED TO SMH AS TENANT**

<b>Description</b>	<b>Address</b>	<b>Landlord Name and Contact Information</b>	<b>Approximate Size</b>	<b>Land/ Building</b>
Administrative Space	102 B S Center St Sublimity, OR 97385	Country Financial 102 S Center St Sublimity, OR 97385 (503) 769-7520	400 SQ. FT.	Building
Administrative Space	100 SW Sublimity Blvd Sublimity, OR 97385	Siegmund Excavation & Construction 100 SW Sublimity Blvd, Sublimity, OR 97385 (503) 769-6280	2,560 SQ. FT.	Building
Administrative Space	11656 SE Sublimity Rd Ste 200 Sublimity, OR 97385	Mid-Willamette Valley Community Action Agency, Inc. 2475 Center Street NE Salem, OR 97301 jimmy.jones@mwvcaa.org	1,300 SQ. FT.	Building
Administrative Space	11656 Se Sublimity Rd, Sublimity, OR 97385	State of Oregon DHS 500 Summer St NE E90 Salem, OR 97301 503-945-6100	925 SQ. FT.	Building
Storage Space	1800 Pacific Court 532 Stayton, OR 97383	Stayton Mini Storage 1880 Pacific Ct. SE Stayton, OR 97383 (503) 769-6464 staytonstorage@gmail.com	400 SQ. FT.	Building
Storage Space	1800 Pacific Court 214 Stayton, OR 97383	Stayton Mini Storage 1880 Pacific Ct. SE Stayton, OR 97383 (503) 769-6464 staytonstorage@gmail.com	400 SQ. FT.	Building
Storage Space	1527 W Washington St Unit B Stayton, OR 97383	Adams Construction Co 2210 W Washington St, Stayton, OR 97383 Phone: (503) 769-2935	2,500 SQ. FT.	Building
Storage Space	1988 W Ida St Stayton, OR 97383	Stayton Fire District 1988 W Ida Street Stayton, OR 97383	400 SQ. FT.	Building

		(503) 769-2601		
Storage Space	115 NW Parker St Sublimity, OR 97380	Sublimity Fire District 115 NW Parker St Sublimity, OR 97385 503) 769-3282	400 SQ. FT.	Building
Storage Space	134 W Main St Sublimity, OR 97380	Sublimity Rental Supplies	400 SQ. FT.	Building
Storage Space	Warehouse Building 5 1075 Wilco Rd Stayton, OR 97383	CAP Investment Properties, LLC PO BOX 500 Sublimity, OR 97385 Cindy Octobre	6000 SQ. FT.	Building

**LIST OF REAL PROPERTY LEASED BY SMH AS LANDLORD**

<b>Description</b>	<b>Address</b>	<b>Tenant Name and Contact Information</b>	<b>Approximate Size</b>	<b>Land/ Building</b>
Medical Clinic	1377 N. Tenth Avenue, Stayton, Oregon 97383	Salem Heart Center, LLC 610 Hawthorne Ave SE Salem, Oregon 97301	500 SQ. FT.	Building



**Schedule 4.8**

**TO AFFILIATION AGREEMENT BY AND BETWEEN**

**SAMARITAN HEALTH SERVICES, INC.**

**AND**

**SANTIAM MEMORIAL HOSPITAL**

**UNDISCLOSED LIABILITIES**

[Nothing to Disclose]

**Schedule 4.10**  
**TO AFFILIATION AGREEMENT BY AND BETWEEN**  
**SAMARITAN HEALTH SERVICES, INC.**  
**AND**  
**SANTIAM MEMORIAL HOSPITAL**

**ABSENCE OF CERTAIN CHANGES AND EVENTS EXCEPT AS SET FORTH HEREIN:**

(a) Governing Documents

Articles of Incorporation, amended January 2024

Santiam Memorial Hospital Bylaws, amended January 2024

(b – f ) No changes, amendments, or material damages

(g) New Contract or Termed Contract

Smith & Nephew, CORi, entered into agreement 6/12/2024

Entry into applicable contract from Cardinal to Medline

Termination of Epic Connect Contract with St. Charles Health System

(h-j) No changes

(k) Capital Expenditure Since 12/31/2023

ER Expansion & Re-roof Project

Emergency Power Upgrade Project

Dexascan

Vitros 7600 Chemistry Analyzer

Cepheid Lab Analyzer

Security Video Server

Pyxis Logistics

(l) None

(m) None

(n) None

**Schedule 4.11 (a)****TO AFFILIATION AGREEMENT BY AND BETWEEN****SAMARITAN HEALTH SERVICES, INC.****AND****SANTIAM MEMORIAL HOSPITAL****SANTIAM HAS DELIVERED THE FOLLOWING APPLICABLE CONTRACTS:**

<b>Section i</b>	<b>Document Name in Dropbox</b>
Nothing to Disclose	
<b>Section ii - Management or Consulting Contracts over \$50k/year</b>	
ECG	ECG Mgmt Consult.Santiam January 2024
Compunet	
DUO	Duo Month to Month
OMAC	
Statesman Journal	LocalIQ
Eduardo Santoyo	Landscaping 2024
HMS Commercial Service	HMS HVAC Service Agreement 2024
Millwood Associates	Santiam-Millwood Master Services Agreement 8-30-23
Moonlight Maintenance	Santiam Hospital - Internal Medicine Clinic Cleaning 5 2024
Santiam Cleanery	
SCTC	
Moss Adams	Moss Adams MSA
<b>Section iii - Service, shared service, joint purchasing, provider or similar contracts over \$50k/year</b>	
Cardinal Health Pharmacy Services	1.5 Santiam Memorial Hospital_AGMT_2018_08_22-signed
VRAD	1.5 VRAD Santiam Memorial Hospital Telerad Agt Amdt 1_2022_06
	1.5 VRAD 2020 Contract
	1.5 Virtual Radiologic Contract 2011
Sightpath	Sightpath
Access Nurse PM, LLC	Access Nurse BAA and Agreement 2022.03.10

Attitus Consulting	Atticus Consulting Rightfax Managed Services
Mayo Clinic - Reference Lab	2022 Health Future_Mayo Clinic Laboratories_Amend add site_-Exec
Metcom 911	Metcom and Ambulance
PT Northwest	PT NW
Falls Canyon Surgery	Clean Room
Germaine and Wise	2.7 G&W PSA
CORi	CORi - 200430
<b>Section iv - leases of space or equipment over \$50k/year</b>	
Davinci	Intuitive Surgical - Agreement
Seigmund	siegmund building
Copiers NW	Copiers NW
CSI	18.2 FINAL 301246-001_Execution_copy(knm)-1 CSI Leasing
<b>Section v - Contracts for sale or acquisition of assets over \$50K/year</b>	
Nothing to Disclose	
<b>Section vi - Service Contracts and warranties with respect to assets over \$50K/year</b>	
Philips Ingenuity Core CT	Santiam Ingenuity 69181294 Contract 12 1 17
Philips MRI	MRI Agreement
Merge IBM (PACS)	Merative Support 2024
Agiliti- Biomed	Biomed
<b>Section vii - Installment payment contracts over \$50k/year</b>	
SCHS	SCHS Repayment Agreement 2024
Construction/Emerick	Emerick Epower 2023
<b>Section viii - Membership or other contracts engaged in quality review or rate review over \$50K/year</b>	
Joint Commission	Joint Commission
Press Ganey	Press Ganey
<b>Section ix - Contracts with third party administrators over \$50k/year</b>	
Consociates	Employee Benefit Plan
<b>Section x - Membership or other contracts with groups formed to coordinate facilities or service planning over \$50k/year</b>	

Construction Systems Management	Construction Mgmt Services Agreement.2010
Clark/Kjos Architects	CKA Projects
Mahlum	
<b>Section xi - Affiliation and transfer contracts with educational institutions, healthcare facilities, and government agencies over \$50K/year</b>	
Nothing to Disclose	
<b>Section xii - supply contracts over \$100K</b>	
Amerisource Bergen	ABC Master Program Agreement for SANTIAM MEMORIAL HOSPITAL - signed
McKesson Pharmacy	McKesson App CVS 340B
McKesson Medical Supply	
Cardinal	Cardinal Santiam MS Dist Agreement 06_2013 thru 05_2016 signed
<b>Section xiii - Brokers or Finders contracts over \$50K</b>	
Nothing to Disclose	
<b>Section xiv - Contracts involving joint venture partnership or limited liability agreements</b>	
Nothing to Disclose	
<b>Section xv - Contracts with a referral source</b>	
Dr. Maurer Medical Director	Cleanroom
Dr. Jamil Medical Director	Cleanroom
Dr. Nealon General Surgery Consultant	Cleanroom
Emergency Physician Services Agreement and all other independent contractor provider agreements or professional services agreements which have been uploaded to Dropbox	
<b>Section xvi - Contracts related to ACO, PHO, IPA, IDNs</b>	
Ambulance Service Area	1.5 Marion County ASA Franchise, 1.5 Linn County ASA
Pharmacy PSAO	959 Elevate PSAO Affiliation Agreement-3846740 - signed
All payer agreements, including those payer agreements uploaded by Santiam to the Operations section of the Clean Room	
<b>Section xvii - Indemnity Contracts for Officers, Directors, members, shareholders or advisory board members</b>	

D&O policy	2023 2024 Board Member DO Renewal Certificates
<b>Section xviii - License and sublicense agreements with respect to computer software over \$50K</b>	
3M Health Information Systems	3M contract
Experian	Fully Executed Experian
Premier ERP	Premier ERP
Paycom	Paycom Payroll and Human Capital Services Agreement
Hill-Rom	Hillrom contract for 2024-2025
SCHS Epic	1.4 SCHS Connect Contract
<b>Section xix - All Easement and real property operating agreements, other contracts related to real property</b>	
HUD	9.11 Santiam Hospital FHA Commitment - Nov 17, 2014
All easements, real property operating agreements, and other contracts related to real property which will be disclosed in the preliminary title report on Santiam's real property, which will be ordered after the signing of the Affiliation Agreement	
<b>Section xx - All contracts containing covenants that restrict rights or freedoms</b>	
Nothing to Disclose	
<b>Section xxi - All contracts containing a power of attorney granted by Santiam</b>	
Nothing to Disclose	
<b>Section xxii - Contracts involving the settlement, release, compromise, or waiver of material rights</b>	
Nothing to Disclose	
<b>Section xxiii - Contracts providing for material payments to and by any person</b>	
Nothing to Disclose	
<b>Section xxiv - Contracts for any employee involving payment of over \$100K</b>	
Brooke Renard, MD	Clean Room
Amanda Wagner, MD	Clean Room
Teresa Nitti, CNM	Clean Room
Sara Dunham, MD	Clean Room
Vince Gimino, PA	Clean Room
Sheila Crispin, NP	Clean Room

Ruben Pollak, DPM	Clean Room
Nick Stratton, MD	Clean Room
Derek Riley, MD	Clean Room
Steve (Eric) Yao, MD	Clean Room
David Thorsett, MD	Clean Room
Dan Schweigert, MD	Clean Room
Todd Rosborough, PA	Clean Room
Doug Huntley, PA	Clean Room
Molly Holway Yao, PA	Clean Room
Amelia Glazier, MD	Clean Room
Robert McGreevey, MD	Clean Room
Kailey Christison, PA	Clean Room
Benjamin Lee, DO	Clean Room
Samanthan Pacheco, PA	Clean Room
Scott Hadden, MD	Clean Room
Tanie Hotan, MD	Clean Room
Ann Gould, PA	Clean Room
Ty Weber, NP	Clean Room
Claire King, MD	Clean Room
Esther Lehmann, DO	Clean Room
Matt (George) Degner, MD	Clean Room
Mike Chen, MD	Clean Room
Sarah Oltman, PA	Clean Room
Guesly Dessieux, DO	Clean Room
Kim Dang, DO	Clean Room
Jennifer Goodrich, DO	Clean Room
Katie Metzger, PA	Clean Room
Fatima Baar Dealy, PA	Clean Room
Kimberly Edmonds, PA	Clean Room
Emily Alvale, MD	Clean Room
Eugene Vahkovsky, PA	Clean Room
Julie Carpenter, PA	Clean Room
Mike Mathews, MD	Clean Room
Jeffery Koller, PA	Clean Room
Lynn Gower, DO	Clean Room
Joe Lulich, NP	Clean Room
Jessica Whiting, NP	Clean Room
Michael Bass, PA	Clean Room



Arkady Klykov, MD	Clean Room
Kalsang Phuntshog, MD	Clean Room
Christian Spencer, PA	Clean Room
Steve Maland	Clean Room
Heather McMillen	Clean Room
Melanie Wong	Clean Room
Norma Soffa, NP	Clean Room
James Tesch	Clean Room
John Hoffman, MD	Clean Room
Kevin Matsuba, MD	Clean Room
Brian Wadley, MD	Clean Room
Erin Cramer, PA	Clean Room
Eric Pritchard	Clean Room
Steve Vets, DO	Clean Room
Sherri Steele, MSN	Clean Room
Rachael Seeder	Clean Room
Tiffanie Pye, PharmD	Clean Room
Maggie Hudson, MBA	Clean Room
<b>Section xxv - Contracts for services over \$50K</b>	
Hetzel Willaims PC	
Saalfeld Griggs PC	
Peter F. Stoloff, PC	
Instamed	Instamed
Medical Solutions	Medical Solutions
LRS Healthcare	Santiam Memorial Hospital - LRS Helathcare Contract
Delta LTSA	DLT Signed Agreement - Santiam
Medicus Healthcare Solutions	Medicus Healthcare Solutions- Agreement

Note: all other Applicable Contracts in the Clean Room and the Phase 1 and Phase 2 Due Diligence rooms on Dropbox which are not listed above are incorporated by reference into this Schedule 4.11(a) to the extent that such other Applicable Contracts are responsive to any category or section of Section 4.11(a).

**Schedule 4.11 (c)**  
**TO AFFILIATION AGREEMENT BY AND BETWEEN**  
**SAMARITAN HEALTH SERVICES, INC.**  
**AND**  
**SANTIAM MEMORIAL HOSPITAL**

**SANTIAM IS IN COMPLIANCE IN ALL MATERIAL RESPECTS WITH CONTRACTS**  
**EXCEPT AS SET FORTH HEREIN:**

Santiam reasonably believes that it is in compliance in all material respects with each Applicable Contract. See Schedules 4.10 and 4.13(a) regarding the St. Charles Health System EHR matter.

**Schedule 4.12(a)**  
**TO AFFILIATION AGREEMENT BY AND BETWEEN**  
**SAMARITAN HEALTH SERVICES, INC.**  
**AND**  
**SANTIAM MEMORIAL HOSPITAL**

**LIST OF INSURANCE POLICIES**

<b>Coverage</b>	<b>Policy Number</b>	<b>Carrier</b>	<b>Effective Date</b>	<b>Limit</b>	<b>Retention</b>	<b>Broker</b>
General/Professional Liability with Excess Liability	HP 00890	Oregon Healthcare Insurance Co RRG	7/1/2024 - 7/1/2025	\$1M Primary \$4M Excess	\$150K	Parker, Smith & Feek
Management Liability-Directors and Officers	HP 00890	Oregon Healthcare Insurance Co RRG	7/1/2024 - 7/1/2025	\$3M	\$25K	Parker, Smith & Feek
Management Liability-Employment Practices	HP 00890	Oregon Healthcare Insurance Co RRG	7/1/2024 - 7/1/2025	\$3M	\$25K	Parker, Smith & Feek
Commercial Auto (Cars and Ambulance)	MTA70002606 11	Markel Insurance Company	7/1/2024 - 7/1/2025	\$1M	\$500	Parker, Smith & Feek
Crime	105651244	Travelers Casualty and Surety	7/16/2023 - 7/16/2026	\$1M	\$25K	Parker, Smith & Feek
Property Insurance Hospital All Risk Property Program (HARPP)	PPROP2324	Alliant Insurance Services, Inc. Insurance Program (APIP)	7/1/2024 - 7/1/2025	\$100M	\$25K	Alliant Insurance Services, Inc.
Boiler and Machinery Insurance	PBOILER2324	Alliant Insurance Services, Inc. Insurance Program (APIP)	7/1/2024 - 7/1/2025	\$100M	\$25K	Alliant Insurance Services, Inc.
Cyber Insurance	FN2405500	Lloyd's of London – Beazly Syndicate	7/1/2024 - 7/1/2025	\$55M	\$50K	Alliant Insurance Services, Inc.
	EO5SACA0Q X004	Ironshore Specialty Insurance Company				
Pollution Liability Insurance	ISPILLSCAZ0 8004	Alliant Insurance Services, Inc. Insurance Program (APIP)	7/1/2024 - 7/1/2025	\$25M	\$50K	Alliant Insurance Services, Inc.

Workers Compensation Insurance	745553	SAIF	10/1/2023- 9/30/2024	\$1M	No deductible	Propel Insurance
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## Schedule 4.12 (d)

### TO AFFILIATION AGREEMENT BY AND BETWEEN SAMARITAN HEALTH SERVICES, INC. AND SANTIAM MEMORIAL HOSPITAL

**Sets forth for Santiam for the current policy year and each of the preceding five policy years a summary by the insurer of the loss experience under each policy of insurance**



#### Account Experience Report

Santiam Memorial Hospital  
Account Number: 188842

Report Date: 4/2/2024  
Data as of: 4/1/2024

##### For External Use Only

###### Policy Period

7/16/2014-7/16/2015, MML-03896-14
7/16/2015-7/16/2016, MML-05243-15
7/16/2016-7/16/2017, MML-06773-16
7/16/2017-7/16/2018, MML-08567-17
7/16/2018-7/16/2019, MML-10623-18
7/16/2019-7/16/2020, MML-12561-19
7/16/2020-7/16/2021, MML-15000-20
7/16/2021-7/16/2022, MML-19320-21
7/16/2022-7/16/2023, MML-24915-22
<b>Total All Years</b>

# of Claims	Reserve	Paid	Incurred
1	\$0.00	\$0.00	\$0.00
0	\$0.00	\$0.00	\$0.00
0	\$0.00	\$0.00	\$0.00
1	\$0.00	\$0.00	\$0.00
0	\$0.00	\$0.00	\$0.00
0	\$0.00	\$0.00	\$0.00
0	\$0.00	\$0.00	\$0.00
1	\$0.00	\$0.00	\$0.00
1	\$4.00	\$0.00	\$4.00
<b>4</b>	<b>\$4.00</b>	<b>\$0.00</b>	<b>\$4.00</b>

###### Policy Period

7/16/2014-7/16/2015, MML-03896-14
7/16/2015-7/16/2016, MML-05243-15
7/16/2016-7/16/2017, MML-06773-16
7/16/2017-7/16/2018, MML-08567-17
7/16/2018-7/16/2019, MML-10623-18
7/16/2019-7/16/2020, MML-12561-19
7/16/2020-7/16/2021, MML-15000-20
7/16/2021-7/16/2022, MML-19320-21
7/16/2022-7/16/2023, MML-24915-22
<b>Total All Years</b>

Retn/Ded Reserve	Retn/Ded Paid	Retn/Ded Incurred	Total Reserve	Total Paid	Total Incurred
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$0.00	\$7,827.50	\$7,827.50	\$0.00	\$7,827.50	\$7,827.50
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$0.00	\$8,540.50	\$8,540.50	\$4.00	\$8,540.50	\$8,544.50
<b>\$0.00</b>	<b>\$16,368.00</b>	<b>\$16,368.00</b>	<b>\$4.00</b>	<b>\$16,368.00</b>	<b>\$16,372.00</b>

Account Experience Report In Selection of Management Liability  
Primary Retn/Ded Displayed: Yes; Excess Retn/Ded Displayed: N/A

Page 1 of 10



## Account Experience Report

Santiam Memorial Hospital  
Account Number: 188842

Report Date: 4/2/2024  
Data as of: 4/1/2024

Policy Number: MML-03896-14 Policy Period: 7/16/2014 to 7/16/2015

PerClaimRetn	AggRetn	PerClaimLimit	AggLimit
\$25,000.00	N/A	\$3,000,000.00	\$3,000,000.00

Coverage Type: D&O

Claim #: 0AB116738

Claimant: Claimant, Unknown

Claim Type	Closed Date	Status	Date of Loss	Date of Claim	Date Reported
Claim	11/11/2015	Closed	11/1/2014		1/20/2015

Description/Location: Potential HIPPA claim involving the release of PII on 9 individual patients

	RETN					
	Indemnity Reserve	Expense Reserve	Indemnity Paid	Expense Paid	Total Incurred	
	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Insured						
Santiam Memorial Hospital	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Total :	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
TOTAL FOR CLAIM 0AB116738:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Total for all Claims Coverage: D&O						
MML-03896-14, 7/16/2014 to 7/16/2015	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Total for MML-03896-14:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	

Account Experience Report In Selection of Management Liability

Primary Retn/Ded Displayed: Yes; Excess Retn/Ded Displayed: N/A

Page 2 of 10



## Account Experience Report

Santiam Memorial Hospital  
Account Number: 188842

Report Date: 4/2/2024  
Data as of: 4/1/2024

Policy Number: MML-05243-15 Policy Period: 7/16/2015 to 7/16/2016

PerClaimRetn	AggRetn	PerClaimLimit	AggLimit
\$25,000.00	N/A	\$3,000,000.00	\$3,000,000.00

No Claims Exist

Account Experience Report In Selection of Management Liability

Primary Retn/Ded Displayed: Yes; Excess Retn/Ded Displayed: N/A

Page 3 of 10



## Account Experience Report

Santiam Memorial Hospital  
Account Number: 188842

Report Date: 4/2/2024  
Data as of: 4/1/2024

Policy Number: MML-06773-16 Policy Period: 7/16/2016 to 7/16/2017  
No Claims Exist

PerClaimRetn	AggRetn	PerClaimLimit	AggLimit
\$25,000.00	N/A	\$3,000,000.00	\$3,000,000.00

Account Experience Report In Selection of Management Liability  
Primary Retn/Ded Displayed: Yes; Excess Retn/Ded Displayed: N/A

Page 4 of 10



## Account Experience Report

Santiam Memorial Hospital  
Account Number: 188842

Report Date: 4/2/2024  
Data as of: 4/1/2024

Policy Number: MML-08567-17 Policy Period: 7/16/2017 to 7/16/2018

PerClaimRetn	AggRetn	PerClaimLimit	AggLimit
\$25,000.00	N/A	\$3,000,000.00	\$3,000,000.00

Coverage Type: EPLI

Claim #: 0AB231579

Claimant: Redacted

Claim Type	Closed Date	Status	Date of Loss	Date of Claim	Date Reported
Claim	12/21/2018	Closed	4/5/2018		6/27/2018

Description/Location: Discrimination

RETN	Indemnity Reserve	Expense Reserve	Indemnity Paid	Expense Paid	Total Incurred
	\$0.00	\$0.00	\$0.00	\$7,827.50	\$7,827.50

Insured

Santiam Memorial Hospital

Total :

Indemnity Reserve	Expense Reserve	Indemnity Paid	Expense Paid	Total Incurred
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

TOTAL FOR CLAIM 0AB231579:

\$0.00	\$0.00	\$0.00	\$7,827.50	\$7,827.50
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Total for all Claims Coverage: EPLI  
MML-08567-17, 7/16/2017 to 7/16/2018

Indemnity Reserve	Expense Reserve	Indemnity Paid	Expense Paid	Total Incurred
\$0.00	\$0.00	\$0.00	\$7,827.50	\$7,827.50

Total for MML-08567-17:

\$0.00	\$0.00	\$0.00	\$7,827.50	\$7,827.50
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Account Experience Report In Selection of Management Liability  
Primary Retn/Ded Displayed: Yes; Excess Retn/Ded Displayed: N/A

Page 5 of 10



## Account Experience Report

Santiam Memorial Hospital  
Account Number: 188842

Report Date: 4/2/2024  
Data as of: 4/1/2024

Policy Number: MML-10623-18 Policy Period: 7/16/2018 to 7/16/2019

No Claims Exist

PerClaimRetn	AggRetn	PerClaimLimit	AggLimit
\$25,000.00	N/A	\$3,000,000.00	\$3,000,000.00

Account Experience Report In Selection of Management Liability  
Primary Retn/Ded Displayed: Yes; Excess Retn/Ded Displayed: N/A

Page 6 of 10



## Account Experience Report

Santiam Memorial Hospital  
Account Number: 188842

Report Date: 4/2/2024  
Data as of: 4/1/2024

Policy Number: MML-12561-19 Policy Period: 7/16/2019 to 7/16/2020

No Claims Exist

PerClaimRetn	AggRetn	PerClaimLimit	AggLimit
\$25,000.00	N/A	\$3,000,000.00	\$3,000,000.00

Account Experience Report In Selection of Management Liability  
Primary Retn/Ded Displayed: Yes; Excess Retn/Ded Displayed: N/A

Page 7 of 10





## Account Experience Report

Santiam Memorial Hospital  
Account Number: 188842

Report Date: 4/2/2024  
Data as of: 4/1/2024

Policy Number: MML-15000-20 Policy Period: 7/16/2020 to 7/16/2021

No Claims Exist

PerClaimRetn	AggRetn	PerClaimLimit	AggLimit
\$25,000.00	N/A	\$3,000,000.00	\$3,000,000.00

Account Experience Report in Selection of Management Liability

Primary Retn/Ded Displayed: Yes; Excess Retn/Ded Displayed: N/A

Page 8 of 10



## Account Experience Report

Santiam Memorial Hospital  
Account Number: 188842

Report Date: 4/2/2024  
Data as of: 4/1/2024

Policy Number: MML-19320-21 Policy Period: 7/16/2021 to 7/16/2022

PerClaimRetn	AggRetn	PerClaimLimit	AggLimit
\$25,000.00	N/A	\$3,000,000.00	\$3,000,000.00

Coverage Type: EPLI

Claim #	Claim Type	Closed Date	Status	Date of Loss	Date of Claim	Date Reported
0AB367794	Claim	6/20/2023	Closed	6/3/2022		6/16/2022

Description/Location: Attorney demand letter alleging disability discrimination, sexual harassment/hostile work environment, intentional interference with economic relations, retaliation and wrongful termination.

	RETN	Indemnity Reserve		Expense Reserve		Indemnity Paid		Expense Paid		Total Incurred
		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
Insured										
Santiam Memorial Hospital		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
Total :		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
TOTAL FOR CLAIM 0AB367794:		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
Total for all Claims Coverage: EPLI		Indemnity Reserve		Expense Reserve		Indemnity Paid		Expense Paid		Total Incurred
MML-19320-21, 7/16/2021 to 7/16/2022		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
Total for MML-19320-21:		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00

Account Experience Report in Selection of Management Liability

Primary Retn/Ded Displayed: Yes; Excess Retn/Ded Displayed: N/A

Page 9 of 10



## Account Experience Report

Santiam Memorial Hospital  
Account Number: 188842

Report Date: 4/2/2024  
Data as of: 4/1/2024

Policy Number: MML-24915-22 Policy Period: 7/16/2022 to 7/16/2023

PerClaimRetn	AggRetn	PerClaimLimit	AggLimit
\$25,000.00	N/A	\$3,000,000.00	\$3,000,000.00

Coverage Type: EPLI

Claim #: 0AB398747

Claim Type

Closed Date

Status

Date of Loss

Date of Claim

Date Reported

Claimant: Redacted

Claim

Open

5/26/2023

5/26/2023

5/31/2023

Description/Location: Attorney demand letter alleging whistleblower retaliation, age discrimination and wrongful termination.

		RETN	Indemnity Reserve		Expense Reserve		Indemnity Paid		Expense Paid		Total Incurred	
			\$0.00		\$0.00		\$0.00		\$8,540.50		\$8,540.50	
Insured			Indemnity Reserve		Expense Reserve		Indemnity Paid		Expense Paid		Total Incurred	
Santiam Memorial Hospital			\$4.00		\$0.00		\$0.00		\$0.00		\$4.00	
Total :			\$4.00		\$0.00		\$0.00		\$0.00		\$4.00	
TOTAL FOR CLAIM 0AB398747:			\$4.00		\$0.00		\$0.00		\$8,540.50		\$8,544.50	
Total for all Claims Coverage: EPLI			Indemnity Reserve		Expense Reserve		Indemnity Paid		Expense Paid		Total Incurred	
MML-24915-22, 7/16/2022 to 7/16/2023			\$4.00		\$0.00		\$0.00		\$8,540.50		\$8,544.50	
Total for MML-24915-22:			\$4.00		\$0.00		\$0.00		\$8,540.50		\$8,544.50	

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No Representation or Warranty is Made with respect to the Information Contained Herein

Account Experience Report in Selection of Management Liability  
Primary Retn/Ded Displayed: Yes; Excess Retn/Ded Displayed: N/A

Page 10 of 10

PI1034

Served By: Pure Pol Yr, Rep Date, Loss E

Report Date: 1/1/1982 To: 3/5/2024

Branch Office: SEATTLE, SPOKANE

Physicians Insurance A Mutual Company  
Claims Loss by Pure Policy Year For:  
Saniam Memorial Hospital

Client ID(s): 000002

Claim Type: CLAIM EVENT, SUIT

Claim Status: ALL

Summary Period: 202403

Pure	Rep	Loss	Loss	Clin Typ	Claim No	Policy No	Insured	Description	OS Ind Resv	OS Exp	Ind Pay	Ind Ded	Exp Paid	Exp Ded	Total	Closed
2014	10-14	07-14	PL	PE	106605-1	300002122	Saniam Memorial	alleged poor int control res infection & addi	0	0	0	0	0	0	0	12-14
	05-15	01-15	PL	C	107272-1	300002122	Saniam Memorial	medical exp	0	0	30,000	0	0	0	0	08-15
2014					Count:	2		Sum:	0	0	30,000	0	0	0	0	
2015	12-15	11-15	PL	PE	107942-1	300002122	Saniam Memorial	delay in dx & tx for neuro symptoms res	0	0	0	0	500	0	0	06-16
	03-16	03-16	PL	PE	108322-1	300002122	Saniam Memorial	severe stroke	0	0	0	0	700	0	0	12-16
	04-16	03-14	PL	S	108398-1	300002122	Saniam Memorial	essure migrated causing need for	0	0	0	0	0	0	0	10-17
	04-16	03-14	PL	S	108398-2	300002122	Barnes	improper longarm rx of naproxen res kidney	0	0	1,000,000	0	113,306	0	0	10-17
	05-16	05-16	PL	PE	108480-1	300002122	Saniam Memorial	dep rap-pt contends misdiagnosis of umbilical	0	0	0	0	440	0	0	11-16
2015					Count:	5		Sum:	0	0	1,000,000	0	114,946	0	0	
2016	11-16	08-16	PL	C	109185-1	300002122	Saniam Memorial	post hip replacement, pt displaced hip 2x	0	0	0	0	1,013	0	0	10-17
	04-17	04-17	GL	C	109946-1	300002122	Saniam Memorial	pt passed out after blood draw, fall & fractured	0	0	20,000	0	0	0	0	03-18
2016					Count:	2		Sum:	0	0	20,000	0	1,013	0	0	
2017	02-18	01-17	DISC BC	PE	111281-1	300002122	Stratton	omb - contends knee infection not properly	0	0	0	0	2,173	0	0	08-19
	02-18	01-17	PL	PE	111283-1	300002122	Stratton	omb - pt contends improper tx with no surgery	0	0	0	0	2,549	0	0	08-19
	03-18	05-17	DISC BC	PE	111436-1	300002122	Saniam Memorial	omb invest for dr negligence underlying file	0	0	0	0	1,938	0	0	04-19
	04-18	05-17	PL	PE	111622-1	300002122	Saniam Memorial	pt contends his rights were violated in er care	0	0	0	0	612	0	0	04-19
	05-18	08-16	PL	C	111805-1	300002122	Saniam Memorial	lvi for noninsured podiatric surgeon	0	0	0	0	0	0	0	02-19
2017					Count:	5		Sum:	0	0	0	0	7,271	0	0	
2018	08-18	08-16	PL	S	112217-1	300002122	Saniam Memorial	imprpr tx res dyed dx of bacterial endocarditis &	0	0	4,200,000	0	97,471	0	0	11-19
	04-19	04-18	PL	PE	113401-1	300002122	Speece	dep rap	0	0	0	0	2,285	0	0	06-19
2018					Count:	2		Sum:	0	0	4,200,000	0	99,756	0	0	
2019	08-19	01-19	PL	PE	113880-1	300002122	Cramer	records subpoena	0	0	0	0	660	0	0	06-19
	08-19	05-17	PL	PE	113986-1	300002122	Gilberts	dep rap	0	0	0	0	151	0	0	01-20
	10-19	06-18	PL	C	114304-1	300002122	Saniam Memorial	lvi for dr stratton	0	0	0	0	330	0	0	03-20
	12-19	06-18	PL	C	114304-2	300002122	Stratton	hip replacement broke requiring multiple	0	0	0	0	3,291	0	0	03-20
	05-20	01-20	PL	C	115261-1	300002122	McGreavy	negi colorectal surgery result in injury to ureter	0	0	15,000	0	1,825	0	0	02-22
	05-20	01-20	DISC BC	PE	115262-1	300002122	Saniam Memorial	omb records request	0	0	0	0	0	0	0	12-20
	05-20	01-20	DISC BC	PE	115262-2	300002122	McGreavy	omb investigation	0	0	0	0	5,976	0	0	01-21
2019					Count:	7		Sum:	0	0	15,000	0	12,833	0	0	
2020	01-21	11-20	GL	C	116415-1	300002122	Saniam Memorial	lviator fall at entrance res in ue fix	0	0	3,283	-3,283	0	0	0	02-22
2020					Count:	1		Sum:	0	0	3,283	-3,283	0	0	0	
2021	08-21	10-19	PL	C	117407-1	300002122	Saniam Memorial	fall to treat dermatitis from acid burns result	0	0	0	0	500	-500	0	11-22
	02-22	02-20	PL	PE	118062-1	300002122	Dessieux	dep rap	0	0	0	0	0	0	0	07-22
	02-22	02-20	PL	PE	118062-2	300002122	Metzger	dep rap	0	0	0	0	146	-146	0	07-22
	02-22	02-20	PL	PE	118062-3	300002122	Saniam Memorial	dep rap	0	0	0	0	2,287	-2,287	0	07-22
	03-22	09-21	PL	PE	111757-3	300002122	Bass	dep rap	0	0	0	0	466	-466	0	06-22
	04-22	11-21	PL	C	118262-2	300002122	Saniam Memorial	retained wound vac sponge nst in need for	0	14,300	50,000	0	700	-700	0	06-22
	04-22	09-21	PL	PE	111757-4	300002122	Cramer	dep rap	0	0	0	0	886	-886	0	06-22
2021					Count:	7		Sum:	0	14,300	50,000	0	4,955	-4,955	0	
Totals:									0	14,300	53,983	-3,283	548,393	-4,955		
									Sum:	0	14,300	53,983	-3,283	548,393	-4,955	



## MARKEL INSURANCE COMPANY

4600 Cox Road, Glen Allen, VA 23060-9817 P. O. Box 2009, Glen Allen, Virginia 23058-2009  
(804) 527-2700 (888) 642-4968 Fax: (804) 527-7788

### Account Loss Experience Summary as of: 06-28-2024

Insured: Santiam Memorial Hospital

Agent: Parker Smith & Feek Inc

Agent State: WA

Account #: PI0630036

<u>Group Line</u>	<u>Policy #</u>	<u>Term</u>	<u># of Losses</u>	<u>Total Incurred</u>
Commercial Auto - Standard	MTA70002606-0	07-01-2013 - 07-01-2014	0	\$0.00
Commercial Auto - Standard	MTA70002606-1	07-01-2014 - 07-01-2015	0	\$0.00
Commercial Auto - Standard	MTA70002606-2	07-01-2015 - 07-01-2016	0	\$0.00
Commercial Auto - Standard	MTA70002606-3	07-01-2016 - 07-01-2017	0	\$0.00
Commercial Auto - Standard	MTA70002606-4	07-01-2017 - 07-01-2018	1	\$467.80
Commercial Auto - Standard	MTA70002606-5	07-01-2018 - 07-01-2019	0	\$0.00
Commercial Auto - Standard	MTA70002606-6	07-01-2019 - 07-01-2020	0	\$0.00
Commercial Auto - Standard	MTA70002606-7	07-01-2020 - 07-01-2021	1	\$63,124.45
Commercial Auto - Standard	MTA70002606-8	07-01-2021 - 07-01-2022	0	\$0.00
Commercial Auto - Standard	MTA70002606-9	07-01-2022 - 07-01-2023	0	\$0.00
Commercial Auto - Standard	MTA70002606-10	07-01-2023 - 07-01-2024	0	\$0.00



Run Date: 06-28-2024

## LOSS RUN REPORT - Detail

Page: 1

Insured: . . . Sandam Memorial Hospital  
Agent: . . . Markel Service Incorporated - NO PRINT  
Policy: . . . MTA70002606-4  
Term: . . . 07-01-2017 Thru 07-01-2018  
Groupline: . . Commercial Auto - Standard

Loss Date	Claim #	Reported Date	Loss Reserve	Expense Reserve	Loss Paid	Expense Paid	Loss Recovered	Expense Recovered	Total Incurred
05-10-2018	CMTA7000274968-1	05-16-2018	\$0.00	\$0.00	\$467.80	\$0.00	\$0.00	\$0.00	\$467.80
Claimant: . . . . . Belinda VanZandt									
Cause of Loss: . . Failure to secure load									
Examiner: . . . . . Bryan Muschall									
Status: . . . . . Closed Claim Type: . . . Reserve									
Coverage Type: . .									
Accident Location: .OR :									
Insured Location: .									
Driver Name: . . . Driver: Jane Adams-employee no restrictions									
Member Name: . .									
Unit: . . . . 11 - NISSAN ROGUE S/SL/SV 2016 Stayton, OR 97383 NISSAN ROGUE S/SL/SV 5M1AT2MV3GC789887									
Totals for Policy # MTA70002606-4			\$0.00	\$0.00	\$467.80	\$0.00	\$0.00	\$0.00	\$467.80

Insured: . . . Sandam Memorial Hospital  
Agent: . . . Markel Service Incorporated - NO PRINT  
Policy: . . . MTA70002606-7  
Term: . . . 07-01-2020 Thru 07-01-2021  
Groupline: . . Commercial Auto - Standard

Loss Date	Claim #	Reported Date	Loss Reserve	Expense Reserve	Loss Paid	Expense Paid	Loss Recovered	Expense Recovered	Total Incurred
07-20-2020	CMTA70002V1648-1	07-22-2020	\$0.00	\$0.00	\$44,202.50	\$680.45	\$0.00	\$0.00	\$44,882.95
Claimant: . . . . . Sandam Memorial Hospital									
Cause of Loss: . . STOLEN VEHICLE									
Examiner: . . . . . Shari Jones									
Status: . . . . . Closed Claim Type: . . . Reserve									
Coverage Type: . .									
Accident Location: .OR :									
Insured Location: .									
Driver Name: . . . Driver-None-Insured Vehicle stolen									
Member Name: . .									
Unit: . . . . 13 - Dodge Ram 2014 Stayton, OR 97383 Dodge Ram 3C7WRL2EG224072									

\*\*\*\* IMPORTANT: Accompanying report may contain additional losses on policies effective December 31, 1994 and prior \*\*\*\*



Run Date: 06-28-2024

## LOSS RUN REPORT - Detail

Page: 2

07-20-2020 CMTA70002V1548-2 07-22-2020 \$0.00 \$0.00 \$18,241.50 \$0.00 \$0.00 \$0.00 \$18,241.50  
Claimant: . . . . . Santiam Memorial Hospital  
Cause of Loss: . . Fire Damage to Vehicle  
Examiner: . . . . . Shari Jones  
Status: . . . . . Closed Claim Type: . . . . Reserve  
Coverage Type: . .  
Accident Location: .OR:  
Insured Location: .  
Driver Name: . . . Driver-None-Insured Vehicle stolen  
Member Name: . .  
Unit: . . . . 1 - State/Policy Level Unit Stayton, OR 97383 0 0 0

Totals for Policy # MTA70002606-7 \$0.00 \$0.00 \$62,444.00 \$680.45 \$0.00 \$0.00 \$63,124.45  
=====

Totals for Account # PI0630036 \$0.00 \$0.00 \$62,911.80 \$680.45 \$0.00 \$0.00 \$63,592.25  
=====

\*\*\*\* IMPORTANT: Accompanying report may contain additional losses on policies effective December 31, 1994 and prior \*\*\*\*

PRINT DATE 07/01/2024		VALUATION DATE 06/30/2024		CALIFORNIA HEALTHCARE INSURANCE COMPANY, INC. RRG						COMPLETE HISTORY PREPARED FOR: Santiam Memorial Hospital dba: Santiam			
CLAIMANT	CLAIM NO.	INCIDENT DATE	CLAIM DATE	LEGAL STATUS	CLOSE DATE	S/R	INDEMNITY PAID	EXPENSE PAID	IND RESERVE REMAINING	EXP RESERVE REMAINING	TOTAL CLAIM	SIR COST INCURRED	SIR COST PAID
CLAIMANT TYPE	AGE	LOCATION		LOSS SEVERITY	(NO ENTRY = OPEN)	LOSS CATEGORY	COVERAGE	CLAIM DESCRIPTION					
Redacted		1006887	11/09/2022	09/21/2023	Claim		150,000.00	0.00	4,187.50	6,000.00	10,812.50	23,000.00	4,187.50
PATIENT		Surgery - Operating Room/Pre & Post Op		Temporary Major	Santiam Memorial Hospital	Surgery Related		Alleged delayed diagnoses of torn meniscus and negligent hemorrhoidectomy occurring in operating room causing subsequent hemorrhoid ligation and calf hematoma requiring aspiration.					
Redacted		1006968	10/19/2021	11/19/2023	Suit		150,000.00	0.00	2,957.00	25,000.00	22,043.00	50,000.00	2,952.00
Patient		Patient Room - Adult Medical/Surgical		Permanent Major	Santiam Memorial Hospital	Treatment Related		Alleged failure to prevent and properly treat tourniquet pressure during and after right foot surgery resulting in gangrene and amputation of four right toes.					
	2	FILES		2023	ANNUAL TOTALS		0.00	7,135.50	33,000.00	32,860.50	73,000.00	73,000.00	7,138.50

**Schedule 4.13 (a)**

**TO AFFILIATION AGREEMENT BY AND BETWEEN**

**SAMARITAN HEALTH SERVICES, INC.**

**AND**

**SANTIAM MEMORIAL HOSPITAL**

**THERE IS NO PENDING OR, TO SANTIAM'S KNOWLEDGE, THREATENED, PROCEEDING  
BY OR AGAINST SANTIAM EXCEPT AS SET FORTH HEREIN:**

St. Charles Health System, Epic Connect Program - In Negotiations

**Schedule 4.13 (b)**

**TO AFFILIATION AGREEMENT BY AND BETWEEN**

**SAMARITAN HEALTH SERVICES, INC.**

**AND**

**SANTIAM MEMORIAL HOSPITAL**

**SANTIAM HAS NOT RECEIVED ANY WRITTEN NOTICE OF ANY INVESTIGATION BY ANY  
GOVERNMENTAL BODY INVOLVING SANTIAM, EXCEPT AS SET FORTH HEREIN:**

[Nothing to Disclose]



**Schedule 4.13 (c)**

**TO AFFILIATION AGREEMENT BY AND BETWEEN**

**SAMARITAN HEALTH SERVICES, INC.**

**AND**

**SANTIAM MEMORIAL HOSPITAL**

**THERE IS NO ORDER TO WHICH SANTIAM, OR ANY ASSETS OWNED OR USED BY  
SANTIAM SUBJECT, EXCEPT AS SET FORTH:**

[Nothing to Disclose]

**Schedule 4.14(a)**  
**TO AFFILIATION AGREEMENT BY AND BETWEEN**  
**SAMARITAN HEALTH SERVICES, INC.**  
**AND**  
**SANTIAM MEMORIAL HOSPITAL**

**GOVERNMENT AUTHORIZATIONS HELD BY SANTIAM:**

Oregon Health Authority Public Health Division, Health Care Facility

Oregon Health Authority, Ambulance Service License

Oregon Health Authority, Level IV Trauma Center

Oregon Health Authority Medicaid Certification

Oregon Board of Pharmacy, Institutional Drug Outlet with Controlled Substance  
Registration

United States Department of Justice, DEA Registration

Oregon Board of Pharmacy, Retail Drug Outlet with Controlled Substance Registration

Marion County Environmental Health Restaurants

United States Department of Justice, Retail DEA Registration

US Department of Health and Human Services, Certified Mammography Facility

Oregon Health Authority, Radioactive Materials License

CMS Hospital Certification

CMS/ Provider-Based Rural Health Clinics

CMS/ Swing Bed Certification

CLIA Licenses (Clinical Laboratory Improvement Amendments):

<b>CLIA Number</b>	<b>Laboratory Type</b>	<b>Certificate Type</b>	<b>Laboratory Name</b>	<b>Laboratory Address</b>
38D0988872	Hospital Laboratory	Waived	Aumsville Medical Clinic	205 Main Street Aumsville, OR 97325

<u>38D1100820</u>	Hospital Laboratory	Waived	Cascade Medical Clinic	1375 N. 10th Avenue, Ste #B Stayton, OR 97381
<u>38D0626355 *</u>	Hospital Laboratory	Non-waived	Santiam Hospital & Clinics DBA Santiam Hospital & Clinics	1401 N 10th Ave Stayton, OR 97383
<u>38D0626345</u>	Hospital Laboratory	Waived	Santiam Medical Associates	1401 N 10th Ave Ste #100 Stayton, OR 97383
<u>38D0712188</u>	Hospital Laboratory	Waived	Santiam Medical Clinic	280 S. First Avenue Mill City 97360
<u>38D0943619</u>	Hospital Laboratory	Waived	Santiam Pulmonary/Internal Medicine Clinic	1401 N. 10th Avenue, Ste #200 Stayton, OR 97383
<u>38D2010555</u>	Hospital Laboratory	Waived	Santiam Women's Clinic	1373 N. 10th Avenue Stayton, OR 97383
<u>38D1043424</u>	Hospital Laboratory	Waived	Sublimity Medical Clinic	114 S.E. Church Street Sublimity, OR 97385

Mechanical	Location	By	Item	Number	Location	Expiration
Elevator	Tower	State of Oregon	Elevator	EV#PXH11156-OP	1401 N 10 <sup>th</sup> Ave.	12/31/24
Elevator	Tower	State of Oregon	Elevator	EV#PXH20112-OP	1401 N 10 <sup>th</sup> Ave	12/31/24
Elevator	Tower	State of Oregon	Elevator	EV#PXH20115-OP	1401 N 10 <sup>th</sup> Ave	12/31/24
Elevator	Main	State of Oregon	Elevator	EV#PXH20120-OP	1401 N 10 <sup>th</sup> Ave	12/31/24

Mechanical	Location	By	Type	Number	Location	Expiration
Boiler	Sterile Proc	State of Oregon	Electric Boiler	107496	1401 N 10 <sup>th</sup> Ave	10/31/24
Boiler	Surgery	State of Oregon	Electric Boiler	107491	1401 N 10 <sup>th</sup> Ave	10/31/24

Boiler	Surgery	State of Oregon	Autoclave	107433	1401 N 10 <sup>th</sup> Ave	10/31/25
Boiler	Sterile Proc- East	State of Oregon	Autoclave	107431	1401 N 10 <sup>th</sup> Ave	10/31/25
Boiler	BLRM	State of Oregon	Water Tube	107304	1401 N 10 <sup>th</sup> Ave	10/31/24
Boiler	Comp Rm	State of Oregon	Air Tank	107031	1401 N 10 <sup>th</sup> Ave	10/31/25
Boiler	Outside	State of Oregon	Liquid Oxygen	1574	1401 N 10 <sup>th</sup> Ave	10/31/25
Boiler	BLRM	State of Oregon	Water Tube	107024	1401 N 10 <sup>th</sup> Ave	10/31/25
Boiler	BLRM	State of Oregon	Water Tube	107025	1401 N 10 <sup>th</sup> Ave	10/31/25
Boiler	BLRM	State of Oregon	Hot Water Tank	107027	1401 N 10 <sup>th</sup> Ave	10/31/25
Boiler	BLRM	State of Oregon	Air Tank	107029	1401 N 10 <sup>th</sup> Ave	10/31/25
Boiler	Sterile Proc	State of Oregon	Autoclave	107432	1401 N 10 <sup>th</sup> Ave	10/31/25

Category	ITEM	Licensed By	Serial Number	Machine	Number	Expiration
Diagnostic Imaging	C-arm	Oregon Health Authority	1620	Philips BV Endura	181916	02/29/2025
Diagnostic Imaging	Mini C-arm	Oregon Health Authority	09-0610-37	Hologic Insight 2	181914	02/29/2025
Diagnostic Imaging	C-arm	Oregon Health Authority	93069	Zeilm	181924	02/29/2025
Diagnostic Imaging	Portable XR	Oregon Health Authority	14100053	Philips Mobile Diagnost DR	181918	02/29/2025
Diagnostic Imaging	Portable XR	Oregon Health Authority	22410035	Philips Mobile Diagnost DR	181927	02/29/2025
Diagnostic Imaging	Fixed XR Room	Oregon Health Authority	16000249	Philips DigitalDiagnost 4.1 XR	181925	02/29/2025
Diagnostic Imaging	Remote Fluoro/XR	Oregon Health Authority	41C3535A3002	Shimadzu G4	181926	02/29/2025
Diagnostic Imaging	Mammo	Oregon Health Authority	28406105940W	Hologic Selenia	181922	02/29/2025
Diagnostic Imaging	Dexa	Oregon Health Authority	P138P37FH2	GE Prodigy	not yet registered (new)	NEW
Diagnostic Imaging	64 slice CT	Oregon Health Authority	310335	Philips Ingenuity Core	181921	02/29/2025

Diagnostic Imaging	Nuc MedCamera	Oregon Health Authority	CGBC66578	GE NM830	Uptake & Validation # 43757	06/31/2024
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**Schedule 4.14(b)**  
**TO AFFILIATION AGREEMENT BY AND BETWEEN**  
**SAMARITAN HEALTH SERVICES, INC.**  
**AND**  
**SANTIAM MEMORIAL HOSPITAL**

**SANTIAM HAS AT ALL TIME BEEN IN MATERIAL COMPLIANCE WITH EACH  
GOVERNMENT AUTHORIZATIONS, EXCEPT AS SET FORTH HEREIN:**

June 6, 2023. OIG Ambulance billing self-disclosure

August 10, 2009. Santiam Memorial Hospital Pharmacy, during a routine inspection by the Oregon Board of Pharmacy found one a staff member working as a pharmacy technician without a license as a pharmacy technician.

April 7, 2021 and October 26, 2023. Santiam Memorial Hospital Diagnostic Imaging Department, Diagnostic Imaging Technologists self-reported a lack of active licensure.

July 21, 2020. DEA self-report of stolen drugs (through the theft of ambulance).

June 6, 2021. DEA and Oregon Board of Pharmacy self-report employee theft of controlled substances.

**Schedule 4.15**

**TO AFFILIATION AGREEMENT BY AND BETWEEN**

**SAMARITAN HEALTH SERVICES, INC.**

**AND**

**SANTIAM MEMORIAL HOSPITAL**

**SANTIAM HAS AT ALL TIMES BEEN IN MATERIAL COMPLIANCE WITH EACH LEGAL  
REQUIREMENT APPLICABLE TO CONDUCT BUSINESS, EXCEPT AS SET FORTH HEREIN:**

[Nothing to Disclose]

**Schedule 4.16 (c)**  
**TO AFFILIATION AGREEMENT BY AND BETWEEN**  
**SAMARITAN HEALTH SERVICES, INC.**  
**AND**  
**SANTIAM MEMORIAL HOSPITAL**

**NO GOVERNMENT PROGRAM HAS REQUESTED IN WRITING ANY RECOUPMENT OR  
IMPOSED ANY FINE, PENALTY OR SANCTION, EXCEPT AS SET FORTH HEREIN:**

HHS, Office of Inspector General: Ambulance Self Report



**Schedule 4.17**

**TO AFFILIATION AGREEMENT BY AND BETWEEN**

**SAMARITAN HEALTH SERVICES, INC.**

**AND**

**SANTIAM MEMORIAL HOSPITAL**

**EXCLUSION FROM HEALTH CARE PROGRAMS**

[Nothing to Disclose]

**Schedule 4.18 (b)**  
**TO AFFILIATION AGREEMENT BY AND BETWEEN**  
**SAMARITAN HEALTH SERVICES, INC.**  
**AND**  
**SANTIAM MEMORIAL HOSPITAL**

**FINANCIAL RELATIONSHIPS BETWEEN SANTIAM AND REFERRAL SOURCES**

See Schedule 4.11(a) for the list of compensation relationships. Each of the Contracts or other financial relationships are in material compliance with Legal Requirements.

**Schedule 4.18 (c)**

**TO AFFILIATION AGREEMENT BY AND BETWEEN**

**SAMARITAN HEALTH SERVICES, INC.**

**AND**

**SANTIAM MEMORIAL HOSPITAL**

**SANTIAM HAS NOT SUFFERED ANY HIPAA BREACH OR UNAUTHORIZED DISCLOSURE  
OR MISUSE OF ANY PERSONALLY IDENTIFIABLE INFORMATION,                      EXCEPT  
AS SET FORTH HEREIN:**

[Nothing to Disclose]

**Schedule 4.18 (e)**

**TO AFFILIATION AGREEMENT BY AND BETWEEN**

**SAMARITAN HEALTH SERVICES, INC.**

**AND**

**SANTIAM MEMORIAL HOSPITAL**

**SANTIAM HAS NOT OR IN PROCESS OF A VOLUNTARY SELF-DISCLOSURE UNDER THE  
SELF-REFERRAL DISCLOSURE PROTOCOL, EXCEPT AS SET FORTH HEREIN:**

[See Schedule 4.16(c) Ambulance Self Report]

**Schedule 4.19**

**TO AFFILIATION AGREEMENT BY AND BETWEEN**

**SAMARITAN HEALTH SERVICES, INC.**

**AND**

**SANTIAM MEMORIAL HOSPITAL**

**SANTIAM IS ACCREDITED BY EACH OF THE ORGANIZATIONS:**

The Joint Commission, Hospital & Clinics

The Joint Commission, Laboratory

Certified Patient Centered Medical Homes (PCPCH)

American College of Radiology (ACR) Mammographic Imaging Services

American Society of Health System Pharmacists Residency

**Schedule 4.20 (g)**

**TO AFFILIATION AGREEMENT BY AND BETWEEN**

**SAMARITAN HEALTH SERVICES, INC.**

**AND**

**SANTIAM MEMORIAL HOSPITAL**

**ENVIRONMENTAL REPORTS, STUDIES, ANALYSES, OR TESTS DESCRIBED BELOW:**

The environmental reports, studies, analyses, or tests contained in the binder of environmental reports provided by Santiam to Samaritan in July 2024. These reports included environmental reports conducted in 2014 or 2015 in connection with the HUD financing, and the environmental report(s) in connection with the Turner property.

**Schedule 4.20**

**TO AFFILIATION AGREEMENT BY AND BETWEEN**

**SAMARITAN HEALTH SERVICES, INC.**

**AND**

**SANTIAM MEMORIAL HOSPITAL**

**SANTIAM IS IN COMPLIANCE WITH ENVIRONMENTAL LAWS,**

**EXCEPT AS FOLLOWS:**

Any compliance or noncompliance issues disclosed in the binder of environmental reports provided by Santiam to Samaritan in July 2024. These reports included environmental reports conducted in 2014 or 2015 in connection with the HUD financing, and the environmental report(s) in connection with the Turner property.

**Schedule 4.22 (a)**  
**TO AFFILIATION AGREEMENT BY AND BETWEEN**  
**SAMARITAN HEALTH SERVICES, INC.**  
**AND**  
**SANTIAM MEMORIAL HOSPITAL**

**THE FOLLOWING TAX RETURNS HAVE BEEN DELIVERED TO SAMARITAN BY SANTIAM:**

Form 990, 2018-2023

Form 990, Foundation 2023



**Schedule 4.22 (B)**

**TO AFFILIATION AGREEMENT BY AND BETWEEN**

**SAMARITAN HEALTH SERVICES, INC.**

**AND**

**SANTIAM MEMORIAL HOSPITAL**

**ADJUSTMENTS TO ANY TAX RETURNS FILED ON SCHEDULE 4.22(a):**

[Nothing to Disclose]

**Santiam Schedule 4.23 (a)**  
**TO AFFILIATION AGREEMENT BY AND BETWEEN**  
**SAMARITAN HEALTH SERVICES, INC.**  
**AND**  
**SANTIAM MEMORIAL HOSPITAL**  
**EMPLOYEE WELFARE BENEFITS PLANS**

Santiam Memorial Hospital Health Plan	Consociate Health
Santiam Memorial Hospital Oregon ASO Dental Plan	Delta Dental
Santiam Memorial Hospital 401(k) Retirement Plan	Empower Retirement LLC
▪ Discretionary Contributions	
▪ Matching Contributions	
Santiam Memorial Hospital 457(b) Retirement Plan	Empower Retirement LLC

Other Employee Benefits:

Group Basic Life and AD&D	Northwestern Mutual
Group Long Term Disability	Northwestern Mutual
Cafeteria Plan / Flexible Spending Accounts	Professional Benefit Services
Employee Assistance Program	MODA
Living Diabetes Program	MODA
Paid Time Off (PTO) and Extended Illness Bank (EIB)	

**Santiam Schedule 4.23 (b)**

**TO AFFILIATION AGREEMENT BY AND BETWEEN**

**SAMARITAN HEALTH SERVICES, INC.**

**AND**

**SANTIAM MEMORIAL HOSPITAL**

**ALL CONTRIBUTIONS TO EMPLOYEE BENEFIT PLANS HAVE BEEN MADE, AND NO  
BENEFIT PLAN IS SUBJECT TO THE FUNDING RULES OF SECTION 302 OF ERISA OR  
SECTION 412 OF THE CODE, EXCEPT AS SET FORTH HEREIN:**

[Nothing to Disclose]

**Santiam Schedule 4.23 (c)**

**TO AFFILIATION AGREEMENT BY AND BETWEEN**

**SAMARITAN HEALTH SERVICES, INC.**

**AND**

**SANTIAM MEMORIAL HOSPITAL**

**EMPLOYEE BENEFIT PLANS ARE IN MATERIAL COMPLIANCE AND ADMINISTERED IN  
ACCORDANCE WITH TERMS AND PROVISIONS OF TAX LAWS AND THE CODES, EXCEPT  
AS SET FORTH HEREIN:**

[Nothing to Disclose]

**Santiam Schedule 4.23 (f)**

**TO AFFILIATION AGREEMENT BY AND BETWEEN**

**SAMARITAN HEALTH SERVICES, INC.**

**AND**

**SANTIAM MEMORIAL HOSPITAL**

**SANTIAM DOES NOT MAINTAIN OR HAVE LIABILITY TO EMPLOYEE BENEFIT PLANS ON  
BEHALF OF RETIREES, EXCEPT AS SET FORTH HEREIN:**

[Nothing to Disclose]

**Santiam Schedule 4.23 (g)**

**TO AFFILIATION AGREEMENT BY AND BETWEEN**

**SAMARITAN HEALTH SERVICES, INC.**

**AND**

**SANTIAM MEMORIAL HOSPITAL**

**CONTEMPLATED TRANSACTION EXECUTION WILL NOT RESULT IN MATERIAL PAYMENT  
OR ACCELARATION OF PAYMENT, EXCEPT AS SET FORTH HEREIN:**

Extended Illness Bank (EIB) Balances

**Santiam Schedule 4.23 (m)**

**TO AFFILIATION AGREEMENT BY AND BETWEEN**

**SAMARITAN HEALTH SERVICES, INC.**

**AND**

**SANTIAM MEMORIAL HOSPITAL**

**NO BENEFIT PLAN IS SUBJECT TO SECTION 409a OF THE CODE,  
EXCEPT AS SET FORTH HEREIN:**

[Nothing to Disclose]

**Schedule 4.24 (a)**  
**TO AFFILIATION AGREEMENT BY AND BETWEEN**  
**SAMARITAN HEALTH SERVICES, INC.**  
**AND**  
**SANTIAM MEMORIAL HOSPITAL**

**EMPLOYEES AND CONSULTANTS**

<b>Name</b>	<b>Responsibilities</b>	<b>Date of Engagement</b>
Fahad Jamil, MD	Hospitalist, Medical Director	1/25/23, 1/1/24
Joseph O'Coner, MD	Hospitalist	10/1/2018
Tanja Epley, MD	Hospitalist	9/19/2019
Eric Rice, DO	Hospitalist - Resident	4/20/2024
Chandon Singh, PA	Hospitalist PA	6/12/2024
Veneta Vanguelova, DO	On-Call Pediatrician	4/30/2023
Ashley McCorkhill, DO	On-Call Pediatrician	4/20/2024
Susan Stein, MD	On-Call Pediatrician	3/16/2024
Todd Meyer	CRNA	2/3/2020
Rachel Mitzel	CRNA	9/27/2021
Yuri Chavez	CRNA	2/3/2020
Dallas Regan	CRNA	2/21/2022
Erin Mickelson	CRNA	1/31/2024
Chad Guthrie	CRNA	1/29/2024
Kristin Sinn	CRNA	10/28/2021
Travis Blackhurst	CRNA	8/1/2019



Michelle Shroyer	CRNA	6/14/2019
John Powell	CRNA	3/18/2021
Brett Greene, MD	ED Clinician	6/1/2019
David Lee, MD	ED Clinician	5/1/2015
Edward Junn, MD	ED Clinician	12/8/2009
Joaquin Espinoza, MD	ED Clinician	4/25/2018
Paula Godfrey, DO	Ed Clinician	7/23/2024
Joseph Goldman, MD	ED Clinician	10/3/2012
Mark Donnelly, MD	ED Clinician	4/22/2019
Michael Maurer, MD	ED Clinician, Medical Director	8/1/2020
Michael Mitchell, MD	ED Clinician	1/4/2018
Nicole Mullins, DO	ED Clinician	11/10/2022
Sean Steward, MD	ED Clinician	2/21/2014
Stephen Moon, MD	ED Clinician	6/8/2010
Urmil Patel, MD	ED Clinician	11/1/2014
Richard Ismach, MD	ED Clinician	1/12/2022
Edward Piepmeier, MD	ED Clinician	9/14/2022
Garyfallos Garyfallou, MD	ED Clinician	1/26/2023
Eric Stroud, PA	ED Clinician	8/13/2022
Brian Oakes, NP	ED Clinician	12/5/2022
Thomas Hollowell, PA	ED Clinician	2/8/2023
Atticus Consulting	RightFax Administrator	5/2023
Cedar Mountain Advisors	Financial Advisor	2011

Clark/Kjos Architects	Architect	2013
Compunet	IT Services	4/2022
Connected Healthcare	Travelers	12/2022
Construction Systems MGMT	Construction Project Management	12/2010
Dietitians on Demand Corporate Solutions	Dietitian	7/2023
Eduardo Santoyo	Landscape	8/2005
Emerick Construction	General Contractor	6/2018
Galen Healthcare Solutions	EHR Archive	1/2023
Gerry Aboud	Rental	11/2014
Germaine & Wise Mental Health Systems	Psychiatry	2023
HMS Commercial SVC	HVAC Service and Controls	4/2012
Icon Medical Network	Locums Company	02/2017
Impact Healthcare Solutions	Billing and Collection Services	03/2019
Kaufman Commercial	General Contractor	01/2021
Millennium Health	Drug Screen Services	11/2022
Moss Adams	Financial Auditor	03/2015
OMAC Advertising	Advertising	12/2001
PT Northwest, LLC	Physical Therapy	2000
Sightpath Medical	Eye Surgery Services	10/2013
Soliant Health	Travelers	06/2022
Wipfli	Medicare Cost Report Consultant	02/2016
Anderson Dabrowski Architects	Architect	12/2015
Active Media Publishing Group	Advertising	06/2023
Jim Crowther	Leased Admin Space	06/2022
Focus Heating	HVAC	10/2022
Kent Wadsworth, PC	Educator	4/2021
Medical Record Associates	Coding Audits	02/2022
Pacific Pathology	Pathology Services	01/2009
Saafeld Griggs, PC	Legal Counsel	12/2008
Medical Solutions	Travelers - Nursing	2022
Gold Penny Lumber Company LLC	Leased Admin Space	06/2023

**Schedule 4.24 (b)**

**TO AFFILIATION AGREEMENT BY AND BETWEEN**

**SAMARITAN HEALTH SERVICES, INC.**

**AND**

**SANTIAM MEMORIAL HOSPITAL**

**EMPLOYEES AND CONSULTANTS**

[Nothing to Disclose]

**Schedule 4.24 (c)**

**TO AFFILIATION AGREEMENT BY AND BETWEEN**

**SAMARITAN HEALTH SERVICES, INC.**

**AND**

**SANTIAM MEMORIAL HOSPITAL**

**EMPLOYEES AND CONSULTANTS**

[Nothing to Disclose]

**Schedule 4.24 (d)**

**TO AFFILIATION AGREEMENT BY AND BETWEEN**

**SAMARITAN HEALTH SERVICES, INC.**

**AND**

**SANTIAM MEMORIAL HOSPITAL**

**EMPLOYEES AND CONSULTANTS**

[Nothing to disclose]

**Schedule 4.25 (b)**

**TO AFFILIATION AGREEMENT BY AND BETWEEN**

**SAMARITAN HEALTH SERVICES, INC.**

**AND**

**SANTIAM MEMORIAL HOSPITAL**

**SANTIAM HAS COMPLIED IN ALL MATERIAL RESPECTS WITH ALL LEGAL  
REQUIREMENTS RELATING TO EMPLOYMENT PRACTICES, TERMS AND CONDITIONS,  
EXCEPT AS SET FORTH HEREIN:**

[Nothing to Disclose]

**Schedule 4.26 (b)**  
**TO AFFILIATION AGREEMENT BY AND BETWEEN**  
**SAMARITAN HEALTH SERVICES, INC.**  
**AND**  
**SANTIAM MEMORIAL HOSPITAL**  
**INTELLECTUAL PROPERTY RIGHTS**

Trademark: Santiam Hospital & Clinics “Embrace Health” with Icon



Assumed Business Names:

Santiam Hospital & Clinics

Santiam Hospital Pharmacy

**Schedule 4.26 (c)**

**TO AFFILIATION AGREEMENT BY AND BETWEEN**

**SAMARITAN HEALTH SERVICES, INC.**

**AND**

**SANTIAM MEMORIAL HOSPITAL**

**MATERIAL LICENSES OF INTELLECTUAL PROPERTY RIGHTS**

Epic Systems/St. Charles Health System  
Azure Active Directory  
Intune: Microsoft  
O365: Microsoft  
Premier  
Pyxis  
Mindray  
SafeTrace  
OnBase  
RightFax  
Obix  
Paycom  
PACS: Merative  
Ground Contro.: Imprevata  
Epiphany  
Fairwaning – Epic: Imprevata

Note: to the extent Santiam owns, instead of licenses, any of the above-listed software, please refer to Schedule 4.26(d). The actual software contracts need to be reviewed. After review, Schedule 4.26(c) and/or Schedule 4.26(d) will be amended.



**Schedule 4.26 (d)**

**TO AFFILIATION AGREEMENT BY AND BETWEEN**

**SAMARITAN HEALTH SERVICES, INC.**

**AND**

**SANTIAM MEMORIAL HOSPITAL**

**SOFTWARE OWNED EXCLUSIVELY BY SANTIAM THAT IS  
MATERIAL TO THE OPERATION OF BUSINESS:**

Pyxis  
Mindray  
Imprivata Ground Control  
Imprivata SSO  
LogMeIn  
Microsoft SQL Server  
PioneerRX  
Razor SQL  
RightFax  
Dragon  
ServiceDesk Plus  
OpsManager  
PACS DR/Merge/VNA/ICA  
Veeam One  
HillRom Nurse Call  
Ascom  
RemoteDesktop Server 2022  
Solar Winds Serv-U FTP/SFTP  
Natus Sleepworks  
FileZilla  
VMWare Vsphere  
Fixed Asset Pro  
CardStudio  
UltraLinq

Note: to the extent Santiam licenses any of the above-listed software, please refer to Schedule 4.26(c). The actual software contracts need to be reviewed. After review, Schedule 4.26(c) and/or Schedule 4.26(d) will be amended.



**Schedule 4.27**

**TO AFFILIATION AGREEMENT BY AND BETWEEN**

**SAMARITAN HEALTH SERVICES, INC.**

**AND**

**SANTIAM MEMORIAL HOSPITAL**

**RELATED PERSONS**

[Nothing to Disclose]

**Schedule 4.28**

**TO AFFILIATION AGREEMENT BY AND BETWEEN**

**SAMARITAN HEALTH SERVICES, INC.**

**AND**

**SANTIAM MEMORIAL HOSPITAL**

**RESIGNATION OR SANCTION OF ANY MEDICAL STAFF MEMBER**

[Nothing to Disclose]

**Schedule 5.3 (a)**

**TO AFFILIATION AGREEMENT BY AND BETWEEN**

**SAMARITAN HEALTH SERVICES, INC.**

**AND**

**SANTIAM MEMORIAL HOSPITAL**

**NO VIOLATIONS- SAMARITAN**

**Schedule 5.3 (b)**

**TO AFFILIATION AGREEMENT BY AND BETWEEN**

**SAMARITAN HEALTH SERVICES, INC.**

**AND**

**SANTIAM MEMORIAL HOSPITAL**

**NO VIOLATIONS- SAMARITAN**

Schedule 5.3(b)  
TO AFFILIATION AGREEMENT BY AND BETWEEN  
SAMARITAN HEALTH SERVICES, INC.  
AND  
SANTIAM MEMORIAL HOSPITAL

Samaritan has provided notice of the transaction to the following:

Key Bank Financial

Municipal Securities Rulemaking Board EMMA website

Schedule 5.4

TO AFFILIATION AGREEMENT BY AND BETWEEN

SAMARITAN HEALTH SERVICES, INC.

AND

SANTIAM MEMORIAL HOSPITAL

NOTHING TO REPORT



## SCHEDULE 7.7

### FINANCIAL COMMITMENTS

As soon as reasonably possible following the Effective Date and prior to the Closing Date, Samaritan and Santiam will collaborate on the development of a detailed 5-year written capital plan for Santiam's service area based upon its contemplated hospital, healthcare, physician, and other operations or activities as of the Closing Date (the "***Capital Plan***"). The Capital Plan will include, but shall not be limited to:

- Contribution at closing of TWO MILLION DOLLARS (\$2,000,000.00) from Samaritan into an unrestricted fund within the Foundation for short-term needs.
- TEN MILLION FIVE HUNDRED THOUSAND DOLLARS (\$10,500,000.00) in capital for 2024 through 2026 for routine equipment and furnishings, core IT platforms and related infrastructure, including telecom, and construction & maintenance.
- Construction of a new medical office building in Stayton with an estimated expense of FIFTEEN MILLION DOLLARS (\$15,000,000.00) to support patient access needs. Samaritan will commit to begin construction prior to 2031.
- Assumption by Samaritan of the remainder of Santiam's debt obligations to HUD (approximately \$20 million), and to Key Bank (approximately \$5 million).

**Schedule 7.4(a)**

**TO AFFILIATION AGREEMENT BY AND BETWEEN**

**SAMARITAN HEALTH SERVICES, INC.**

**AND**

**SANTIAM MEMORIAL HOSPITAL**

**Senior Management**

CEO, Maggie Hudson, MBA

COO, Tiffanie Pye, PharmD, BCPS

CMO, Steven Vets, DO

CNO, Sherri Steele, RN, BSN, MSN

Foundation Executive Director, Eric Pritchard

**Schedule 7.5 (c)**

**TO AFFILIATION AGREEMENT BY AND BETWEEN**

**SAMARITAN HEALTH SERVICES, INC.**

**AND**

**SANTIAM MEMORIAL HOSPITAL**

**AMENDMENTS TO SANTIAM MEDICAL STAFF BYLAWS**

**Schedule 7.7**  
**TO AFFILIATION AGREEMENT BY AND BETWEEN**  
**SAMARITAN HEALTH SERVICES, INC.**  
**AND**  
**SANTIAM MEMORIAL HOSPITAL**  
**CAPITAL PLAN**

As soon as reasonably possible following the Effective Date and prior to the Closing Date, Samaritan and Santiam will collaborate on the development of a detailed written capital plan for Santiam's service area based upon its contemplated hospital, healthcare, physician, and other operations or activities as of the Closing Date (the "**Capital Plan**").

The Capital Plan will include but shall not be limited to:

- Contribution at closing of TWO MILLION DOLLARS (\$2,000,000.00) from Samaritan into an unrestricted fund within the Foundation for short-term needs.
- TEN MILLION FIVE HUNDRED THOUSAND DOLLARS (\$10,500,000.00) in capital for 2024 through 2027 for core IT platforms and related infrastructure, including telecom and construction.
- Construction of a new medical office building in Stayton with an estimated expense of FIFTEEN MILLION DOLLARS (\$15,000,000.00) to support patient access needs.

Samaritan will commit to complete construction prior to 2031.

**Schedule 7.8 (a)**

**TO AFFILIATION AGREEMENT BY AND BETWEEN**

**SAMARITAN HEALTH SERVICES, INC.**

**AND**

**SANTIAM MEMORIAL HOSPITAL**

**SANTIAM MEMORIAL HOSPITAL BOARD OF DIRECTORS TO BE ELECTED TO SAMARITAN  
BOARD OF DIRECTORS**

To be determined at closing

**Schedule 7.8 (b)**

**TO AFFILIATION AGREEMENT BY AND BETWEEN**

**SAMARITAN HEALTH SERVICES, INC.**

**AND**

**SANTIAM MEMORIAL HOSPITAL**

**SANTIAM MEDICAL STAFF MEMBER TO BE APPOINTED TO SAMARITAN MEDICAL  
GROUP LEADERSHIP COUNCIL**

To be determined at closing

**Schedule 7.8 (c)**

**TO AFFILIATION AGREEMENT BY AND BETWEEN**

**SAMARITAN HEALTH SERVICES, INC.**

**AND**

**SANTIAM MEMORIAL HOSPITAL**

**SANTIAM MEDICAL STAFF MEMBER TO BE APPOINTED TO SAMARITAN MEDICAL  
GROUP GOVERNANCE COMMITTEE**

To be determined at closing

**Schedule 7.9 (b)**  
**TO AFFILIATION AGREEMENT BY AND BETWEEN**  
**SAMARITAN HEALTH SERVICES, INC.**  
**AND**  
**SANTIAM MEMORIAL HOSPITAL**

**POST CLOSING BOARD OF DIRECTORS**

See Schedule 7.8(a)



Schedule 8.5  
TO AFFILIATION AGREEMENT BY AND BETWEEN  
SAMARITAN HEALTH SERVICES, INC.  
AND  
SANTIAM MEMORIAL HOSPITAL

All regulatory consents identified in Schedule 4.3(b)

Schedule 8.6

TO AFFILIATION AGREEMENT BY AND BETWEEN

SAMARITAN HEALTH SERVICES, INC.

AND

SANTIAM MEMORIAL HOSPITAL

Health Care Market Oversight Program

Schedule 8.7

TO AFFILIATION AGREEMENT BY AND BETWEEN

SAMARITAN HEALTH SERVICES, INC.

AND

SANTIAM MEMORIAL HOSPITAL

To be updated prior to Close