



**STRICTLY CONFIDENTIAL**

[\_\_\_\_\_, 20\_\_]

**VIA** [\_\_\_\_\_]

[CONTACT PERSON, TITLE]  
[ADDRESS LINE 1]  
[ADDRESS LINE 2]  
[CITY, STATE ZIP]

Dear [Mr. / Ms. \_\_\_\_\_]:

I am writing to communicate the interest of Inperium, Inc. (“Inperium”) in entering into an affiliation (“Affiliation”) with [\_\_\_\_\_]  
 (“[Affiliate]”). Inperium and [Affiliate] will seek to complete due diligence by [\_\_\_\_\_, 20\_\_], enter into a definitive agreement by [\_\_\_\_\_, 20\_\_], and close the Affiliation by [\_\_\_\_\_, 20\_\_] (“Closing Date”). The parties’ decision to proceed with the Affiliation will be subject to, among other things, the successful completion of due diligence and approval by Inperium’s and Affiliate’s respective boards of directors.

1. The Affiliation. Inperium and [Affiliate] intend that the Affiliation will be memorialized in a definitive affiliation agreement (“Affiliation Agreement”) entered into by Inperium and [Affiliate], which Affiliation Agreement will provide, among other things, that Inperium will become the sole corporate member of [Affiliate], [Affiliate] will have representation on the Inperium board of directors, and such representations, warranties, covenants and conditions as mutually agreed upon by the parties, including the following specific terms and conditions:

(a) *Governance Structure*. Inperium will be designated as the sole member of [Affiliate] in [Affiliate’s] governing documents. Subject to any restrictions in the Affiliation Agreement, as the sole member of [Affiliate], Inperium will have standard member authority, including to approve: (a) fundamental corporate governance actions of [Affiliate], (b) capital investment by [Affiliate], (c) divestiture by [Affiliate] of significant assets, and (d) [Affiliate’s] acquisitions or affiliations.

(b) *Composition of [Affiliate] Board of Directors.* The composition of the Board of Directors of [Affiliate] will be set forth in the Affiliation Agreement and [Affiliate's] amended governing documents.

(c) *[Executive's] Employment Agreements.* [Executive] will remain President and Chief Executive Officer of [Affiliate] pursuant to a new employment agreement between Inperium and [Executive] effective on the Closing Date. Inperium and [Executive] may agree to also offer employment agreements to other key executives of [Affiliate].

(d) *Principal Affiliation Provisions.* Inperium shall agree to:

(i) Permit [Affiliate] to operate using its current name, mission, and core programs for a period of at least three years after the Closing Date, after which the parties may evaluate the most advantageous name at that time;

(ii) Make available as an addition to [Affiliate's] net assets the amount of \$5,000,000 to support and expand [Affiliate's] mission;

(iii) Retain current employees of [Affiliate] subject to the policies and practices that govern Inperium's relationship with its existing staff;

(iv) Enter into a shared services agreement with [Affiliate], pursuant to which Inperium will make available to [Affiliate] certain services and facilities on a cost-efficient basis to allow [Affiliate] to reduce its administrative costs; and

(v) Retain honorariums that [Affiliate] has established with respect to the naming of certain of its facilities and other spaces.

(e) *Closing Conditions.*

(i) Closing shall occur following the satisfaction or waiver of the conditions set forth below and in the Affiliation Agreement (collectively, the "Conditions"). In the event that any Condition is not satisfied, the party favored by the Condition may either waive the Condition or postpone the Closing Date to not later than [Date] to allow for the satisfaction of the Condition.

(ii) The consummation of the Affiliation is subject to: (A) necessary regulatory approvals; (B) approval of the respective Boards of Directors of Inperium and [Affiliate]; (C) the execution and delivery of mutually satisfactory Affiliation documents, containing the customary representations, warranties, covenants and conditions to closing contemplated hereby; and (D) the satisfactory completion, as determined by each respective party, of each such party's due diligence review.

(iii) Inperium's obligations to close the Affiliation shall be subject to the following conditions: (A) [Affiliate] shall provide an Officer's Certificate in a form satisfactory to Inperium certifying compliance with covenants and agreements and truthfulness of representations and

warranties contemplated herein; and [Affiliate] shall deliver certified resolutions of its Board of Directors approving the Affiliation, the Affiliation Agreement and related Affiliation documents; and (B) [Affiliate] shall have experienced no material adverse change in its financial condition.

(iv) [Affiliate's] obligations to close the Affiliation shall be subject to the following conditions: (A) Inperium shall provide an Officer's Certificate in a form satisfactory to [Affiliate] certifying compliance with covenants and agreements and truthfulness of representations and warranties contemplated herein; and Inperium shall deliver certified resolutions of its Board of Directors approving the Affiliation, the Affiliation Agreement and related Affiliation documents; and (B) Inperium shall have experienced no material adverse change in its financial condition.

(f) *Representations and Warranties of [Affiliate]*. The Affiliation Agreement shall contain representations and warranties of [Affiliate] that, except as specifically disclosed otherwise: (a) [Affiliate] has authority to enter into the Affiliation and the Affiliation is not restricted or prohibited by any other material contract, agreement or arrangement to which [Affiliate] is a party; (b) all disclosures made by [Affiliate] (including all duly authorized representatives thereof) are accurate and complete; and (c) to the best of [Affiliate's] knowledge, no action, suit or proceeding seeks to prohibit or delay the Affiliation.

(g) *Covenants of [Affiliate]*. [Affiliate] will conduct its operations in the usual and ordinary course; [Affiliate] will maintain insurance policies currently in effect; [Affiliate] will obtain approval from Inperium before issuing press releases regarding the Affiliation; and [Affiliate] will in good faith use all reasonable efforts to obtain satisfaction of conditions of closing.

(h) *Covenants of Inperium*. Inperium shall keep [Affiliate's] information confidential; Inperium will obtain approval from [Affiliate] before issuing press releases regarding the Affiliation; Inperium will in good faith use all reasonable efforts to obtain satisfaction of conditions of closing.

2. Termination. This letter agreement is not a binding contract on either Inperium or [Affiliate] and may be terminated by Inperium or [Affiliate] at any time in its sole discretion.

3. Access to Information; Confidentiality.

(a) From the date hereof, each of Inperium and [Affiliate] shall be permitted to perform certain due diligence for the purposes of evaluating the basis on which an Affiliation may be pursued and assisting in the development of more complete terms and conditions for any such Affiliation. Each party agrees to apply the necessary resources to affect the due diligence review in an appropriate manner in accordance with applicable law. Further, each party shall (and shall cause its officers, accountants and attorneys to) afford to the other and its officers, directors, employees and advisors (the "Representatives"), upon reasonable notice, access to all financial, operating and other data and information relating to their business as may be reasonably requested

to permit such investigation of their business properties and operations as it may deem appropriate in connection with a possible Affiliation.

(b) [Affiliate], on behalf of itself and its Representatives, and Inperium, on behalf of itself and its Representatives, agree that the terms and conditions of this letter agreement and any and all Confidential Information disclosed by either party to the other pursuant hereto, are strictly confidential and will not be disclosed to any individual or entity without the express written consent of the other party, not unreasonably withheld, except to the extent: (i) such disclosure may be required by law; (ii) such Confidential information may become available in the public domain or otherwise become known by party independently through no breach hereof by such party; or (iii) such disclosure is necessary and is reasonably made to internal constituents and stakeholders, such as owners, directors, officers and employees.

(c) For purposes hereof, the term “Confidential Information” includes, without limitation, the fact that the parties are considering the Affiliation and any and all written and unwritten business secrets, plans, strategies, pricing information, financial data, financial statements, budgets, projections, studies, patient data, patient statistics, tax returns, work sheets, records, policies, memoranda, correspondence, agreements, requests for proposal, project descriptions and materials, analyses and other documentation or information relating to methods of operation or the Affiliation or otherwise considered confidential and/or proprietary by the applicable party, and any other business or financial information relating to one or more of the parties or the Affiliation.

4. Exclusivity. The parties agree that for a period beginning on the execution date of this letter agreement and ending 180 days thereafter or the date of execution of the Affiliation Agreement, whichever is earlier, unless such period is extended by mutual agreement of the parties:

(a) neither [Affiliate], nor any shareholder, member, owner, director, officer, employee, financial advisor, attorney, accountant or other agent, representative or affiliate thereof, shall:

(i) initiate or solicit, directly or indirectly, any inquiries or the making of any proposal with respect to the sale, transfer, assignment, pledge or other disposition of any of the assets or equity of [Affiliate], or the merger, consolidation, joint venture, affiliation or other similar transaction involving [Affiliate] (an “Acquisition Proposal”);

(ii) engage in any negotiations concerning, or provide any confidential information or data to, or have any responsive discussions with, any person relating to any Acquisition Proposal; or

(iii) otherwise facilitate any effort or attempt to make or implement an Acquisition Proposal, except as expressly contemplated by this letter agreement; and

DATE

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(b) neither [Affiliate], nor any shareholder, member, owner, director, officer, employee, financial advisor, attorney, accountant or other agent, representative or affiliate thereof, shall initiate or solicit, directly or indirectly, make any inquiries of or any proposal to, or engage in any negotiations with, an organization other than Inperium regarding a potential transaction, affiliation, joint venture, merger, or acquisition.

5. Counterparts. This letter agreement may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same document. This letter agreement shall be effective upon the exchange by facsimile or e-mail of executed signature pages.

6. Governing Law. This letter agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania (regardless of the laws that might otherwise govern under applicable principles of conflicts of law).

7. Binding Effect. This letter is an expression of the present intention of the parties hereto relating to the subject matter contained herein. Except for the obligations set forth in paragraphs 2 through 7, which are intended to be legally binding obligations of the parties, no other liability or obligation of any nature whatsoever is intended to be created hereby, and the respective parties shall otherwise only be bound by and obligated pursuant to the terms and conditions of a definitive agreement that has been duly executed and delivered by the parties hereto. Without limiting the generality of the foregoing, this letter does not constitute a binding agreement to consummate an Affiliation nor does it constitute, is not intended to be and shall not be deemed to be an agreement to enter into a binding agreement with respect thereto.

[intentionally left blank]

If the terms set forth in this letter are agreeable, please indicate [Affiliate] 's agreement to the terms set forth herein by executing the enclosed copy of this letter agreement and returning it to the undersigned. This letter agreement shall be null and void if it has not been executed by all parties and returned to Inperium by April 19, 2019. We look forward to working with you and are eager to conclude due diligence and discussions promptly. Please do not hesitate to call me with any questions.

Very truly yours,

Inperium, Inc.

By: \_\_\_\_\_  
Ryan D. Smith  
President and CEO

**Acknowledged and agreed to this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_**

**[Affiliate]**

By: \_\_\_\_\_  
Name: Executive  
Title: President and Chief Executive Officer