UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2018

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission file number 001-35547

ALLSCRIPTS HEALTHCARE SOLUTIONS, INC.
(Exact Name of Registrant as Specified in Its Charter)

Delaware	**36-4392754**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**

222 Merchandise Mart, Suite 2024
Chicago, IL 60654
(Address of Principal Executive Offices, Zip Code)

(312) 506-1200
(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of August 3, 2018, there were 174,609,840 shares of the registrant's $0.01 par value common stock outstanding.

ALLSCRIPTS HEALTHCARE SOLUTIONS, INC.

FORM 10-Q

For the Fiscal Quarter Ended June 30, 2018

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

ALLSCRIPTS HEALTHCARE SOLUTIONS, INC.
CONSOLIDATED BALANCE SHEETS
(Unaudited)

(In thousands, except per share amounts)	June 30, 2018	December 31, 2017
ASSETS		
Current assets:		
Cash and cash equivalents	$ 135,851	$ 155,839
Restricted cash	4,925	6,659
Accounts receivable, net of allowance of $53,555 and $37,735 as of June 30, 2018 and December 31, 2017, respectively	522,144	567,873
Contract assets	64,419	0
Prepaid expenses and other current assets	128,325	115,463
Total current assets	855,664	845,834
Fixed assets, net	160,585	165,603
Software development costs, net	225,251	222,189
Intangible assets, net	839,173	826,872
Goodwill	2,107,818	2,004,953
Deferred taxes, net	4,457	4,574
Contract assets - long-term	46,173	0
Other assets	114,555	148,849
Assets attributable to discontinued operations	0	11,276
Total assets	$ 4,353,676	$ 4,230,150

ALLSCRIPTS HEALTHCARE SOLUTIONS, INC.
CONSOLIDATED BALANCE SHEETS (CONTINUED)
(Unaudited)

(In thousands, except per share amounts)	June 30, 2018	December 31, 2017
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 121,622	$ 97,583
Accrued expenses	113,122	85,915
Accrued compensation and benefits	109,120	99,632
Deferred revenue	531,189	546,830
Current maturities of long-term debt	19,509	27,687
Current maturities of non-recourse long-term debt - Netsmart	2,766	2,755
Current maturities of capital lease obligations	9,846	7,865
Total current liabilities	907,174	868,267
Long-term debt	983,133	906,725
Non-recourse long-term debt - Netsmart	624,549	625,193
Long-term capital lease obligations	6,666	7,105
Deferred revenue	20,653	24,047
Deferred taxes, net	129,262	93,643
Other liabilities	80,340	92,205
Liabilities attributable to discontinued operations	4,443	21,358
Total liabilities	2,756,220	2,638,543
Redeemable convertible non-controlling interest - Netsmart	455,832	431,535
Commitments and contingencies		
Stockholders' equity:		
Preferred stock: $0.01 par value, 1,000 shares authorized, no shares issued and outstanding as of June 30, 2018 and December 31, 2017	0	0
Common stock: $0.01 par value, 349,000 shares authorized as of June 30, 2018 and December 31, 2017; 270,709 and 174,534 shares issued and outstanding as of June 30, 2018, respectively; 269,335 and 180,832 shares issued and outstanding as of December 31, 2017, respectively	2,707	2,693
Treasury stock: at cost, 96,175 and 88,504 shares as of June 30, 2018 and December 31, 2017, respectively	(424,641)	(322,735)
Additional paid-in capital	1,766,863	1,781,059
Accumulated deficit	(228,308)	(338,150)
Accumulated other comprehensive loss	(4,206)	(1,985)
Total Allscripts Healthcare Solutions, Inc.'s stockholders' equity	1,112,415	1,120,882
Non-controlling interest	29,209	39,190
Total stockholders' equity	1,141,624	1,160,072
Total liabilities and stockholders' equity	$ 4,353,676	$ 4,230,150

The accompanying notes are an integral part of these consolidated financial statements.

ALLSCRIPTS HEALTHCARE SOLUTIONS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

(In thousands, except per share amounts)	Three Months Ended June 30, 2018	Three Months Ended June 30, 2017	Six Months Ended June 30, 2018	Six Months Ended June 30, 2017
Revenue:				
Software delivery, support and maintenance	$ 336,406	$ 275,033	$ 666,172	$ 543,221
Client services	189,171	151,058	373,331	296,345
Total revenue	525,577	426,091	1,039,503	839,566
Cost of revenue:				
Software delivery, support and maintenance	114,442	89,071	218,852	172,468
Client services	165,794	122,229	320,562	247,168
Amortization of software development and acquisition-related assets	32,678	27,300	66,451	53,787
Total cost of revenue	312,914	238,600	605,865	473,423
Gross profit	212,663	187,491	433,638	366,143
Selling, general and administrative expenses	149,081	112,037	292,151	222,882
Research and development	80,342	46,459	150,319	95,691
Asset impairment charges	30,075	0	30,075	0
Amortization of intangible and acquisition-related assets	11,962	7,891	24,210	15,203
(Loss) income from operations	(58,797)	21,104	(63,117)	32,367
Interest expense	(26,454)	(20,290)	(51,500)	(40,470)
Other (loss) income, net	(19)	(214)	(65)	25
Gain on sale of businesses, net	173,129	0	172,258	0
Impairment of long-term investments	(9,987)	(144,590)	(15,487)	(144,590)
Equity in net income (loss) of unconsolidated investments	767	(28)	706	257
Income (loss) from continuing operations before income taxes	78,639	(144,018)	42,795	(152,411)
Income tax (provision) benefit	(3,683)	1,007	(769)	835
Income (loss) from continuing operations, net of tax	74,956	(143,011)	42,026	(151,576)
(Loss) income from discontinued operations, net of tax	(684)	0	3,731	0
Net income (loss)	74,272	(143,011)	45,757	(151,576)
Less: Net loss (income) attributable to non-controlling interests	2,700	264	3,490	(189)
Less: Accretion of redemption preference on redeemable convertible non-controlling interest - Netsmart	(12,148)	(10,963)	(24,297)	(21,925)
Net income (loss) attributable to Allscripts Healthcare Solutions, Inc. stockholders	$ 64,824	$ (153,710)	$ 24,950	$ (173,690)
Net income (loss) attributable to Allscripts Healthcare Solutions, Inc. stockholders per share:				
Basic				
Continuing operations	$ 0.36	$ (0.85)	$ 0.11	$ (0.96)
Discontinued operations	0.00	0.00	0.03	0.00
Net income (loss) attributable to Allscripts Healthcare Solutions, Inc. stockholders per share	$ 0.36	$ (0.85)	$ 0.14	$ (0.96)
Diluted				
Continuing operations	$ 0.36	$ (0.85)	$ 0.11	$ (0.96)
Discontinued operations	0.00	0.00	0.03	0.00
Net income (loss) attributable to Allscripts Healthcare Solutions, Inc. stockholders per share	$ 0.36	$ (0.85)	$ 0.14	$ (0.96)

The accompanying notes are an integral part of these consolidated financial statements.

ALLSCRIPTS HEALTHCARE SOLUTIONS, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Unaudited)

(In thousands)	Three Months Ended June 30, 2018	Three Months Ended June 30, 2017	Six Months Ended June 30, 2018	Six Months Ended June 30, 2017
Net income (loss)	$ 74,272	$ (143,011)	$ 45,757	$ (151,576)
Other comprehensive income (loss):				
Foreign currency translation adjustments	(1,685)	832	(1,562)	2,347
Change in unrealized gain on available for sale securities	0	131,213	0	56,511
Change in fair value of derivatives qualifying as cash flow hedges	(460)	(315)	(1,093)	1,033
Other comprehensive (loss) income before income tax benefit (expense)	(2,145)	131,730	(2,655)	59,891
Income tax benefit (expense) related to items in other comprehensive income (loss)	120	124	434	(397)
Total other comprehensive (loss) income	(2,025)	131,854	(2,221)	59,494
Comprehensive income (loss)	72,247	(11,157)	43,536	(92,082)
Less: Comprehensive loss (income) attributable to non-controlling interests	2,700	264	3,490	(189)
Comprehensive income (loss), net	$ 74,947	$ (10,893)	$ 47,026	$ (92,271)

The accompanying notes are an integral part of these consolidated financial statements.

ALLSCRIPTS HEALTHCARE SOLUTIONS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(In thousands)	Six Months Ended June 30, 2018	Six Months Ended June 30, 2017
Cash flows from operating activities:		
Net income (loss)	$ 45,757	$ (151,576)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	132,217	101,297
Stock-based compensation expense	19,962	18,461
Deferred taxes	588	(4,659)
Asset impairment charges	30,075	0
Impairment of long-term investments	15,487	144,590
Equity in net income of unconsolidated investments	(706)	(257)
Gain on sale of businesses, net	(172,258)	0
Other losses, net	(365)	2,294
Changes in operating assets and liabilities (net of businesses acquired):		
Accounts receivable and contract assets, net	11,411	(13,047)
Prepaid expenses and other assets	(567)	(9,231)
Accounts payable	19,416	(2,830)
Accrued expenses	359	(5,187)
Accrued compensation and benefits	(947)	(2,102)
Deferred revenue	(32,932)	24,923
Other liabilities	(957)	6,683
Net cash provided by operating activities	66,540	109,359
Cash flows from investing activities:		
Capital expenditures	(16,613)	(25,035)
Capitalized software	(68,987)	(71,582)
Cash paid for business acquisitions, net of cash acquired	(179,041)	(3,975)
Cash received from sale of businesses, net	246,801	0
Purchases of equity securities, other investments and related intangible assets	(2,723)	(1,323)
Other proceeds from investing activities	45	0
Net cash used in investing activities	(20,518)	(101,915)
Cash flows from financing activities:		
Proceeds from sale or issuance of common stock	212	0
Taxes paid related to net share settlement of equity awards	(8,610)	(6,554)
Payments of capital lease obligations	(5,388)	(5,966)
Credit facility payments	(217,434)	(110,939)
Credit facility borrowings, net of issuance costs	275,843	120,000
Repurchase of common stock	(101,905)	(12,077)
Payment of acquisition financing obligations	(3,226)	0
Purchases of subsidiary shares owned by non-controlling interest	(6,945)	0
Net cash used in financing activities	(67,453)	(15,536)
Effect of exchange rate changes on cash and cash equivalents	(291)	596
Net decrease in cash and cash equivalents	(21,722)	(7,496)
Cash, cash equivalents and restricted cash, beginning of period	162,498	96,610
Cash, cash equivalents and restricted cash, end of period	$ 140,776	$ 89,114

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. Basis of Presentation and Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of Allscripts Healthcare Solutions, Inc. (“Allscripts”) and its wholly-owned subsidiaries and controlled affiliates. All significant intercompany balances and transactions have been eliminated. Each of the terms “we,” “us,” “our” or the “Company” as used herein refers collectively to Allscripts Healthcare Solutions, Inc. and its wholly-owned subsidiaries and controlled affiliates, unless otherwise stated.

Unaudited Interim Financial Information

The unaudited interim consolidated financial statements as of and for the three and six months ended June 30, 2018 and 2017 have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission (the “SEC”) for interim financial reporting. These interim consolidated financial statements are unaudited and, in the opinion of our management, include all adjustments, consisting of normal recurring adjustments and accruals, necessary to present fairly the consolidated financial statements for the periods presented in accordance with generally accepted accounting principles in the United States of America (“GAAP”). The consolidated results of operations for the three and six months ended June 30, 2018 are not necessarily indicative of the results to be expected for the full year ending December 31, 2018.

Certain information and footnote disclosures normally included in annual financial statements prepared in accordance with GAAP have been condensed or omitted in accordance with the SEC's rules and regulations for interim reporting, although the Company believes that the disclosures made are adequate to make that information not misleading. These unaudited interim consolidated financial statements should be read in conjunction with the consolidated financial statements and related notes included in our Annual Report on Form 10-K for the year ended December 31, 2017 (our “Form 10-K”).

Use of Estimates

The preparation of consolidated financial statements in accordance with GAAP requires us to make estimates and assumptions that affect the amounts reported and disclosed in the consolidated financial statements and the accompanying notes. Actual results could differ materially from these estimates.

Change in Presentation

During the first quarter of 2018, we changed the presentation of certain bundled revenue streams. Such revenue was previously included as part of software delivery, support and maintenance revenue. Under the new presentation, such revenue is included as part of client services revenue. The revenues previously reported for the three and six months ended June 30, 2017 have been recast to match the new presentation by reducing software delivery, support and maintenance and increasing client services by $4.2 million and $8.5 million, respectively.

Significant Accounting Policies

We adopted Financial Accounting Standards Board (“FASB”) Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers: Topic 606* (“ASC 606”) effective on January 1, 2018 using the modified retrospective method for all contracts not completed as of the date of adoption. There have been no other significant changes to our significant accounting policies from those disclosed in our Form 10-K.

Recently Adopted Accounting Pronouncements

In January 2016, the FASB issued Accounting Standards Update No. 2016-01, *"Recognition and Measurement of Financial Assets and Financial Liabilities"* ("ASU 2016-01"). The amendments in ASU 2016-01 modify the requirements related to the measurement of certain financial instruments in the statement of financial condition and results of operation. Equity investments (except those accounted for under the equity method of accounting or those that result in consolidation of the investee) are required to be measured at fair value with changes in fair value recognized in net income. An entity may continue to elect to measure equity investments which do not have a readily determinable fair value at cost with adjustments for impairment, if any, and observable changes in price. In addition, for a liability (other than a derivative liability) that an entity measures at fair value, any change in fair value related to the instrument-specific credit risk (i.e., the entity's own credit risk), should be presented separately in other comprehensive income and not as a component of net income. ASU 2016-01 also clarifies that an entity should evaluate the need for a valuation allowance on a deferred tax asset related to available-for sale securities in combination with the entity's other deferred tax assets. ASU 2016-01 is effective for interim and annual periods beginning after December 15, 2017 with early adoption permitted solely for the instrument-instrument specific credit risk for liabilities measured at fair value. The amendments should be applied by means of a cumulative-effect adjustment to the balance sheet as of the beginning of the fiscal year of adoption. The amendments related to equity securities without readily determinable fair values (including disclosure requirements) should be applied prospectively to equity investments that exist as of the date of adoption. We adopted ASU 2016-01 effective January 1, 2018 and there was no immediate impact upon adoption. Refer to Note 4, "Fair Value Measurements and Long-term Investments," for additional information regarding our unconsolidated equity investments.

In January 2017, the FASB issued Accounting Standards Update No. 2017-01, *Business Combinations (Topic 805): Clarifying the Definition of a Business* ("ASU 2017-01"). ASU 2017-01 provides new accounting guidance to assist an entity in evaluating when a set of transferred assets and activities is a business. The guidance is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2017, and should be applied prospectively to any transactions occurring within the period of adoption. We adopted ASU 2017-01 effective January 1, 2018 and there was no immediate impact upon adoption.

Accounting Pronouncements Not Yet Adopted

In June 2018, the FASB issued Accounting Standards Update No. 2018-07, "*Compensation-Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting*" ("ASU 2018-07"), which expands the scope of Topic 718 to include share-based payment transactions for acquiring goods and services from nonemployees. ASU 2018-07 specifies that Topic 718 applies to all share-based payment transactions in which a grantor acquires goods or services to be used or consumed in its own operations by issuing share-based payment awards. ASU 2018-07 also clarifies that Topic 718 does not apply to share-based payments used to effectively provide (1) financing to the issuer or (2) awards granted in conjunction with selling goods or services to customers as part of a contract accounted for under ASC 606. ASU 2018-07 is effective for interim and annual periods beginning after December 15, 2018. We are currently evaluating the impact of this accounting guidance, including the timing of adoption.

In February 2016, the FASB issued Accounting Standards Update No. 2016-02, "*Leases (Topic 842)*" ("ASU 2016-02"), intended to improve financial reporting about leasing transactions. The new guidance will require entities that lease assets to recognize on their balance sheets the assets and liabilities for the rights and obligations created by those leases and to disclose key information about the leasing arrangements. ASU 2016-02 is effective for interim and annual periods beginning after December 15, 2018 with early adoption permitted. We are currently gathering lease data and have selected specific software to assist us in recording and maintaining an inventory of leases. We will adopt ASU 2016-02 on January 1, 2019 and we are currently evaluating its financial statement impact.

In January 2017, the FASB issued Accounting Standards Update No. 2017-04, *Intangibles—Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment* ("ASU 2017-04"), which provides new accounting guidance to simplify the accounting for goodwill impairment. ASU 2017-04 removes Step Two of the goodwill impairment test, which requires a hypothetical purchase price allocation. Under the new guidance, a goodwill impairment will equal the amount by which a reporting unit's carrying value exceeds its fair value, not to exceed the carrying amount of goodwill assigned to the reporting unit. All other goodwill impairment guidance will remain largely unchanged. Entities will continue to have the option to perform a qualitative assessment to determine if a quantitative impairment test is necessary. ASU 2017-04 is effective for annual and interim periods in fiscal years beginning after December 15, 2019 with early adoption permitted for any goodwill impairment tests performed after January 1, 2017. The new guidance is to be applied prospectively. We are currently evaluating the impact of this accounting guidance, including the timing of adoption.

In August 2017, the FASB issued Accounting Standards Update No. 2017-12, *Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities* ("ASU 2017-12"), which provides new accounting guidance to simplify and improve the reporting of hedging relationships to better portray the economic results of an entity's risk management activities in its financial statements. In addition to that main objective, the amendments in this Update make certain targeted improvements to simplify the application of the hedge accounting guidance in current GAAP. ASU 2017-12 is effective for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. Early application is permitted in any interim period after the issuance of this Update. We are currently evaluating the impact of this accounting guidance, including the timing of adoption.

We do not believe that any other recently issued, but not yet effective accounting standards, if adopted, would have a material impact on our consolidated financial statements.

2. Revenue from Contracts with Customers

Our two primary revenue streams are (i) software delivery, support and maintenance and (ii) client services. Software delivery revenue consists of all of our proprietary software sales (either under a perpetual or term license delivery model), transaction-related revenue and the resale of hardware and third-party software. Support and maintenance revenue consists of revenue from post-contract client support and maintenance services, which include telephone support services, maintaining and upgrading software and ongoing enhanced maintenance. Client services revenue consists of revenue from managed services solutions, such as private cloud hosting, outsourcing and revenue cycle management, as well as other client services or project-based revenue from implementation, training and consulting services. For some clients, we host the software applications licensed from us using our own or third-party servers. For other clients, we offer an outsourced service in which we assume partial to total responsibility for a healthcare organization's IT operations using our employees.

Adoption of New Revenue Standard (ASC 606)

In May 2014, the FASB issued ASC 606 to supersede nearly all existing revenue recognition guidance under GAAP. The core principle of ASC 606 is to recognize revenue when promised goods or services are transferred to customers in an amount that reflects the consideration that is expected to be received for those goods or services. ASC 606 defines a five-step process to achieve this principle and, in doing so, it is possible more judgment and estimates may be required within the revenue recognition process than required under the previous FASB Accounting Standards Codification 605, *Revenue Recognition* ("ASC 605"), including identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price and allocating the transaction price to each separate performance obligation. Additionally, ASC 606 provides guidance related to costs of obtaining a contract with a customer that an entity expects to recover.

The new revenue recognition guidance permits two methods of adoption: retrospectively to each prior reporting period presented (full retrospective method), or retrospectively with the cumulative effect of initially applying the guidance recognized at the date of initial application (modified retrospective method). We adopted the standard effective on January 1, 2018 using the modified retrospective method. We also implemented internal controls, and continue to refine, our updated processes and key systems to allow us to continue to comply with the new requirements.

The reported results for the three and six months ended June 30, 2018 reflect the adoption of ASC 606. The comparative information for the three and six months ended June 30, 2017 has not been restated and will continue to be reported under the previous guidance of ASC 605, which was in effect during that period. The table below reflects the cumulative adjustments that were made to balances previously reported in the condensed consolidated balance sheet as of December 31, 2017. The majority of the cumulative adjustments were recorded during the quarter ended March 31, 2018. During the quarter ended June 30, 2018, we identified additional cumulative adjustments, which resulted in an increase to retained earnings of $14.0 million, an increase to contract assets of $15.9 million, an increase to deferred taxes, net of $4.9 million and a decrease to deferred revenue of $3.0 million.

(In thousands, except per share amounts)	As Reported December 31, 2017	Adjustments due to ASC 606	Adjusted January 1, 2018
Accounts receivable, net	$ 567,873	$ (32,529)	$ 535,344
Contract assets	0	92,447	92,447
Prepaid expenses and other current assets	115,463	11,646	127,109
Deferred revenue, current	546,830	(10,423)	536,407
Deferred revenue, long-term	24,047	0	24,047
Deferred taxes, net	93,643	21,392	115,035
Accumulated deficit	(338,150)	60,595	(277,555)

The adoption of ASC 606 had no impact on cash from or used in operating, financing or investing activities reported in our consolidated statement of cash flows for the year ended December 31, 2017. The following tables compare the reported condensed consolidated balance sheet and statement of operations as of and for the three and six months ended June 30, 2018 to the pro-forma amounts assuming the previous guidance of ASC 605 had been in effect:

	June 30, 2018		
(In thousands, except per share amounts)	**As reported under ASC 606**	**Adjustments due to ASC 606**	**Pro forma under ASC 605**
Accounts receivable, net	$ 522,144	$ 110,913	$ 633,057
Contract assets	64,419	(64,419)	0
Prepaid expenses and other current assets	128,325	(2,897)	125,428
Contract assets - long-term	46,173	(46,173)	0
Deferred revenue, current	531,189	2,186	533,375
Deferred taxes, net	129,262	(8,542)	120,720
Accumulated deficit	(228,308)	3,780	(224,528)

	Three Months Ended June 30, 2018		
(In thousands, except per share amounts)	**As reported under ASC 606**	**Adjustments due to ASC 606**	**Pro forma under ASC 605**
Software delivery, support and maintenance	$ 336,406	$ (6,107)	$ 330,299
Client services	189,171	(887)	188,284
Gross profit	212,663	(7,141)	205,522
Selling, general and administrative expenses	149,081	111	149,192
Loss from operations	(58,797)	(7,252)	(66,049)
Income (loss) from continuing operations before income taxes	78,639	(7,590)	71,049
Income tax (provision) benefit	(3,683)	1,997	(1,686)
Net income (loss)	74,272	(5,593)	68,679
Net income (loss) attributable to Allscripts Healthcare Solutions, Inc. stockholders	$ 64,824	(5,593)	$ 59,231
Earnings (loss) per share - basic attributable to Allscripts Healthcare Solutions, Inc. stockholders	$ 0.36	(0.03)	$ 0.33
Earnings (loss) per share - diluted attributable to Allscripts Healthcare Solutions, Inc. stockholders	$ 0.36	(0.03)	$ 0.33

	Six Months Ended June 30, 2018		
(In thousands, except per share amounts)	**As reported under ASC 606**	**Adjustments due to ASC 606**	**Pro forma under ASC 605**
Software delivery, support and maintenance	$ 666,172	$ (11,135)	$ 655,037
Client services	373,331	(1,953)	371,378
Gross profit	433,638	(13,420)	420,218
Selling, general and administrative expenses	292,151	(107)	292,044
Loss from operations	(63,117)	(13,313)	(76,430)
Income (loss) from continuing operations before income taxes	42,795	(13,837)	28,958
Income tax (provision) benefit	(769)	3,626	2,857
Net income (loss)	45,757	(10,211)	35,546
Net income (loss) attributable to Allscripts Healthcare Solutions, Inc. stockholders	$ 24,950	(10,211)	$ 14,739
Earnings (loss) per share - basic attributable to Allscripts Healthcare Solutions, Inc. stockholders	$ 0.14	(0.06)	$ 0.08
Earnings (loss) per share - diluted attributable to Allscripts Healthcare Solutions, Inc. stockholders	$ 0.14	(0.06)	$ 0.08

The recognition of revenue related to hardware sales, software-as-a-service-based offerings, client services, electronic data interchange services and managed services remained substantially unchanged under ASC 606. The adoption of ASC 606 resulted in an increase in contract assets driven by upfront recognition of revenue, rather than over the subscription period, from certain multi-year software subscription contracts that include both software licenses and software support and maintenance.

Costs to Obtain or Fulfill a Contract

Under ASC 605, we only capitalized direct sales commissions that were specifically associated with new or renewal contracts. The new revenue recognition guidance under ASC 606 requires the capitalization of all incremental costs of obtaining a contract with a customer that an entity expects to recover. As part of our implementation efforts, we identified certain indirect commissions and other payments that were eligible for capitalization under ASC 606 as they were incremental costs solely associated with new or renewal contracts that we expected to recover. Certain costs related to the fulfillment of contracts will also be capitalized. As a result, we recorded a deferral for such costs of $8.6 million, net of tax, upon adoption of the new guidance on January 1, 2018, which was included in the cumulative effect of initially applying ASC 606.

Capitalized costs to obtain or fulfill a contract are amortized over periods ranging from two to nine years which represent the initial contract term or a longer period, if renewals are expected and the renewal commission, if any, is not commensurate with the initial commission. We classify such capitalized costs as current or non-current based on the expected timing of expense recognition. The current and non-current portions are included in prepaid expenses and other current assets, and other assets, respectively, in our consolidated balance sheets.

At June 30, 2018, we had $26.5 million and $36.0 million of capitalized costs to obtain or fulfill a contract included in prepaid expenses and other current assets and other assets, respectively, in our consolidated balance sheets. During the three ended June 30, 2018, we recognized $7.6 million of amortization expense related to such capitalized costs, of which $7.5 million is included in selling, general and administrative expenses and $0.1 million is included in cost of revenue in our consolidated statements of operations. During the six months ended June 30, 2018, we recognized $15.8 million of amortization expense related to such capitalized costs, of which $15.5 million is included in selling, general and administrative expenses and $0.3 million is included in cost of revenue in our consolidated statement of operations.

Contract Balances

The timing of revenue recognition, billings and cash collections results in billed and unbilled accounts receivables, contract assets and customer advances and deposits. Accounts receivable, net includes both billed and unbilled amounts where the right to receive payment is unconditional and only subject to the passage of time. Contract assets include amounts where revenue recognized exceeds the amount billed to the customer and the right to payment is not solely subject to the passage of time. Deferred revenue includes advanced payments and billings in excess of revenue recognized. Our contract assets and deferred revenue are reported in a net position on an individual contract basis at the end of each reporting period. Contract assets are classified as current or long-term based on the timing of when we expect to complete the related performance obligations and bill the customer. Deferred revenue is classified as current or long-term based on the timing of when we expect to recognize revenue.

In general, with the exception of fixed fee project-based client service offerings (such as implementation services), we sell our software solutions on date-based milestone events where control transfers and use of the software occurs on the delivery date but the associated payments for the software license occur on future milestone dates. In such instances, unbilled amounts are included in contract assets since our right to receive payment is conditional upon the continued functionality of the software and the provision of ongoing support and maintenance. Our fixed fee project-based client service offerings typically require us to provide the services with either a significant portion or all amounts due prior to service completion. Since our right to payment is not unconditional, amounts associated with work prior to the completion date are also deemed to be contract assets.

Performance Obligations

A performance obligation is a promise in a contract to transfer a distinct product or service to a customer and is the unit of account in ASC 606. A performance obligation is considered distinct when both (i) a customer can benefit from the product or service either on its own or together with other resources that are readily available to the customer and (ii) the promised product or service is separately identifiable from other promises in the contract. Activities related to the fulfillment of a contract that do not transfer products or services to a customer, such as contract preparation or legal review of contract terms, are not deemed to be performance obligations. Based on the similarities in the definitions of a “deliverable” under ASC 605 and “performance obligation” under ASC 606, our identification of performance obligations under ASC 606 did not result in a significant divergence from our existing identification approach.

We generally sell our solutions through multi-element arrangements where we provide the customer with (1) software license, (2) support and maintenance, (3) embedded content such as third-party software and (4) client services. Incremental solutions, such as hardware and managed services are also provided based upon a customer’s preferences and requirements. We deem that a customer is typically able to benefit from a product or service on its own or together with readily available resources when we sell such product or service on a standalone basis. We have historically sold the majority of our performance obligations, with the exception of software licenses, on a standalone basis. Incremental solutions, such as hardware, client services and managed services, are often negotiated and fulfilled on an independent sales order basis as customer needs and requirements change over the course of a relationship period. In addition, support and maintenance and embedded content are provided on a stand-alone basis through the renewal process.

One of the product offerings under our *CareInMotion*™ platform requires a significant client service customization to enable the functionality of the software before the customer can obtain benefit from using the product. The significant customization cannot be performed by a third party. Software products and client services are separately identifiable in these contracts, but the performance obligations are not considered distinct in the context of the contract. Therefore, these products and services are treated as combined performance obligations.

Additionally, our support and maintenance obligations include multiple discrete performance obligations, with the two largest being unspecified product upgrades or enhancements, and technical support, which can be offered at various points during a contract period. We believe that the multiple discrete performance obligations within our overall support and maintenance obligations can be viewed as a single performance obligation since both the unspecified product upgrades and technical support are activities to fulfill the maintenance performance obligation and are rendered concurrently.

Generally, we do not provide additional warranties to clients above and beyond warranties that the solutions purchased will perform in accordance with the agreed-upon specifications. On rare occasions, when additional warranties are granted, we evaluate on a case-by-case basis whether the additional warranty granted represents a separate performance obligation.

The breakdown of revenue recognized related based on the origination of performance obligations and elected accounting expedients is presented in the table below:

(In thousands)	Three Months Ended March 31, 2018	Three Months Ended June 30, 2018
Revenue related to deferred revenue balance at beginning of period	$ 204,297	$ 215,519
Revenue related to new performance obligations satisfied during the period	257,222	244,082
Revenue recognized under "right-to-invoice" expedient	49,638	62,812
Reimbursed travel expenses, shipping and other revenue	2,769	3,164
Total revenue	$ 513,926	$ 525,577

The aggregate amount of contract transaction price related to remaining unsatisfied performance obligations (commonly referred to as “backlog”) represents contracted revenue that has not yet been recognized and includes both deferred revenue and amounts that will be invoiced and recognized as revenue in future periods. Total backlog equaled $4.8 billion as of June 30, 2018, of which we expect to recognize approximately 38% over the next 12 months, and the remaining 62% thereafter.

Accounting Policy Elections and Practical Expedients

The majority of our contracts contain provisions that require customer payment no later than one year from the transfer of control of the related performance obligation. Perpetual software license contracts in which payments range from 2 to 10 years contain a financing component. Interest income is recognized in these circumstances and totaled $0.3 million and $0.5 million during the three and six months ended June 30, 2018.

We have elected to exclude from the measurement of the transaction price all taxes (e.g. sales, use, value-added, etc.) assessed by government authorities and collected from a customer. Therefore, revenue is recognized net of such taxes.

Within the normal course of business, we contract with customers to deliver and ship tangible products such as computer hardware or licensed software disks. In these situations, the control of the products transfers to the customer when the product reaches the shipper based on free on board (FOB) shipping clauses. We have elected to use the practical expedient allowed under ASC 606 to account for shipping and handling activities that occur after the customer has obtained control of a promised good as fulfillment costs rather than as an additional promised service and, therefore, we do not allocate a portion of the transaction price to a shipping service obligation. Instead, we record as revenue any amounts billed to customers for shipping and handling costs and record as cost of revenue the actual shipping costs incurred.

Additionally, our standard contract terms allow for the reimbursement by a customer for certain travel expenses necessary to provide on-site services to the customer, such as implementation and training. Such reimbursed travel expenses are reported on a gross basis. Since such reimbursed travel expenses do not represent a distinct good or service nor represent incremental value provided to a customer, a performance obligation is deemed not to exist. In certain situations, however, when the allowable reimbursable expenses amount is capped, we believe that such cap represents the most likely amount of variable consideration and the capped amount is included in the total contract transaction price.

In accordance with ASC 606, if an entity has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the entity's performance completed to date, the entity may recognize revenue in the amount to which the entity has a right to invoice ("right-to-invoice" practical expedient). We have elected to utilize this expedient as it relates to transaction-based services (such as revenue cycle management) and electronic data interchange transactions.

Revenue Recognition

We recognize revenue only when we satisfy an identified performance obligation (or bundle of obligations) by transferring control of a promised product or service to a customer. We consider a product or service to be transferred when a customer obtains control because a customer has sole possession of the right to use (or the right to direct the use of) the product or service for the remainder of its economic life or to consume the product or service in its own operations. We evaluate the transfer of control primarily from the customer's perspective as this reduces the risk that revenue is recognized for activities that do not transfer control to the customer.

The majority of our revenue is recognized over time because a customer continuously and simultaneously receives and consumes the benefits of our performance. The exceptions to this pattern are our sales of perpetual and term software licenses, and hardware, where we determined that a customer obtains control of the asset upon delivery, shipment or granting of access. The following table summarizes the pattern of revenue recognition for our most significant performance obligations:

Performance Obligation	**Revenue Recognition Pattern**	**Measure of progress**
Support and maintenance ("SMA")	Over time	Output method (time elapsed) – revenue is recognized ratably over the contract term
Software as a service ("SaaS")	Over time	Output method (time elapsed) – revenue is recognized ratably over the contract term
Private cloud hosting	Over time	Output method (time elapsed) – revenue is recognized ratably over the contract term
Client/Education services	Over time	Input method (cost to cost) – revenue is recognized proportionally over the service implementation based on hours
Outsourcing services	Over time	Input method (cost to cost) – revenue is recognized proportionally over the outsourcing period
Payerpath (transaction volume)	Over time	Output method ("right-to-invoice" practical expedient) – value transferred to the customer is reflected on invoicing.
Software licenses	Point in time	Upon shipment or electronically delivered, as applicable
Hardware	Point in time	Upon shipment

When evaluating our SMA, SaaS and private cloud hosting performance obligations, we noted that these obligations are fulfilled as stand-ready obligations to perform and, therefore, we deem the obligations to be satisfied evenly over time. Client services, such as those relating to implementation, consulting, training or education, are generally not fulfilled evenly over the contract period but rather over a shorter timeline where work effort can rise or decline based upon stages of the project work effort. These client services are typically quoted to a customer as a fixed fee amount that covers the implementation effort. Delivery progress for these services is measured by establishing an approved cost budget with labor hour inputs utilized to gauge percentage of completion of the work effort. Therefore, revenue for our client, education and outsourcing services is recognized proportionally with the progress of the implementation work effort.

Payerpath transaction volume and other transaction-based service obligations, such as revenue cycle management services, are fulfilled over time but are not provided evenly over the contract period and reliable inputs are not available to track progress of completion. We determined that value is provided to the customer throughout the contract period and the pricing charged to the customer varies on a monthly basis, based upon the volume of the customer's transactions processed in that respective period. The invoiced amount to the customer represents this value and, accordingly, the practical expedient to recognize revenue based upon invoicing is most appropriate.

We considered the specific implementation guidance for accounting for licenses of intellectual property ("IP") to determine if point in time or over time recognition was more appropriate. The first step in the licensing framework is to determine whether the license is distinct or combined with other goods and services. For most of our software licensing products, the licenses are distinct, with the exception of one of our product offerings under our *CareInMotion*™ platform, which requires a significant client service customization. In all instances, we determined that we are offering functional IP as compared with a symbolic IP. Functional IP is a right to use IP because the IP has standalone functionality and a customer can use the IP as it exists at a point in time.

Disaggregation of Revenue

We disaggregate our revenue from contracts with customers based on the type of revenue and nature of revenue stream, as we believe those categories best depict how the nature, amount, timing and uncertainty of our revenue and cash flows are affected by economic factors. The below tables summarize revenue by type and nature of revenue stream as well as by our reportable segments:

	Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands)	2018	2017	2018	2017
Revenue:				
Software delivery, support and maintenance				
Recurring revenue	$ 292,991	$ 224,078	$ 587,446	$ 451,528
Non-recurring revenue	43,415	50,955	78,726	91,693
Total software delivery, support and maintenance	336,406	275,033	666,172	543,221
Client services				
Recurring revenue	$ 134,385	$ 99,136	$ 256,859	$ 200,915
Non-recurring revenue	54,786	51,922	116,472	95,430
Total client services	189,171	151,058	373,331	296,345
Total revenue	$ 525,577	$ 426,091	$ 1,039,503	$ 839,566

	Three Months Ended June 30, 2018					
(In thousands)	Clinical and Financial Solutions	Population Health	Netsmart	Unallocated	Discontinued Operations	Total
Software delivery, support and maintenance	$ 235,268	$ 50,896	$ 51,951	$ (2,073)	$ 364	$ 336,406
Client services	154,229	6,172	34,415	(5,732)	87	189,171
Total revenue	$ 389,497	$ 57,068	$ 86,366	$ (7,805)	$ 451	$ 525,577

	Three Months Ended June 30, 2017					
(In thousands)	Clinical and Financial Solutions	Population Health	Netsmart	Unallocated	Discontinued Operations	Total
Software delivery, support and maintenance	$ 182,811	$ 39,021	$ 49,548	$ 3,653	$ 0	$ 275,033
Client services	121,300	3,487	28,873	(2,602)	0	151,058
Total revenue	$ 304,111	$ 42,508	$ 78,421	$ 1,051	$ 0	$ 426,091

	Six Months Ended June 30, 2018					
(In thousands)	Clinical and Financial Solutions	Population Health	Netsmart	Unallocated	Discontinued Operations	Total
Software delivery, support and maintenance	$ 465,825	$ 112,095	$ 101,197	$ (908)	$ (12,037)	$ 666,172
Client services	297,651	14,678	67,655	(8,845)	2,192	373,331
Total revenue	$ 763,476	$ 126,773	$ 168,852	$ (9,753)	$ (9,845)	$ 1,039,503

	Six Months Ended June 30, 2017					
(In thousands)	Clinical and Financial Solutions	Population Health	Netsmart	Unallocated	Discontinued Operations	Total
Software delivery, support and maintenance	$ 361,142	$ 78,710	$ 96,044	$ 7,325	$ 0	$ 543,221
Client services	239,149	7,227	55,384	(5,415)	0	296,345
Total revenue	$ 600,291	$ 85,937	$ 151,428	$ 1,910	$ 0	$ 839,566

3. Business Combinations

2018 Business Combinations

Agreement to Acquire Health Grid

On May 18, 2018, we acquired all the capital stock of Health Grid Holding Company, a Delaware corporation ("Health Grid"), for a total price of $110.0 million, consisting of an initial payment of $60.0 million plus up to an aggregate of $50.0 million in future earnout payments based on Health Grid achieving certain revenue targets over the three years following the acquisition (subject to adjustments for net working capital, cash, debt and transaction expenses). At the time of closing, we pre-paid $10.0 million of the earnout payments and the remaining contingent consideration of up to $40.0 million was valued at $23.9 million. Health Grid is a patient engagement solutions provider that assists independent providers, hospitals and health systems to improve patient interactions and satisfaction. We expect to integrate the capabilities of Health Grid into our FollowMyHealth® platform. The consideration paid for Health Grid is shown below:

	(In thousands)
Aggregate purchase price	$ 60,000
First earnout payment paid by Allscripts	10,000
Fair value of contingent consideration payment	23,915
Closing purchase price adjustments	1,804
Total consideration paid for Health Grid	$ 95,719

The allocation of the fair value of the consideration transferred as of the acquisition date of May 18, 2018 is shown in the table below. This allocation is preliminary and subject to changes, which could be significant, as appraisals of tangible and intangible assets are finalized, and additional information becomes available. The goodwill is not expected to be deductible for tax purposes.

	(In thousands)
Cash and cash equivalents	$ 1,783
Accounts receivable, net	3,968
Prepaid expenses and other assets	186
Fixed assets	200
Intangible assets	41,000
Goodwill	53,747
Accounts payable and accrued expenses	(478)
Deferred revenue	(700)
Long-term deferred tax liability	(3,987)
Net assets acquired	$ 95,719

The following table summarizes the preliminary fair values of the identifiable intangible assets and their estimated useful lives:

Description	Useful Life (In years)	Fair Value (In thousands)
Customer Relationships	15	$ 28,000
Technology	8	13,000
		$ 41,000

We incurred $0.3 million of acquisition costs which are included in selling, general and administrative expenses in the accompanying consolidated statement of operations for the three and six months ended June 30, 2018. The results of operations of Health Grid were not material to our consolidated results of operations for the three and six months ended June 30, 2018.

Acquisition of Practice Fusion, Inc.

On February 13, 2018, we completed the acquisition of Practice Fusion, Inc., a Delaware corporation ("Practice Fusion"), for aggregate consideration of $113.7 million paid in cash. Practice Fusion offers an affordable certified cloud-based electronic health record ("EHR") for traditionally hard-to-reach small, independent physician practices. The consideration paid for Practice Fusion is shown below:

		(In thousands)
Aggregate purchase price	$	100,000
Add: Net working capital surplus		469
Less: Adjustment for assumed indebtedness		(1,684)
Add: Closing cash		14,951
Total consideration paid for Practice Fusion	$	113,736

The allocation of the fair value of the consideration transferred as of the acquisition date of February 13, 2018 is shown in the table below. This allocation is preliminary and subject to changes, which could be significant, as appraisals of tangible and intangible assets are finalized, and additional information becomes available. The goodwill is not expected to be deductible for tax purposes.

		(In thousands)
Cash and cash equivalents	$	14,951
Accounts receivable, net		13,328
Prepaid expenses and other current assets		809
Fixed assets		1,764
Intangible assets		67,200
Goodwill		35,329
Other assets		43
Accounts payable and accrued expenses		(7,620)
Deferred revenue		(2,400)
Long-term deferred tax liability		(8,853)
Other liabilities		(815)
Net assets acquired	$	113,736

We recorded a $0.6 million measurement period adjustment during the six months ended June 30, 2018, which resulted in an increase in goodwill with an offset to long-term deferred tax liabilities.

The following table summarizes the preliminary fair values of the identifiable intangible assets and their estimated useful lives:

Description	Useful Life (In years)		Fair Value (In thousands)
Customer Relationships - Physician Practices	15	$	28,700
Customer Relationships - Pharmaceutical Partners	20		19,800
Technology	8		14,800
Tradenames	10		3,900
		$	67,200

We incurred $0.3 million and $0.8 million of acquisition costs which are included in selling, general and administrative expenses in the accompanying consolidated statement of operations for the three and six months ended June 30, 2018. The results of operations of Practice Fusion were not material to our consolidated results of operations for the three and six months ended June 30, 2018.

Other Acquisitions and Divestiture

On June 15, 2018, we acquired all the outstanding minority interest in a third party for $6.9 million. We initially acquired a controlling interest in the third party in April 2015. Therefore, this transaction was treated as an equity transaction and the cash payment is reported as part of cash flow from financing activities in the consolidated statement of cash flows for the six months ended June 30, 2018.

On April 2, 2018, Allscripts Healthcare, LLC, a wholly-owned subsidiary of the Company ("Healthcare LLC") and certain subsidiaries of Healthcare LLC and Hyland Software, Inc., an Ohio corporation ("Hyland"), completed the transactions contemplated by an Asset Purchase Agreement (the "Asset Purchase Agreement") by which Hyland acquired substantially all of the assets of the Allscripts' business providing hospitals and health systems document and other content management software and services generally known as "OneContent." Allscripts acquired the OneContent business during the fourth quarter of 2017 through the acquisition of the EIS Business (as defined below). Certain assets of Allscripts relating to the OneContent business were excluded from the transaction and retained by Allscripts, as described in the Asset Purchase Agreement. In addition, Hyland assumed certain liabilities related to the OneContent business under the terms of the Asset Purchase Agreement. The total consideration for the OneContent business was $260 million, which is subject to certain adjustments for liabilities assumed by Hyland and net working capital as described in the Asset Purchase Agreement. We realized a gain upon sale of $177.9 million which is included in the "Gain on sales of businesses, net" line in our consolidated statements of operations for the three and six months ended June 30, 2018.

On March 15, 2018, we entered into an agreement with a third party to contribute certain assets and liabilities of our Strategic Sourcing business unit, acquired as part of the acquisition of the EIS Business in 2017, into a new entity. We were also obligated to contribute $2.7 million of cash as additional consideration, which was paid during April 2018. In exchange for our contributions, we obtained a 35.7% interest in the new entity, which was valued at $4.0 million and is included in Other assets in our consolidated balance sheet as of June 30, 2018. This investment will be accounted for under the equity method of accounting. As a result of this transaction, we recognized an initial loss of $0.9 million and $4.7 million in additional losses due to measurement period adjustments upon the finalization of carve-out balances, mainly driven by accounts receivable. These losses are included on the "Gain on sale of business, net" line in our consolidated statements of operations for the three and six months ended June 30, 2018, respectively.

On February 6, 2018, we acquired all of the common stock of a cloud-based analytics software platform provider for a purchase price of $8.0 million in cash. The allocation of the consideration is as follows: $3.7 million of intangible assets related to technology; $0.6 million to customer relationships; $4.8 million of goodwill; $0.8 million to accounts receivable; accounts payable of $0.2 million; deferred revenue of $0.6 million and $1.1 million of long-term deferred income tax liabilities. This allocation is preliminary and subject to changes, which could be significant, as appraisals of tangible and intangible assets are finalized, and additional information becomes available. The acquired intangible asset related to technology will be amortized over 8 years using a method that approximates the pattern of economic benefits to be gained from the intangible asset. The customer relationship will be amortized over one year. The goodwill is not deductible for tax purposes. The results of operations of this acquisition were not material to our consolidated results of operations for the three and six months ended June 30, 2018.

On January 31, 2018, Netsmart (as defined below) entered into a Unit Purchase Agreement with a third-party provider of billing solutions, for aggregate consideration of $5.4 million, plus net working capital consideration relative to a predetermined target, to acquire 100% of the equity of the entity. This transaction has been accounted for as a business combination. Of the total consideration, $2.0 million was paid in cash at closing with the remaining $3.6 million to be paid evenly on the first and second anniversaries of closing. This transaction resulted in the preliminary recognition of goodwill of $1.4 million. We recorded a $1.0 million increase in goodwill for a measurement period adjustment with an offset to intangible assets related to customer relationships for the six months ended June 30, 2018. The purchase accounting for this transaction has not yet been completed. The results of operations of this acquisition were not material to our consolidated results of operations for the three and six months ended June 30, 2018.

Pre-2018 Business Combination Updates

Acquisition of DeVero

On July 17, 2017, Netsmart completed the acquisition of DeVero, Inc. ("DeVero"), a healthcare technology company that develops electronic medical record solutions for home healthcare and hospice, for an aggregate purchase price of $50.5 million in cash. The allocation of the purchase price was finalized during the first quarter of 2018.

Acquisition of the Patient/Provider Engagement Solutions Business from NantHealth, Inc.

On August 25, 2017, the Company completed the acquisition of substantially all of the assets relating to the provider/patient engagement solutions business of NantHealth, Inc. ("NantHealth"). During the six months ended June 30, 2018, measurement period adjustments to the purchase price allocation were recorded which resulted in an increase in goodwill of $0.1 million. At June 30, 2018 the purchase price allocation remains subject to further adjustment, primarily related to the finalization of the net working capital acquired.

Acquisition of the Enterprise Information Solutions Business from McKesson Corporation

On October 2, 2017, Healthcare LLC completed the acquisition of McKesson Corporation's Enterprise Information Solutions Business division (the "EIS Business"), which provides certain software solutions and services to hospitals and health systems, by acquiring all of the outstanding equity interests of two indirect, wholly-owned subsidiaries of McKesson Corporation. The acquisition of the EIS Business was based on a total enterprise value of $185 million. During the six months ended June 30, 2018, measurement period adjustments to the purchase price allocation were recorded which resulted in an increase in goodwill of $39.3 million, primarily resulting from an increase in deferred revenue of $44.0 million; a decrease in current assets of $0.6; an increase in accrued expenses of $0.6; and an increase in tax liabilities of $0.4 partially offset by increases in identified intangible assets of $6.6 million. At June 30, 2018 the purchase price allocation remains subject to further adjustment, primarily with respect to certain acquired intangible assets and deferred revenue.

Formation of Joint Business Entity and Acquisition of Netsmart, Inc.

On March 20, 2016, we entered into a Contribution and Investment Agreement with GI Netsmart Holdings LLC, a Delaware limited liability company ("GI Partners"), to form a joint business entity to which we contributed our Homecare™ business and GI Partners made a cash contribution. On April 19, 2016, the joint business entity acquired Netsmart, Inc., a Delaware corporation. As a result of these transactions (the "Netsmart Transaction"), the joint business entity combined the Allscripts Homecare™ business with Netsmart, Inc. Throughout the rest of this Form 10-Q, the joint business entity is referred to as "Netsmart". As part of the Netsmart Transaction, we deposited $15 million in an escrow account to be used by Netsmart to facilitate the integration of our Homecare™ business within Netsmart over the next five years, at which time the restriction on any unused funds will lapse. As of June 30, 2018, there is $7.9 million remaining in the escrow account. We finalized the allocation of the fair value of the consideration transferred as of December 31, 2016.

Supplemental Information

The supplemental pro forma results below were calculated after applying our accounting policies and adjusting the results of the EIS Business and NantHealth to reflect (i) the additional amortization that would have been charged resulting from the fair value adjustments to intangible assets, (ii) the additional interest expense associated with Allscripts' borrowings under its revolving facility, and (iii) the additional amortization of the estimated adjustment to decrease the assumed deferred revenue obligations to fair value that would have been recorded assuming both acquisitions occurred on January 1, 2016, together with the consequential tax effects.

The revenue and earnings of the EIS Business, since October 2, 2017, and NantHealth, since August 25, 2017, are included in our consolidated statement of operations for the three and six months ended June 30, 2018. The below supplemental pro forma revenue and net loss of the combined entity is presented as if both acquisitions had occurred on January 1, 2016.

(In thousands, except per share amounts)	**Three Months Ended June 30, 2017**	**Six Months Ended June 30, 2017**
Supplemental pro forma data for combined entity:		
Revenue	$ 524,263	$ 1,045,073
Net loss attributable to Allscripts Healthcare Solutions, Inc. stockholders	$ (163,614)	$ (181,186)
Loss per share, basic and diluted	$ (0.90)	$ (1.00)

4. Fair Value Measurements and Long-term Investments

Fair value measurements are based upon observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect our view of market participant assumptions in the absence of observable market information. We utilize valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. The fair values of assets and liabilities required to be measured at fair value are categorized based upon the level of judgment associated with the inputs used to measure their value in one of the following three categories:

Level 1: Inputs are unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date. We held no Level 1 financial instruments at June 30, 2018 or December 31, 2017.

Level 2: Inputs, other than quoted prices included in Level 1, are observable for the asset or liability, either directly or indirectly. Our Level 2 derivative financial instruments include foreign currency forward contracts valued based upon observable values of spot and forward foreign currency exchange rates. Refer to Note 10, "Derivative Financial Instruments," for further information regarding these derivative financial instruments.

Level 3: Unobservable inputs that are significant to the fair value of the asset or liability, and include situations where there is little, if any, market activity for the asset or liability. Our Level 3 financial instruments include derivative financial instruments comprising the 1.25% Call Option asset and the 1.25% embedded cash conversion option liability that are not actively traded. These derivative instruments were designed with the intent that changes in their fair values would substantially offset, with limited net impact to our earnings. Therefore, we believe the sensitivity of changes in the unobservable inputs to the option pricing model for these instruments is substantially mitigated. Refer to Note 10, "Derivative Financial Instruments," for further information regarding these derivative financial instruments. The sensitivity of changes in the unobservable inputs to the valuation pricing model used to value these instruments is not material to our consolidated results of operations. Our Level 3 financial liabilities also include the estimated fair value of contingent consideration related to completed acquisitions. The fair values are based on discounted cash flow analyses reflecting the possible achievement of specified performance measures or events and captures the contractual nature of the contingencies, commercial risk and the time value of money. The largest contingent consideration amount relates to Health Grid and was valued at $23.9 million at June 30, 2018.

The following table summarizes our financial assets and liabilities measured at fair value on a recurring basis as of the respective balance sheet dates:

	Balance Sheet	June 30, 2018				December 31, 2017			
(In thousands)	Classifications	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
1.25% Call Option	Other assets	$ 0	$ 0	$ 18,428	$ 18,428	$ 0	$ 0	$ 46,578	$ 46,578
1.25% Embedded cash conversion option	Other liabilities	0	0	(19,404)	(19,404)	0	0	(47,777)	(47,777)
Foreign exchange derivative assets	Prepaid expenses and other current assets	0	42	0	42	0	1,136	0	1,136
Contingent consideration	Accrued expenses	0	0	10,901	10,901	0	0	3,197	3,197
Contingent consideration	Other liabilities	0	0	17,486	17,486	0	0	2,145	2,145
Total		$ 0	$ 42	$ 27,411	$ 27,453	$ 0	$ 1,136	$ 4,143	$ 5,279

The changes in Level 3 assets and liabilities measured at fair value on a recurring basis at June 30, 2018 are summarized as follows:

(in thousands)	Level 3 Instruments
Balance at December 31, 2017	$ 4,143
Additions	23,915
Payments	(340)
Fair value adjustments	(307)
Balance at June 30, 2018	$ 27,411

Long-term Investments

The following table summarizes our long-term equity investments which are included in other assets in the accompanying consolidated balance sheets:

(In thousands, except # of investees)	Number of Investees at June 30, 2018	Original Investment	Carrying Value at June 30, 2018	Carrying Value at December 31, 2017
Equity method investments (1)	4	$ 5,658	$ 7,965	$ 3,258
Cost method investments	8	32,970	14,601	26,755
Total equity investments	12	$ 38,628	$ 22,566	$ 30,013

(1) Allscripts share of the earnings of our equity method investees is reported based on a one quarter lag.

As of June 30, 2018, it is not practicable to estimate the fair value of our non-marketable cost and equity method investments primarily because of their illiquidity and restricted marketability. The factors we considered in trying to determine fair value include, but are not limited to, available financial information, the issuer's ability to meet its current obligations, the issuer's subsequent or planned raises of capital, and observable price changes in orderly transactions.

Impairment of Long-term Investments

Each quarter, management performs an assessment of each of our equity investments on an individual basis to determine if there have been any declines in fair value. As a result of these assessments, we recognized non-cash impairment charges of $10.0 million and $15.5 million during the three and six months ended June 30, 2018 related to two of our cost-method equity investments and a related note receivable. These charges equaled the cost bases of the investments and the related note receivable prior to the impairment. The non-cash impairment charges are included in the "Impairment of and losses on long-term investments" line in our consolidated statements of operations for the three and six months ended June 30, 2018.

Long-term Financial Liabilities

Our long-term financial liabilities include amounts outstanding under our senior secured credit facility and Netsmart's Credit Agreements (as defined in Note 8, "Debt"), with carrying values that approximate fair value since the interest rates approximate current market rates. In addition, the carrying amount of our 1.25% Cash Convertible Senior Notes (the "1.25% Notes") approximates fair value as June 30, 2018, since the effective interest rate on the 1.25% Notes approximates current market rates. See Note 8, "Debt," for further information regarding our long-term financial liabilities.

5. Stockholders' Equity

Stock-based Compensation Expense

Stock-based compensation expense recognized during the three and six months ended June 30, 2018 and 2017 is included in our consolidated statements of operations as shown in the below table. Stock-based compensation expense includes both non-cash expense related to grants of stock-based awards as well as cash expense related to the employee discount applied to purchases of our common stock under our employee stock purchase plan. In addition, the three and six month periods ended June 30, 2018 and 2017 include stock-based compensation expense related to Netsmart's time-based liability classified option awards. No stock-based compensation costs were capitalized during the three and six months ended June 30, 2018 and 2017.

(In thousands)	Three Months Ended June 30, 2018	Three Months Ended June 30, 2017	Six Months Ended June 30, 2018	Six Months Ended June 30, 2017
Cost of revenue:				
Software delivery, support and maintenance	$ 451	$ 988	$ 1,067	$ 2,113
Client services	1,140	993	2,576	2,565
Total cost of revenue	1,591	1,981	3,643	4,678
Selling, general and administrative expenses	6,464	7,050	13,709	10,600
Research and development	2,126	2,120	4,967	4,709
Total stock-based compensation expense	$ 10,181	$ 11,151	$ 22,319	$ 19,987

Allscripts Long-Term Incentive Plan

We measure stock-based compensation expense at the grant date based on the fair value of the award. We recognize the expense for service-based share awards over the requisite service period on a straight-line basis, net of estimated forfeitures. We recognize the expense for performance-based and market-based share awards over the vesting period under the accelerated attribution method, net of estimated forfeitures. In addition, we recognize stock-based compensation cost for awards with performance conditions if and when we conclude that it is probable that the performance conditions will be achieved.

The fair value of service-based and performance-based restricted stock units is measured at the underlying closing share price of our common stock on the date of grant. The fair value of market-based restricted stock units is measured using the Monte Carlo pricing model. No stock options were granted during the three and six months ended June 30, 2018 and 2017.

We granted stock-based awards as follows:

	Three Months Ended June 30, 2018		Six Months Ended June 30, 2018	
(In thousands, except per share amounts)	**Shares**	**Weighted-Average Grant Date Fair Value**	**Shares**	**Weighted-Average Grant Date Fair Value**
Service-based restricted stock units	2,168	$ 12.09	3,468	$ 12.87
Performance-based restricted stock units with a service condition	0	$ 0.00	524	$ 15.74
Market-based restricted stock units with a service condition	0	$ 0.00	0	$ 0.00
	2,168	$ 12.09	3,992	$ 13.25

During the six months ended June 30, 2018, and the year ended December 31, 2017, 1.4 million and 1.3 million shares of common stock, respectively, were issued in connection with the exercise of options and the release of restrictions on stock awards.

Net Share-settlements

Upon vesting, restricted stock units are generally net share-settled to cover the required withholding tax and the remaining amount is converted into an equivalent number of shares of common stock. The majority of restricted stock units and awards that vested during the six months ended June 30, 2018 and year ended December 31, 2017 were net-share settled such that we withheld shares with fair value equivalent to the employees’ minimum statutory obligation for the applicable income and other employment taxes, and remitted the cash to the appropriate taxing authorities. Total payments for the employees' minimum statutory tax obligations to the taxing authorities are reflected as a financing activity within the accompanying consolidated statements of cash flows. The total shares withheld for the six months ended June 30, 2018 and 2017 were 618 thousand and 552 thousand, respectively, and were based on the value of the restricted stock units on their vesting date as determined by our closing stock price. These net-share settlements had the effect of share repurchases by us as they reduced the number of shares that would have otherwise been issued as a result of the vesting.

Stock Repurchases

On November 17, 2016, we announced that our Board approved a stock purchase program under which we may repurchase up to $200 million of our common stock through December 31, 2019. We repurchased 3.6 million shares of our common stock under the program for a total of $44.3 million during the three months ended June 30, 2018. We repurchased 7.7 million shares of our common stock under the program for a total of $101.9 million during the six months ended June 30, 2018. During the three and six months ended June 30, 2017, we repurchased 1.0 million shares of our common stock under the new program for a total of $12.1 million. The approximate dollar value of shares that may yet be purchased under the program as of June 30, 2018 was $62.2 million. Any future stock repurchase transactions may be made through open market transactions, block trades, privately negotiated transactions (including accelerated share repurchase transactions) or other means, subject to market conditions. Any repurchase activity will depend on many factors such as our working capital needs, cash requirements for investments, debt repayment obligations, economic and market conditions at the time, including the price of our common stock, and other factors that we consider relevant. Our stock repurchase program may be accelerated, suspended, delayed or discontinued at any time.

Netsmart Stock-based Compensation Expense

Stock-based compensation expense related to Netsmart's time-based liability classified option awards totaled $1.2 million and $2.4 million, respectively, during the three and six months ended June 30, 2018. Stock-based compensation expense (benefit) related to Netsmart's time-based liability classified option awards totaled $0.5 million and ($3.0) million during the three and six months ended June 30, 2017, respectively.

At June 30, 2018, the liability for outstanding awards was $10.4 million. As of June 30, 2018 the weighted average fair value per option unit using the Black-Scholes-Merton option pricing model was estimated at $0.30, as compared to $0.54 at December 31, 2016. A significant portion of the decrease in fair value occurred during the first quarter of 2017 and resulted in the reversal of previously recognized stock-based compensation expense during the three months ended March 31, 2017, as required under the liability method of accounting.

During the three and six months ended June 30, 2018, 389 option unit awards were granted by Netsmart.

6. Earnings (Loss) Per Share

Basic earnings (loss) per share is computed by dividing net income (loss) by the weighted-average shares of common stock outstanding. For purposes of calculating diluted earnings (loss) per share, the denominator includes both the weighted average shares of common stock outstanding and dilutive common stock equivalents. Dilutive common stock equivalents consist of stock options, restricted stock unit awards and warrants calculated under the treasury stock method.

The calculations of earnings (loss) per share are as follows:

(In thousands, except per share amounts)	Three Months Ended June 30, 2018	Three Months Ended June 30, 2017	Six Months Ended June 30, 2018	Six Months Ended June 30, 2017
Basic earnings (loss) per Common Share:				
Income (loss) from continuing operations, net of tax	$ 74,956	$ (143,011)	$ 42,026	$ (151,576)
Less: Net loss (income) attributable to non-controlling interests	2,700	264	3,490	(189)
Less: Accretion of redemption preference on redeemable convertible non-controlling interest - Netsmart	(12,148)	(10,963)	(24,297)	(21,925)
Net income (loss) from continuing operations attributable to Allscripts Healthcare Solutions, Inc. stockholders	$ 65,508	$ (153,710)	$ 21,219	$ (173,690)
Net (loss) income from discontinued operations attributable to Allscripts Healthcare Solutions, Inc. stockholders	(684)	0	3,731	0
Net income (loss) attributable to Allscripts Healthcare Solutions, Inc. stockholders	$ 64,824	$ (153,710)	$ 24,950	$ (173,690)
Weighted-average common shares outstanding	176,363	181,193	178,113	180,981
Basic earnings (loss) from continuing operations per Common Share	$ 0.36	$ (0.85)	$ 0.11	$ (0.96)
Basic income from discontinued operations per Common Share	0.00	0.00	0.03	0.00
Net income (loss) attributable to Allscripts Healthcare Solutions, Inc. stockholders per Common Share	$ 0.36	$ (0.85)	$ 0.14	$ (0.96)
Diluted earnings (loss) per Common Share:				
Income (loss) from continuing operations, net of tax	$ 74,956	$ (143,011)	$ 42,026	$ (151,576)
Less: Net loss (income) attributable to non-controlling interests	2,700	264	3,490	(189)
Less: Accretion of redemption preference on redeemable convertible non-controlling interest - Netsmart	(12,148)	(10,963)	(24,297)	(21,925)
Net income (loss) from continuing operations attributable to Allscripts Healthcare Solutions, Inc. stockholders	$ 65,508	$ (153,710)	$ 21,219	$ (173,690)
Net (loss) income from discontinued operations attributable to Allscripts Healthcare Solutions, Inc. stockholders	(684)	0	3,731	0
Net income (loss) attributable to Allscripts Healthcare Solutions, Inc. stockholders	$ 64,824	$ (153,710)	$ 24,950	$ (173,690)
Weighted-average common shares outstanding	176,363	181,193	178,113	180,981
Plus: Dilutive effect of stock options, restricted stock unit awards and warrants	2,963	0	3,334	0
Weighted-average common shares outstanding assuming dilution	179,326	181,193	181,447	180,981
Diluted earnings (loss) from continuing operations per Common Share	$ 0.36	$ (0.85)	$ 0.11	$ (0.96)
Diluted income from discontinued operations per Common Share	0.00	0.00	0.03	0.00
Net income (loss) attributable to Allscripts Healthcare Solutions, Inc. stockholders per Common Share	$ 0.36	$ (0.85)	$ 0.14	$ (0.96)

As a result of the net loss attributable to Allscripts Healthcare Solutions, Inc. stockholders for the three and six months ended June 30, 2017, we used basic weighted-average common shares outstanding in the calculation of diluted loss per share for those periods, since the inclusion of any stock equivalents would be anti-dilutive.

The following stock options, restricted stock unit awards and warrants are not included in the computation of diluted earnings (loss) per share as the effect of including such stock options, restricted stock unit awards and warrants in the computation would be anti-dilutive:

	Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands)	2018	2017	2018	2017
Shares subject to anti-dilutive stock options, restricted stock unit awards and warrants excluded from calculation	26,044	26,652	24,318	26,668

7. Goodwill and Intangible Assets

Goodwill and intangible assets consist of the following:

	June 30, 2018			December 31, 2017		
(In thousands)	Gross Carrying Amount	Accumulated Amortization	Intangible Assets, Net	Gross Carrying Amount	Accumulated Amortization	Intangible Assets, Net
Intangibles subject to amortization:						
Proprietary technology	$ 706,556	$ (434,375)	$ 272,181	$ 695,354	$ (405,114)	$ 290,240
Customer contracts and relationships	975,220	(487,228)	487,992	922,492	(464,860)	457,632
Total	$ 1,681,776	$ (921,603)	$ 760,173	$ 1,617,846	$ (869,974)	$ 747,872
Intangibles not subject to amortization:						
Registered trademarks			$ 79,000			$ 79,000
Goodwill			2,107,818			2,004,953
Total			$ 2,186,818			$ 2,083,953

Changes in the carrying amounts of goodwill by reportable segment for the six months ended June 30, 2018 were as follows:

(In thousands)	Clinical and Financial Solutions	Population Health	Netsmart	Total
Balance as of December 31, 2017	$ 861,615	$ 431,132	$ 712,206	$ 2,004,953
Additions arising from business acquisitions:				
Practice Fusion	34,739	0	0	34,739
Health Grid	0	53,747	0	53,747
Other acquisitions	4,829	0	1,374	6,203
Total arising from business acquisitions	39,568	53,747	1,374	94,689
Increases (decreases) due to measurement period adjustments:				
Practice Fusion	590	0	0	590
NantHealth provider/patient solutions business	0	117	0	117
Enterprise Information Solutions business	28,068	11,257	0	39,325
Other measurement period adjustments	(337)	0	1,148	811
Total increases (decreases) due to measurement period adjustments:	28,321	11,374	1,148	40,843
Total additions to goodwill	67,889	65,121	2,522	135,532
Divestitures	(30,107)	(2,199)	0	(32,306)
Foreign exchange translation	(361)	0	0	(361)
Balance as of June 30, 2018	$ 899,036	$ 494,054	$ 714,728	2,107,818

There were no accumulated impairment losses associated with our goodwill as of June 30, 2018 or December 31, 2017.

Other additions during the first six months of 2018 include $4.8 million arising from Allscripts' purchase of a cloud-based analytics software platform provider, and $1.4 million arising from Netsmart's acquisition of a third party provider of billing solutions, which also had a subsequent measurement period adjustment of $1.0 million with an offset to intangible assets related to customer relationships. Goodwill was reduced by $2.2 million due to the divestiture of our strategic sourcing business unit, and by $30.1 million related to the OneContent divestiture. Refer to Note 3, "Business Combinations," for additional information regarding these transactions.

Effective January 1, 2018, we made organizational changes that affected our Clinical and Financial Solutions and Population Health reportable segments. Refer to Note 14, “Business Segments” for additional information. As a result of these changes, the dbMotion business unit, formerly included in the Population Health operating segment within the Population Health reportable segment, is now aligned with the Hospitals and Health Systems operating segment within the Clinical and Financial solutions reportable segment.

We performed our annual goodwill impairment test as of October 1, 2017, our annual testing date, and again as of January 1, 2018 in connection with the organizational changes referred to above. While there was no impairment indicated as a result of the January 1, 2018 test, the estimated fair value of our Hospitals and Health Systems reporting unit exceeded the unit’s carrying value by 10%. As of March 31, 2018, the goodwill allocated to the Hospitals and Health Systems reporting unit was $511.2 million. The determination of the fair value of our reporting units is based on a combination of a market approach, that considers benchmark company market multiples, and an income approach, that utilizes discounted cash flows for each reporting unit and other Level 3 inputs. Under the income approach, we determine fair value based on the present value of the most recent cash flow projections for each reporting unit as of the date of the analysis and calculate a terminal value utilizing a terminal growth rate. The significant assumptions under this approach include, among others: income projections, which are dependent on sales to new and existing clients, new product introductions, client behavior, competitor pricing, operating expenses, the discount rate, and the terminal growth rate. The cash flows used to determine fair value are dependent on a number of significant management assumptions such as our expectations of future performance and the expected future economic environment, which are partly based upon our historical experience. Our estimates are subject to change given the inherent uncertainty in predicting future results. Additionally, the discount rate and the terminal growth rate are based on our judgment of the rates that would be utilized by a hypothetical market participant. As part of the goodwill impairment testing, we also consider our market capitalization in assessing the reasonableness of the combined fair values estimated for our reporting units. Because the fair value of the Hospitals and Health Systems reporting unit was not substantially in excess of its carrying value at January 1, 2018, there is an increased risk that any adverse trends in the foregoing assumptions with respect to the Hospitals and Health Systems reporting unit could cause the estimated fair value to fall below the carrying value, which would result in a material impairment of the reporting unit’s goodwill.

8. Debt

Debt outstanding, excluding capital leases, consists of the following:

	June 30, 2018			December 31, 2017		
(In thousands)	**Principal Balance**	**Unamortized Discount and Debt Issuance Costs**	**Net Carrying Amount**	**Principal Balance**	**Unamortized Discount and Debt Issuance Costs**	**Net Carrying Amount**
1.25% Cash Convertible Senior Notes	$ 345,000	$ 29,129	$ 315,871	$ 345,000	$ 35,978	$ 309,022
Senior Secured Credit Facility	693,750	6,979	686,771	628,750	3,360	625,390
Netsmart Non-Recourse Debt:						
First Lien Term Loan	476,883	9,892	466,991	479,316	10,950	468,366
Second Lien Term Loan	167,000	6,676	160,324	167,000	7,418	159,582
Total debt	$ 1,682,633	$ 52,676	$ 1,629,957	$ 1,620,066	$ 57,706	$ 1,562,360
Less: Debt payable within one year - excluding Netsmart	20,000	491	19,509	28,125	438	27,687
Less: Debt payable within one year - Netsmart	4,866	2,100	2,766	4,866	2,111	2,755
Total long-term debt, less current maturities	$ 1,657,767	$ 50,085	$ 1,607,682	$ 1,587,075	$ 55,157	$ 1,531,918

Interest expense consists of the following:

(In thousands)	Three Months Ended June 30, 2018	Three Months Ended June 30, 2017	Six Months Ended June 30, 2018	Six Months Ended June 30, 2017
Interest expense	$ 8,146	$ 4,668	$ 16,084	$ 9,502
Amortization of discounts and debt issuance costs	3,834	3,612	7,590	7,193
Netsmart:				
Interest expense (1)	13,575	11,164	26,026	22,081
Amortization of discounts and debt issuance costs	899	846	1,800	1,694
Total interest expense	$ 26,454	$ 20,290	$ 51,500	$ 40,470

(1) Includes interest expense related to capital leases.

Interest expense related to the 1.25% Notes, included in the table above, consists of the following:

(In thousands)	Three Months Ended June 30, 2018	Three Months Ended June 30, 2017	Six Months Ended June 30, 2018	Six Months Ended June 30, 2017
Coupon interest at 1.25%	1,078	$ 1,078	$ 2,156	$ 2,156
Amortization of discounts and debt issuance costs	3,442	3,278	6,849	6,524
Total interest expense related to the 1.25% Notes	$ 4,520	$ 4,356	$ 9,005	$ 8,680

Allscripts Senior Secured Credit Facility

On February 15, 2018, Allscripts and Healthcare LLC entered into a Second Amended and Restated Credit Agreement (the “Second Amended Credit Agreement”), with JPMorgan Chase Bank, N.A., as administrative agent (the “Administrative Agent”), the several banks and other financial institutions or entities from time to time party thereto, and Fifth Third Bank, KeyBank National Association, SunTrust Bank and Wells Fargo Bank, National Association, as syndication agents, amending and restating the Amended and Restated Credit Agreement, dated September 30, 2015, as amended on March 28, 2016 and December 22, 2016 (the “Existing Credit Agreement”). The Second Amended Credit Agreement provides for a $400 million senior secured term loan (an increase from the $250 million term loan provided under the Existing Credit Agreement) (the “Term Loan”) and a $900 million senior secured revolving facility (an increase from the $550 million revolving facility provided under the Existing Credit Agreement) (the “Revolving Facility”), each with a five-year term. The Term Loan is repayable in quarterly installments commencing on June 30, 2018. A total of up to $50 million of the Revolving Facility is available for the issuance of letters of credit, up to $10 million of the Revolving Facility is available for swingline loans, and up to $100 million of the Revolving Facility could be borrowed under certain foreign currencies. Proceeds from the borrowings under the Second Amended Credit Agreement were used for the refinancing of indebtedness under the Existing Credit Agreement.

The proceeds of the Revolving Facility can be used to finance Allscripts’ working capital needs and for general corporate purposes, including, without limitation, financing of permitted acquisitions, and for share repurchases. Allscripts is also permitted to add one or more incremental revolving and/or term loan facilities in an aggregate amount of up to $600 million, subject to certain conditions (an increase from the $300 million incremental facility permitted under the Existing Credit Agreement).

The initial applicable interest rate margin for Base Rate borrowings is 1.00%, and for Eurocurrency Rate borrowings is 2.00%. On and after September 30, 2018, the interest rate margins will be determined from a pricing table and will depend upon Allscripts’ total leverage ratio. The applicable margins for Base Rate borrowings under the Second Amended Credit Agreement range from 0.50% to 1.25% depending on Allscripts’ total leverage ratio (as compared to the 0.00% to 1.25% range provided under the Existing Credit Agreement). The applicable margins for Eurocurrency Rate loans range from 1.50% to 2.25%, depending on Allscripts’ total leverage ratio (as compared to the 1.00% to 2.25% range provided under the Existing Credit Agreement).

As of June 30, 2018, $395.0 million under the Term Loan, $298.8 million under the Revolving Facility, and $0.8 million in letters of credit were outstanding under the Second Amended Credit Agreement.

As of June 30, 2018, the interest rate on the borrowings under the Second Amended Credit Agreement was LIBOR plus 2.00%, which totaled 4.09%. We were in compliance with all covenants under the Second Amended Credit Agreement as of June 30, 2018.

As of June 30, 2018, we had $600.4 million available, net of outstanding letters of credit, under our Revolving Facility. There can be no assurance that we will be able to draw on the full available balance of our Revolving Facility if the financial institutions that have extended such credit commitments become unwilling or unable to fund such borrowings.

As of June 30, 2018, the if-converted value of the 1.25% Notes did not exceed the 1.25% Notes’ principal amount.

Netsmart Non-Recourse Debt

As of June 30, 2018, $476.9 million under the Netsmart First Lien Term Loan, $167.0 million under the Netsmart Second Lien Term Loan and no amounts under the Netsmart Revolving Facility (collectively, the "Netsmart Credit Agreements") were outstanding.

As of June 30, 2018, the interest rate on the borrowings under the Netsmart First Lien Term Loan was Adjusted LIBO plus 4.50%, which totaled 6.57%, the interest rate on the borrowings under the Netsmart Second Lien Term Loan was Adjusted LIBO plus 9.50%, which totaled 11.57%, and the interest rate on the borrowings under the Netsmart Revolving Facility was Adjusted LIBO plus 4.75%, which totaled 6.82%. Netsmart was in compliance with all covenants under its Netsmart Credit Agreements as of June 30, 2018.

As of June 30, 2018, Netsmart had $50.0 million available, with no outstanding letters of credit commitments, under the Netsmart Revolving Facility. There can be no assurance that Netsmart will be able to draw on the full available balance of the Netsmart Revolving Facility if the financial institutions that have extended such credit commitments become unwilling or unable to fund such borrowings.

The following table summarizes future debt payment obligations as of June 30, 2018:

(In thousands)	Total	Remainder of 2018	2019	2020	2021	2022	Thereafter
1.25% Cash Convertible Senior Notes (1)	$ 345,000	$ 0	$ 0	$ 345,000	$ 0	$ 0	$ 0
Term Loan	395,000	10,000	20,000	27,500	30,000	37,500	270,000
Revolving Facility (2)	298,750	0	0	0	0	0	298,750
Netsmart Non-Recourse Debt (2)							
First Lien Term Loan (3)	476,883	2,433	4,866	4,866	4,866	4,866	454,986
Second Lien Term Loan	167,000	0	0	0	0	0	167,000
Total debt	$ 1,682,633	$ 12,433	$ 24,866	$ 377,366	$ 34,866	$ 42,366	$ 1,190,736

(1) Assumes no cash conversions of the 1.25% Notes prior to their maturity on July 1, 2020.

(2) Assumes no additional borrowings after June 30, 2018, payment of any required periodic installments of principal and that all drawn amounts are repaid upon maturity.

(3) Starting with the year ended December 31, 2017, additional amounts may be due within 125 days after year-end if Netsmart has "excess cash" as defined in the Netsmart Credit Agreement. For the year ended December 31, 2017, no additional amounts were due as a result of this provision.

9. Income Taxes

We account for income taxes under FASB Accounting Standards Codification 740, *Income Taxes* ("ASC 740"). We calculate the quarterly tax provision consistent with the guidance provided by ASC 740-270, whereby we forecast the estimated annual effective tax rate and then apply that rate to the year-to-date pre-tax book (loss) income. The effective tax rate may be subject to fluctuations during the year as new information is obtained, which may affect the assumptions used to estimate the annual effective rate, including factors such as the valuation allowances against deferred tax assets, the recognition or de-recognition of tax benefits related to uncertain tax positions, or changes in or the interpretation of tax laws in jurisdictions where the Company conducts business. There is no tax benefit recognized on certain of the net operating losses incurred due to insufficient evidence supporting the Company's ability to use these losses in the future. The effective tax rates were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands)	2018	2017	2018	2017
Income (loss) from continuing operations before income taxes	$ 78,639	$ (144,018)	$ 42,795	$ (152,411)
Income tax (provision) benefit	$ (3,683)	$ 1,007	$ (769)	$ 835
Effective tax rate	4.7%	0.7%	1.8%	0.5%

The United States Tax Cuts and Jobs Act (the "Tax Act") was enacted on December 22, 2017 and introduced significant changes to the income tax law in the United States. Effective in 2018, the Tax Act reduces the United States statutory tax rate from 35% to 21% and creates new taxes on certain foreign-sourced earnings and certain related-party payments, which are referred to as the global intangible low-taxed income tax and the base erosion tax, respectively. In addition, in 2017 we were subject to a one-time transition tax on accumulated foreign subsidiary earnings not previously subject to income tax in the United States.

Due to the timing of the enactment and the complexity involved in applying the provisions of the Tax Act, we made reasonable estimates of the effects and recorded provisional benefit of $20.8 million in our financial statements for the year ended December 31, 2017 in accordance with guidance in Staff Accounting Bulletin No. 118 (SAB 118) which allows a measurement period of up to one year after the enactment date to finalize the recording of the related tax impacts. This provisional benefit includes $26 million benefit for remeasurement of deferred tax balances to reflect the lower federal rate and expense of $5.2 million for the one-time transition tax on accumulated foreign subsidiary earnings not previously subject to income tax in the United States. We will complete our analysis of the Tax Act during 2018, and any needed adjustments to the provisional amounts will be included in income tax expense or benefit in the appropriate period, in accordance with SAB 118. We are continuing to assess the impacts of the Tax Act on the 2018 effective tax rate and income tax accounting, particularly the new Global Intangible Low-taxed Income ("GILTI") tax and Base Erosion and Anti-Abuse Tax (BEAT) rules.

Our provision for income taxes differs from the tax computed at the U.S. federal statutory income tax rate due primarily to valuation allowance, permanent differences, income attributable to foreign jurisdictions taxed at lower rates, state taxes, tax credits and certain discrete items. Our effective tax rate for the three and six months ended June 30, 2018, compared with the prior year comparable period, differs primarily due to the reduced U.S. federal statutory rate, the estimated impact of the GILTI and BEAT provisions and the stricter executive compensation deduction provisions of the Tax Act, reflected in the provision for the three and six months ended June 30, 2018.

In evaluating our ability to recover our deferred tax assets within the jurisdictions from which they arise, we consider all available evidence, including scheduled reversals of deferred tax liabilities, tax-planning strategies, and results of recent operations. In evaluating the objective evidence that historical results provide, we consider three years of cumulative operating income (loss). In the six months ended June 30, 2018, we released $17.4 million, mostly due to the utilization of capital loss carryforward against capital loss carryforward against capital gain incurred in the six months ended June 30, 2018.

Effective January 1, 2017, we adopted ASU 2016-09. The guidance in ASU 2016-09, among other things, will require all income tax effects of share-based awards to be recognized in the statement of operations when the awards vest or are settled as a discrete item in the period in which they occur. In the six months ended June 30, 2018 and 2017, we recorded $1.0 million and $1.5 million, respectively, of tax expense for awards in which the compensation cost recorded was higher than the tax deductions for the awards. In the quarter ended June 30, 2017, we recorded an offsetting release of valuation allowance in the quarter of $1.4 million. ASU 2016-09 requires entities to recognize excess tax benefits, regardless of whether the tax deduction reduces taxes payable. In the quarter ended March 31, 2017, as part of adopting the new standard, we recorded a gross cumulative effect adjustment of $5.6 million to the opening balance of accumulated deficit to create a deferred tax asset to recognize excess tax benefits not previously recorded. The net decrease to accumulated deficit was $1.8 million due to the recognition of a corresponding valuation allowance of $3.8 million.

Our unrecognized income tax benefits were $12.8 million and $12.0 million as of June 30, 2018 and December 31, 2017, respectively. If any portion of our unrecognized tax benefits is recognized, it could impact our effective tax rate. The tax reserves are reviewed periodically and adjusted in light of changing facts and circumstances, such as progress of tax audits, lapse of applicable statutes of limitations, and changes in tax law.

10. Derivative Financial Instruments

The following tables provide information about the fair values of our derivative financial instruments as of the respective balance sheet dates:

	June 30, 2018			
	Asset Derivatives		Liability Derivatives	
(In thousands)	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivatives qualifying as cash flow hedges:				
Foreign exchange contracts	Prepaid expenses and other current assets	$ 42	Accrued expenses	$ 0
Derivatives not subject to hedge accounting:				
1.25% Call Option	Other assets	18,428	N/A	
1.25% Embedded cash conversion option	N/A		Other liabilities	19,404
Total derivatives		$ 18,470		$ 19,404

	December 31, 2017			
	Asset Derivatives		Liability Derivatives	
(In thousands)	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Derivatives qualifying as cash flow hedges:				
Foreign exchange contracts	Prepaid expenses and other current assets	$ 1,136	Accrued expenses	$ 0
Derivatives not subject to hedge accounting:				
1.25% Call Option	Other assets	46,578	N/A	
1.25% Embedded cash conversion option	N/A		Other liabilities	47,777
Total derivatives		$ 47,714		$ 47,777

N/A – We define "N/A" as disclosure not being applicable

Foreign Exchange Contracts

We have entered into non-deliverable forward foreign currency exchange contracts with reputable banking counterparties in order to hedge a portion of our forecasted future Indian Rupee-denominated ("INR") expenses against foreign currency fluctuations between the United States dollar and the INR. These forward contracts cover a decreasing percentage of forecasted monthly INR expenses over time. As of June 30, 2018, there were 6 forward contracts outstanding that were staggered to mature monthly starting in July 2018 and ending in December 2018. In the future, we may enter into additional forward contracts to increase the amount of hedged monthly INR expenses or initiate hedges for monthly periods beyond December 2018. As of June 30, 2018, the total notional amount of the outstanding forward contracts ranged from 190 to 215 million INR, or the equivalent of $2.8 million to $3.1 million, based on the exchange rate between the United States dollar and the INR in effect as of June 30, 2018. These amounts also approximate the forecasted future INR expenses we target to hedge in any one month in the future.

The critical terms of the forward contracts and the related hedged forecasted future expenses matched and allowed us to designate the forward contracts as highly effective cash flow hedges. The effective portion of the change in fair value is initially recorded in accumulated other comprehensive loss ("AOCI") and subsequently reclassified to income in the period in which the cash flows from the associated hedged transactions affect income. Any ineffective portion of the change in fair value of the cash flow hedges is recognized in current period income. During the three and six months ended June 30, 2018, no amount was excluded from the effectiveness assessment and no gains or losses were reclassified from AOCI into income as a result of forecasted transactions that failed to occur. As of June 30, 2018, we estimate that $42 thousand of net unrealized derivative gains included in AOCI will be reclassified into income within the next twelve months.

The following tables show the impact of derivative instruments designated as cash flow hedges on the consolidated statements of operations and the consolidated statements of comprehensive loss:

	Amount of Gain (Loss) Recognized in OCI (Effective Portion)			Amount of Gain (Loss) Reclassified from AOCI into Income (Effective Portion)	
(In thousands)	Three Months Ended June 30, 2018	Six Months Ended June 30, 2018	Location of Gain (Loss) Reclassified from AOCI into Income (Effective Portion)	Three Months Ended June 30, 2018	Six Months Ended June 30, 2018
Foreign exchange contracts	$ (129)	$ (207)	Cost of Revenue	$ 112	$ 301
			Selling, general and administrative expenses	86	230
			Research and development	$ 133	$ 355

	Amount of Gain (Loss) Recognized in OCI (Effective Portion)			Amount of Gain (Loss) Reclassified from AOCI into Income (Effective Portion)	
(In thousands)	Three Months Ended June 30, 2017	Six Months Ended June 30, 2017	Location of Gain (Loss) Reclassified from AOCI into Income (Effective Portion)	Three Months Ended June 30, 2017	Six Months Ended June 30, 2017
Foreign exchange contracts	$ 434	$ 2,307	Cost of Revenue	$ 255	$ 433
			Selling, general and administrative expenses	194	331
			Research and development	$ 300	$ 510

1.25% Call Option

In June 2013, concurrent with the issuance of the 1.25% Notes, we entered into privately negotiated hedge transactions with certain of the initial purchasers of the 1.25% Notes (collectively, the "1.25% Call Option"). Assuming full performance by the counterparties, the 1.25% Call Option is intended to offset cash payments in excess of the principal amount due upon any conversion of the 1.25% Notes.

The 1.25% Call Option, which is indexed to our common stock, is a derivative asset that requires mark-to-market accounting treatment (due to the cash settlement features) until the 1.25% Call Option settles or expires. The 1.25% Call Option is measured and reported at fair value on a recurring basis, within Level 3 of the fair value hierarchy. For further discussion of the inputs used to determine the fair value of the 1.25% Call Option, refer to Note 4, "Fair Value Measurements and Long-term Investments."

The 1.25% Call Option does not qualify for hedge accounting treatment. Therefore, the change in fair value of these instruments is recognized immediately in our consolidated statements of operations in Other income, net. Because the terms of the 1.25% Call Option are substantially similar to those of the 1.25% Notes embedded cash conversion option, discussed below, we expect the net effect of those two derivative instruments on our earnings to be minimal.

1.25% Notes Embedded Cash Conversion Option

The embedded cash conversion option within the 1.25% Notes is required to be separated from the 1.25% Notes and accounted for separately as a derivative liability, with changes in fair value reported in our consolidated statements of operations in Other income, net until the cash conversion option settles or expires. The initial fair value liability of the embedded cash conversion option was $82.8 million, which simultaneously reduced the carrying value of the 1.25% Notes (effectively an original issuance discount). The embedded cash conversion option is measured and reported at fair value on a recurring basis, within Level 3 of the fair value hierarchy. For further discussion of the inputs used to determine the fair value of the embedded cash conversion option, refer to Note 4, "Fair Value Measurements and Long-term Investments."

The following table shows the net impact of the changes in fair values of the 1.25% Call Option and the 1.25% Notes' embedded cash conversion option in the consolidated statements of operations:

(In thousands)	Three Months Ended June 30, 2018	Three Months Ended June 30, 2017	Six Months Ended June 30, 2018	Six Months Ended June 30, 2017
1.25% Call Option	$ (6,983)	$ (2,639)	$ (28,151)	$ 14,966
1.25% Embedded cash conversion option	7,042	2,631	28,373	(15,272)
Net (loss) gain included in other income, net	$ 59	$ (8)	$ 222	$ (306)

11. Other Comprehensive Income

Accumulated Other Comprehensive Loss

Changes in the balances of each component included in AOCI are presented in the tables below. All amounts are net of tax and exclude non-controlling interest.

(In thousands)	Foreign Currency Translation Adjustments	Unrealized Net Gains on Foreign Exchange Contracts	Total
Balance as of December 31, 2017 (1)	$ (2,676)	$ 691	$ (1,985)
Other comprehensive income (loss) before reclassifications	(1,562)	(153)	(1,715)
Net losses (gains) reclassified from accumulated other comprehensive loss	0	(506)	(506)
Net other comprehensive income	(1,562)	(659)	(2,221)
Balance as of June 30, 2018 (2)	$ (4,238)	$ 32	$ (4,206)

(1) Net of taxes of $445 thousand for unrealized net gains on foreign exchange contract derivatives.
(2) Net of taxes of $11 thousand for unrealized net gains on foreign exchange contract derivatives.

(In thousands)	Foreign Currency Translation Adjustments	Unrealized Net Losses on Available for Sale Securities (1)	Unrealized Net Gains on Foreign Exchange Contracts	Total
Balance as of December 31, 2016 (2)	$ (6,028)	$ (56,420)	$ 619	$ (61,829)
Other comprehensive (loss) income before reclassifications	2,347	(85,652)	1,411	(81,894)
Net losses reclassified from accumulated other comprehensive loss	0	142,165	(777)	141,388
Net other comprehensive (loss) income	2,347	56,513	634	59,494
Balance as of June 30, 2017 (3)	$ (3,681)	$ 93	$ 1,253	$ (2,335)

(1) Majority of unrealized losses as of December 31, 2016 relates to decline in fair value of NantHealth common stock.
(2) Net of taxes of $402 thousand for unrealized net gains on foreign exchange contract derivatives and $61 thousand for unrealized net gains on available for sale securities.
(3) Net of taxes of $801 thousand for unrealized net gains on foreign exchange contract derivatives and $59 thousand for unrealized net gains on available for sale securities.

Income Tax Effects Related to Components of Other Comprehensive Income (Loss)

The following tables reflect the tax effects allocated to each component of other comprehensive income (loss) (“OCI”):

	Three Months Ended June 30,					
	2018			2017		
(In thousands)	Before-Tax Amount	Tax Effect	Net Amount	Before-Tax Amount	Tax Effect	Net Amount
Foreign currency translation adjustments	$ (1,685)	$ 0	$ (1,685)	$ 832	$ 0	$ 832
Available for sale securities:						
Net loss arising during the period	0	0	0	(10,952)	1	(10,951)
Net loss reclassified into income	0	0	0	142,165	0	142,165
Net change in unrealized gains (losses) on available for sale securities	0	0	0	131,213	1	131,214
Derivatives qualifying as cash flow hedges:						
Foreign exchange contracts:						
Net gains (losses) arising during the period	(129)	34	(95)	434	(169)	265
Net (gains) losses reclassified into income (1)	(331)	86	(245)	(749)	292	(457)
Net change in unrealized (losses) gains on foreign exchange contracts	(460)	120	(340)	(315)	123	(192)
Net (loss) gain on cash flow hedges	(460)	120	(340)	(315)	123	(192)
Other comprehensive income (loss)	$ (2,145)	$ 120	$ (2,025)	$ 131,730	$ 124	$ 131,854

(1) Tax effects for the three months ended June 30, 2018 include $149 thousand arising from the revaluation of tax effects included in accumulated other comprehensive income at December 31, 2017.

	Six Months Ended June 30,					
	2018			2017		
(In thousands)	Before-Tax Amount	Tax Effect	Net Amount	Before-Tax Amount	Tax Effect	Net Amount
Foreign currency translation adjustments	$ (1,562)	$ 0	$ (1,562)	$ 2,347	$ 0	$ 2,347
Available for sale securities:						
Net loss arising during the period	0	0	0	(85,654)	2	(85,652)
Net loss reclassified into income	0	0	0	142,165	0	142,165
Net change in unrealized gains (losses) on available for sale securities	0	0	0	56,511	2	56,513
Derivatives qualifying as cash flow hedges:						
Foreign exchange contracts:						
Net gains (losses) arising during the period	(207)	54	(153)	2,307	(896)	1,411
Net (gains) losses reclassified into income (1)	(886)	380	(506)	(1,274)	497	(777)
Net change in unrealized gains (losses) on foreign exchange contracts	(1,093)	434	(659)	1,033	(399)	634
Net gain (loss) on cash flow hedges	(1,093)	434	(659)	1,033	(399)	634
Other comprehensive income (loss)	$ (2,655)	$ 434	$ (2,221)	$ 59,891	$ (397)	$ 59,494

(1) Tax effects for the six months ended June 30, 2018 include $149 thousand arising from the revaluations of tax effects included in accumulated other comprehensive income at December 31, 2017.

12. Contingencies

In addition to commitments and obligations in the ordinary course of business, we are currently subject to various legal proceedings and claims that have not been fully adjudicated. We intend to vigorously defend ourselves in these matters.

No less than quarterly, we review the status of each significant matter and assess our potential financial exposure. We accrue a liability for an estimated loss if the potential loss from any legal proceeding or claim is considered probable and the amount can be reasonably estimated. Significant judgment is required in both the determination of probability and the determination as to whether the amount of an exposure is reasonably estimable, and accruals are based only on the information available to our management at the time the judgment is made.

The outcome of legal proceedings is inherently uncertain, and we may incur substantial defense costs and expenses defending any of these matters. In the opinion of our management, the ultimate disposition of pending legal proceedings or claims will not have a material adverse effect on our consolidated financial position, liquidity or results of operations. However, if one or more of these legal proceedings were resolved against us in a reporting period for amounts in excess of our management's expectations, our consolidated financial statements for that reporting period could be materially adversely affected. Additionally, the resolution of a legal proceeding against us could prevent us from offering our products and services to current or prospective clients or cause us to incur increased compliance costs, either of which could further adversely affect our operating results.

On May 1, 2012, Physicians Healthsource, Inc. filed a class action complaint in the U.S. District Court for the Northern District of Illinois against us. The complaint alleges that, on multiple occasions between July 2008 and December 2011, we or our agent sent advertisements by fax to the plaintiff and a class of similarly situated persons, without first receiving the recipients' express permission or invitation in violation of the Telephone Consumer Protection Act, 47 U.S.C. § 227 (the "TCPA"). The plaintiff sought $500 for each alleged violation of the TCPA, treble damages if the Court finds the violations to be willful, knowing or intentional, and injunctive and other relief. Allscripts answered the complaint denying all material allegations and asserting a number of affirmative defenses, as well as counterclaims for breach of a license agreement. On March 31, 2016, plaintiff filed its motion for class certification. On May 31, 2016, we filed our opposition to plaintiff's motion for class certification, and simultaneously moved for summary judgment on all of plaintiff's claims. On June 2, 2017, an order was entered denying class certification and, accordingly, the case will not proceed on a class-wide basis.

The EIS Business acquired from McKesson on October 2, 2017 is subject to a May 2017 civil investigative demand ("CID") from the U.S. Attorney's Office for the Eastern District of New York. The CID requests documents and information related to the certification McKesson obtained in connection with the U.S. Department of Health and Human Services' Electronic Health Record Incentive Program. McKesson has agreed, with respect to the CID, to indemnify Allscripts for amounts paid or payable to the government (or any private relator) involving any products or services marketed, sold or licensed by the EIS Business as of or prior to the closing of the acquisition.

Practice Fusion, acquired by Allscripts on February 13, 2018, received in March 2017 a request for documents and information from the U.S. Attorney's Office for the District of Vermont pursuant to a CID. In April 2018, Practice Fusion received a second request for documents and information. These CIDs relate to the certification of Practice Fusion's software under the U.S. Office of the National Coordinator for Health Information Technology's electronic health record certification program, compliance with the Anti-Kickback Statute in relation to claims made by healthcare payers that resulted from referrals, and related business practices. It has been Practice Fusion's practice to respond to such matters in a cooperative, thorough and timely manner. To date, neither CID has led to a claim or legal proceeding against Practice Fusion.

On January 25, 2018, a complaint was filed in *Surfside Non-Surgical Orthopedics, P.A. v. Allscripts Healthcare Solutions, Inc.*, No. 1:18-cv-00566, in the Northern District of Illinois. This is a purported class action lawsuit related to a January 18, 2018 ransomware attack, and alleges the following counts: (1) negligence, gross negligence and negligence per se; (2) breach of contract; (3) unjust enrichment; (4) violation of the Illinois Consumer Fraud Act; and (5) violation of the Illinois Deceptive Trade Practices Act. Plaintiff seeks to represent a class of customers seeking damages from Allscripts. The parties are currently engaged in limited jurisdictional discovery. Allscripts expects to respond to the complaint after this discovery is completed.

13. Discontinued Operations

Two of the product offerings acquired with the EIS Business, Horizon Clinicals and Series2000 Revenue Cycle, were sunset after March 31, 2018. The decision to discontinue maintaining and supporting these solutions was made prior to our acquisition of the EIS Business and, therefore, are presented below as discontinued operations. Until the end of the first quarter of 2018, we were involved in ongoing maintenance and support for these solutions until customers have transitioned to other platforms. No disposal gains or losses were recognized during the three and six months ended June 30, 2018 related to these discontinued operations.

The following table summarizes the major classes of assets and liabilities of the discontinued operations, as reported on the consolidated balance sheets as of the dates indicated:

(In thousands)	June 30, 2018	December 31, 2017
Carrying amounts of major classes of assets included as part of discontinued operations:		
Accounts receivable, net	$ 0	$ 8,196
Prepaid expenses and other current assets	0	3,080
Total assets attributable to discontinued operations	$ 0	$ 11,276
Carrying amounts of major classes of liabilities included as part of discontinued operations:		
Accounts payable	$ 105	$ 114
Accrued expenses	611	5,599
Accrued compensation and benefits	3,727	7,728
Deferred revenue	0	7,241
Other classes of liabilities that are not major	0	676
Total liabilities attributable to discontinued operations	$ 4,443	$ 21,358

The following table summarizes the major classes of line items constituting income (loss) of the discontinued operations, as reported in the consolidated statements of operations for the three and six months ended June 30, 2018. The activity during the three months ended June 30, 2018 relates primarily to certain revenue transactions and accrued compensation and benefits, which were finalized subsequent to March 31, 2018.

(In thousands)	Three months ended June 30, 2018	Six months ended June 30, 2018
Major classes of line items constituting pretax profit (loss) of discontinued operations		
Revenue:		
Software delivery, support and maintenance	$ (363)	$ 9,441
Client services	(88)	404
Total revenue	(451)	9,845
Cost of revenue:		
Software delivery, support and maintenance	(141)	2,322
Client services	87	830
Total cost of revenue	(54)	3,152
Gross profit	(397)	6,693
Selling, general and administrative expenses	0	0
Research and development	527	1,651
(Loss) income from discontinued operations before income taxes	(924)	5,042
Income tax benefit (provision)	240	(1,311)
(Loss) income from discontinued operations, net of tax	$ (684)	$ 3,731

During the three and six months ended June 30, 2018, the discontinued operations used $5.6 million and $1.3 million of cash, respectively.

14. Business Segments

We primarily derive our revenues from sales of our proprietary software (either as a direct license sale or under a subscription delivery model), which also serves as the basis for our recurring service contracts for software support and maintenance and certain transaction-related services. In addition, we provide various other client services, including installation, and managed services such as outsourcing, private cloud hosting and revenue cycle management.

During the first quarter of 2018, in an effort to further streamline and align our operating structure around our key acute and population health management solutions, we made several changes to our organizational and reporting structure. These changes included the split of our former Population Health operating segment into several components. The dbMotion business unit, formerly included in the Population Health operating segment, is now aligned with the Hospitals and Health Systems operating segment within the Clinical and Financial solutions reportable segment. The Care Management, Referral Management and Careport business units, formally included in the Population Health operating segment, were combined into a new CarePort operating segment within the Population Health reportable segment. The prior period segment disclosures below were revised to conform to the current year presentation.

During the second quarter of 2018, we changed the presentation of certain research and development expenses related to common solutions and resources that benefit all of our business units, other than Netsmart. Such expenses were previously internally allocated to our business units. Under the new presentation, such expenses are no longer internally allocated and are included as part of “Unallocated Amounts.” The gross profit and income from operations previously reported for the three and six months ended June 30, 2017 have been recast to match the new presentation. As a result, the gross profit and income from operations of the Clinical and Financial Solutions reportable segment increased by $1 million and $12 million, respectively, for the three months ended June 30, 2017 and by $2 million and $21 million, respectively, for the six months ended June 30, 2017. In addition, the gross profit and income from operations of the Population Health reportable segment increased by nil and $1 million, respectively, for both the three and six months ended June 30, 2017.

As of June 30, 2018, we had ten operating segments, which are aggregated into three reportable segments. The Clinical and Financial Solutions reportable segment includes the Hospitals and Health Systems, Ambulatory, Payer and Life Sciences, and EIS-Classics strategic business units, each of which represents a separate operating segment. This reportable segment derives its revenue from the sale of integrated clinical software applications and financial and information solutions, which primarily include EHR-related software, connectivity and coordinated care solutions, financial and practice management software, related installation, support and maintenance, outsourcing, private cloud hosting, revenue cycle management, training and electronic claims administration services. The Population Health reportable segment is comprised of five separate operating segments: CarePort, FollowMyHealth®, EPSi™, EIS-EWS and NantHealth. This reportable segment derives its revenue from the sale of health management, financial management and patient engagement solutions, which are mainly targeted at hospitals, health systems, other care facilities and Accountable Care Organizations (“ACOs”). These solutions enable clients to transition, analyze and coordinate care across the entire care community. This segment also provides document, content and supply chain management solutions through the EIS-EWS operating segment. Refer to Note 3, “Business Combinations” for additional information regarding the sale of the Strategic Sourcing and OneContent business units, respectively, which together comprise a substantial majority of the EIS-EWS operating segment. The Netsmart reportable segment is comprised of the Netsmart strategic business unit, which represents a separate operating segment. Netsmart operates in the home care and behavioral healthcare information technology field throughout the United States and provides software and technology solutions to the health and human services industry, which comprises behavioral health, addiction treatment, intellectual and developmental disability services, child and family services, and public health segment, as well as to post-acute home care organizations.

The results of operations related to two of the product offerings acquired with the EIS Business are presented throughout these financial statements as discontinued operations and are included in the Clinical and Financial Solutions reportable segment, except for acquisition-related deferred revenue adjustments, which are included in “Unallocated Amounts”. Refer to Note 13, “Discontinued Operations”.

Our Chief Operating Decision Maker (“CODM”) uses segment revenues, gross profit and income from operations as measures of performance and to make decisions on allocation of resources. With the exception of the Netsmart segment, in determining these performance measures, we do not include in revenue the amortization of acquisition-related deferred revenue adjustments, which reflect the fair value adjustments to deferred revenues acquired in a business acquisition. With the exception of the Netsmart segment, we also exclude the amortization of intangible assets, stock-based compensation expense, non-recurring expenses and transaction-related costs, and non-cash asset impairment charges from the operating segment data provided to our CODM. Non-recurring expenses relate to certain severance, product consolidation, legal, consulting and other charges incurred in connection with activities that are considered one-time. Accordingly, these amounts are not included in our reportable segment results and are included in an “Unallocated Amounts” category within our segment disclosure. The “Unallocated Amounts” category also includes (i) corporate general and administrative expenses (including marketing expenses) and certain research and development expenses related to common solutions and resources that benefit all of our business units (refer to discussion above), all of which are centrally managed, and (ii) revenue and the associated cost from the resale of certain ancillary products, primarily hardware, other than the respective amounts associated with the Netsmart segment. The Netsmart segment, as presented, includes all revenue and expenses incurred by Netsmart since it operates as a stand-alone business entity and its resources allocation and performance are reviewed and measured at such all-inclusive level. The eliminations of intercompany transactions between Allscripts and Netsmart are included in the “Unallocated Amounts” category. We do not track our assets by segment.

(In thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Revenue:				
Clinical and Financial Solutions	$ 389,497	$ 304,111	$ 763,476	$ 600,291
Population Health	57,068	42,508	126,773	85,937
Netsmart	86,366	78,421	168,852	151,428
Unallocated Amounts	(7,805)	1,051	(9,753)	1,910
Discontinued Operations	451	0	(9,845)	0
Total revenue	$ 525,577	$ 426,091	$ 1,039,503	$ 839,566
Gross Profit:				
Clinical and Financial Solutions	$ 165,073	$ 126,810	$ 319,722	$ 246,691
Population Health	41,369	34,909	94,575	70,818
Netsmart	38,877	37,271	75,178	71,845
Unallocated Amounts	(33,053)	(11,499)	(49,143)	(23,211)
Discontinued Operations	397	0	(6,694)	0
Total gross profit	$ 212,663	$ 187,491	$ 433,638	$ 366,143
Income (loss) from operations:				
Clinical and Financial Solutions	$ 79,501	$ 75,501	$ 161,648	$ 138,273
Population Health	26,587	27,884	63,106	56,562
Netsmart	1,219	7,828	3,532	16,757
Unallocated Amounts	(167,028)	(90,109)	(286,361)	(179,225)
Discontinued Operations	924	0	(5,042)	0
Total income from operations	$ (58,797)	$ 21,104	$ (63,117)	$ 32,367

15. Supplemental Disclosures

Supplemental Consolidated Statements of Cash Flows Information

The majority of the restricted cash balance as of June 30, 2018 and 2017 represents Netsmart's cash deposits to maintain two letters of credit with a financial institution related to customer agreements and an escrow fund related to a previous acquisition associated with the acquired EIS Business.

(In thousands)	June 30,	
	2018	2017
Reconciliation of cash, cash equivalents and restricted cash:		
Cash and cash equivalents	$ 135,851	$ 82,714
Restricted cash	4,925	6,400
Total cash, cash equivalents and restricted cash	$ 140,776	$ 89,114

(In thousands)	Six Months Ended June 30,	
	2018	2017
Supplemental non-cash information:		
Accretion of redemption preference on redeemable convertible non-controlling interest - Netsmart	$ 24,297	$ 21,925
Obligations incurred to purchase capitalized software or enter into capital leases	$ 6,422	$ 7,684
Contribution of assets in exchange for equity interest	$ 4,000	$ 0
Issuance of treasury stock to commercial partner	$ 0	$ 334

Asset Impairment Charges

During the three and six months ended June 30, 2018, we recognized non-cash asset impairment charges of $30.1 million related to the write-off of purchased third-party software as a result of our decision to discontinue several software development projects

16. Subsequent Events

Membership Purchase Agreement

On July 2, 2018, ECS Acquisition Co. LLC, a Delaware limited liability company and a wholly-owned subsidiary of Netsmart (the “Purchaser”), purchased from Change Healthcare Technologies, LLC, a Delaware limited liability company (“CHT”), and Change Healthcare Holdings, LLC, a Delaware limited liability company (“CHC” and, together with “CHT”, the “Sellers”), all issued and outstanding membership interests of Barista Operations, LLC, a Delaware limited liability company, which entity owns and operates the extended care solutions business of Sellers and their subsidiaries providing information technology solutions and services to the Care at Home industry, which comprises the Extended Care Solutions business of McKesson Technology Solutions that was contributed to CHC by McKesson Corporation effective March 1, 2017 (the “Purchase Agreement”). The purchase price for the acquisition was $167.5 million and was funded through borrowings under the Netsmart Credit Agreements. The purchase price is subject to adjustments for net working capital. Additionally, $2.5 million of the purchase price was deposited into escrow at the closing of the acquisition and is subject to release to the Sellers or to the Purchaser based on the achievement of certain revenue thresholds.

In accordance with the Purchase Agreement, (i) CHC will provide certain transition services to Purchaser pursuant to a transition services agreement and (ii) CHC and Netsmart Technologies will negotiate in good faith and use commercially reasonable efforts to enter into certain commercial arrangements pursuant to which, among other things, Netsmart Technologies will market and sell certain products of CHC.

Stock Repurchase Program

On August 2, 2018, we announced that our Board approved a new stock repurchase program under which we may repurchase up to $250 million of our common stock through December 31, 2020. The new stock repurchase program supersedes the previously existing stock repurchase program, which was announced on November 17, 2016 and authorized us to repurchase up to $200 million through December 31, 2019. The remaining repurchase authorization under our previous stock repurchase program was $62.2 million as of June 30, 2018.

Any repurchase activity will depend on many factors such as our working capital needs, cash requirements for investments, debt repayment obligations, economic and market conditions at the time, including the price of our common stock, and other factors that we consider relevant. Our stock repurchase program may be accelerated, suspended, delayed or discontinued at any time and there is no guarantee as to the exact number of shares or value that will be repurchased under the stock repurchase program.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This "Management's Discussion and Analysis of Financial Condition and Results of Operations" section and other sections of this Quarterly Report on Form 10-Q ("Form 10-Q") contain forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995, that involve risks and uncertainties. Forward-looking statements provide current expectations of future events based on certain assumptions and include any statement that does not directly relate to any historical fact or pattern. Forward-looking statements can also be identified by the use of words such as "future," "anticipates," "believes," "estimates," "expects," "intends," "plans," "predicts," "will," "would," "could," "can," "may," and similar terms. Forward-looking statements are not guarantees of future performance. Actual results could differ significantly from those set forth in the forward-looking statements and reported results should not be considered an indication of future performance. Certain factors that could cause our actual results to differ materially from those described in the forward-looking statements include, but are not limited to, those discussed in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2017 (our "Form 10-K") under the heading "Risk Factors" and elsewhere. Certain factors that could cause Allscripts actual results to differ materially from those described in the forward-looking statements include, but are not limited to: the anticipated sale of our ownership interests in the Netsmart joint business entity, including our ability to enter into and complete the transaction and the expected timing and use of the proceeds of the transaction; the expected financial contribution and results of the EIS Business, the NantHealth provider/patient solutions business, Practice Fusion and Health Grid; the successful integration of the businesses recently acquired by us; the anticipated and unanticipated expenses and liabilities related to the EIS business, the NantHealth provider/patient solutions business, Practice Fusion and Health Grid; security breaches resulting in unauthorized access to our or our clients' computer systems or data, including denial-of-service, ransomware or other Internet-based attacks (including the impact of our recent ransomware attack);Allscripts failure to compete successfully; consolidation in Allscripts industry; current and future laws, regulations and industry initiatives; increased government involvement in Allscripts industry; the failure of markets in which Allscripts operates to develop as quickly as expected; Allscripts or its customers' failure to see the benefits of government programs; changes in interoperability or other regulatory standards; the effects of the realignment of Allscripts sales, services and support organizations; market acceptance of Allscripts products and services; the unpredictability of the sales and implementation cycles for Allscripts products and services; Allscripts ability to manage future growth; Allscripts ability to introduce new products and services; Allscripts ability to establish and maintain strategic relationships; risks related to the acquisition of new companies or technologies; the performance of Allscripts products; Allscripts ability to protect its intellectual property rights; the outcome of legal proceedings involving Allscripts; Allscripts ability to hire, retain and motivate key personnel; performance by Allscripts content and service providers; liability for use of content; price reductions; Allscripts ability to license and integrate third party technologies; Allscripts ability to maintain or expand its business with existing customers; risks related to international operations; changes in tax rates or laws; business disruptions; Allscripts ability to maintain proper and effective internal controls; and asset and long-term investment impairment charges. The following discussion should be read in conjunction with the unaudited consolidated financial statements and notes thereto included in Part I, Item 1, "Financial Statements (unaudited)" in this Form 10-Q, as well as our Form 10-K filed with the Securities and Exchange Commission (the "SEC"). We assume no obligation to revise or update any forward-looking statements for any reason, except as required by law.

Each of the terms "we," "us," "our" or "company" as used herein refers collectively to Allscripts Healthcare Solutions, Inc. and its wholly-owned subsidiaries and controlled affiliates, unless otherwise stated.

Overview

Our Business Overview and Regulatory Environment

We deliver information technology ("IT") solutions and services to help healthcare organizations achieve optimal clinical, financial and operational results. We sell our solutions to physicians, hospitals, governments, health systems, health plans, life-sciences companies, retail clinics, retail pharmacies, pharmacy benefit managers, insurance companies, employer wellness clinics, and post-acute organizations, such as home health and hospice agencies. We help our clients improve the quality and efficiency of health care with solutions that include electronic health records ("EHRs"), connectivity, private cloud hosting, outsourcing, analytics, patient engagement, clinical decision support and population health management.

Our solutions empower healthcare professionals with the data, insights and connectivity to other caregivers they need to succeed in an industry that is rapidly changing from fee-for-service models to fee-for-value advanced payment models. We believe we offer some of the most comprehensive solutions in our industry today. Healthcare organizations can effectively manage patients and patient populations across all care settings using a combination of our physician, hospital, health system, post-acute care and population health management products and services. We believe these solutions will help transform health care as the industry seeks new ways to manage risk, improve quality and reduce costs.

Globally, healthcare providers face an aging population and the challenge of caring for an increasing number of patients with chronic diseases. At the same time, practitioners worldwide are also under increasing pressure to demonstrate the delivery of high quality care at lower costs. Population health management, analytics, connectivity based on open Application Programming Interfaces (“APIs”), and patient engagement are strategic imperatives that can help address these challenges. In the United States, for example, such initiatives will be critical tools for success under the framework of the Quality Payment Program (“QPP”), launched by the Centers for Medicare & Medicaid Services (“CMS”) in response to the passage of the Medicare Access and CHIP Reauthorization Act (“MACRA”). As healthcare providers and payers migrate from volume-based to value-based care delivery, interoperable solutions that are connected to the consumer marketplace are the key to market leadership in the new healthcare reality. Additionally, there is a small but growing portion of the market interested in payment models not reliant on insurance, such as the direct primary care model, with doctors and other healthcare professionals interested in the clinical value of the interoperable EHR separate and apart from payment mechanisms established by public or commercial payers or associated reporting requirements.

We believe our solutions are delivering value to our clients by providing them with powerful connectivity, as well increasingly robust patient engagement and care coordination tools, enabling users to successfully participate in alternative payment models that reward high value care delivery. Population health management is commonly viewed as one of the critical next frontiers in healthcare delivery, and we expect this rapidly emerging area to be a key driver of our future growth, both domestically and globally.

Recent advances in molecular science and computer technology are creating opportunities for the delivery of personalized medicine solutions. We believe these solutions will transform the coordination and delivery of health care, ultimately improving patient outcomes.

Specific to the United States, the healthcare IT industry in which we operate is in the midst of a period of rapid evolution, primarily due to new laws and regulations, as well as changes in industry standards. Various incentives that exist today (including alternative payment models that reward high value care delivery) have been rapidly moving health care toward a time where EHRs are as common as practice management or other financial systems in all provider offices. As a result, we believe that legislation, such as the aforementioned MACRA, as well as other government-driven initiatives (including at the state level), will continue to affect healthcare IT adoption and expansion, including products and solutions like ours. We also believe that we are well-positioned in the market to take advantage of the ongoing opportunity presented by these changes.

Given that CMS has proposed further regulations which require EHRs and other health information technology, including the QPP and payment rules for upcoming years, even as we comply with previously published rules, as well as Stage 3 of the Meaningful Use program for those organizations not eligible for the QPP, our industry is preparing for additional areas in which we must execute compliance. Similarly, our ability to achieve applicable product certifications, any changing strategies related to the Office of the National Coordinator for Health Information Technology (“ONC”) certification program, and the length, if any, of additional related development and other efforts required to meet regulatory standards, could materially impact our capacity to maximize the market opportunity. All of our market-facing EHR solutions, as well as the Allscripts EDTM, dbMotion and FollowMyHealth® products, have successfully completed the testing process and are certified as 2015 Edition-compliant by an ONC-Authorized Certification Body, in accordance with the applicable provider or hospital certification criteria adopted by the United States Secretary of Health and Human Services.

Conversations around the Medicare Sustainable Growth Rate reimbursement model concluded in the United States Congress in 2015 when the MACRA was passed, which further encouraged the adoption of health IT necessary to satisfy new requirements more closely associating the report of quality measurements to Medicare payments. Following the finalization of the rule for the QPP in 2017, providers accepting payment from Medicare were given an opportunity to select one of two payment models: the Merit-based Incentive Payment System (“MIPS”) or an Advanced Alternative Payment Model (“APM”). Both of these programs require substantive reporting on quality measures; additionally, the MIPS consolidated several preexisting incentive programs, including Meaningful Use and Physician Quality Reporting System, under one umbrella, as required by statute. The implementation of this new law could drive additional interest in our products among providers who were not eligible for or chose not to participate in the Health Information Technology for Economic and Clinical Health Act (“HITECH”) incentive program but now see a new reason to adopt EHRs and other health information technologies or by those needing to purchase more robust systems to help comply with more complex MACRA requirements. Additional regulations have been and will likely continue to be released annually clarifying requirements related to reporting and quality measures, which will enable physician populations and healthcare organizations to make strategic decisions about the purchase of analytic software or other solutions important to comply with the new law and associated regulations.

HITECH resulted in additional related new orders for our EHR products, and we believe that the MACRA could drive purchases of not only EHRs but additional technologies necessary in advanced payment models. Large physician groups will continue to purchase and enhance their use of EHR technology; while the number of very large practices with over 100 physicians that have not yet acquired such technology has decreased significantly, those considering replacement purchases are increasing. Such practices may choose to replace older EHR technology in the future as regulatory requirements (such as those related to Advanced APMs) and business realities dictate the need for updates and upgrades, as well as additional features and functionality. Additionally, we believe that a number of companies who certified their EHR products for Stage 1 or Stage 2 of Meaningful Use have and will continue to demonstrate that they have not been able to comply with the requirements for the 2015 Edition, which continues to present additional opportunities in the replacement market, particularly in the smaller physician space. As incentive payment strategies shifts in policies under the current Presidential Administration in the United States, the role of commercial payers and their continued expansion of alternative payment models, as well as the anticipated growth in Medicaid payment models, are expected to provide additional incentives for purchase and expansion.

We also continue to see activity in local community-based buying, whereby individual hospitals, health systems and integrated delivery networks subsidize the purchase of EHR licenses or related services for local, affiliated physicians and physicians across their employed physician base in order to leverage buying power and help those practices take advantage of payment reform opportunities. This activity has also resulted in a pull-through effect where smaller practices affiliated with a community hospital are motivated to participate in the incentive program, while the subsidizing health system expands connectivity within the local provider community. We believe that the 2013 extension of exceptions to the Stark Law and Anti-Kickback Statute, which allowed hospitals and other organizations to subsidize the purchase of EHRs, will continue to contribute to the growth of this market dynamic. We also believe that new orders driven by the MACRA legislation and related to EHR and community-based activity may continue to come in as physicians in those small- and medium-sized practices seek to avoid payment adjustments stemming from the QPP or programs implemented by commercial payers. The associated challenge we face is to successfully position, sell, implement and support our products to hospitals, health systems or integrated delivery networks that subsidize their affiliated physicians. We believe the community programs we have in place will help us penetrate these markets.

We believe we have taken and continue to take the proper steps to maximize the opportunity presented by the QPP and other new payment programs. However, given the effects the laws are having on our clients, there can be no assurance that they will result in significant new orders for us in the near term, and if they do, that we will have the capacity to meet the additional market demand in a timely fashion.

Additionally, other public laws to reform the United States healthcare system contain various provisions which may impact us and our clients. Continued efforts by the current Presidential Administration and Congress to alter the implementation of the Patient Protection and Affordable Care Act (as amended, the “PPACA”) create uncertainty for us and for our clients, particularly as it relates to funding of the cost sharing subsidies. Some laws currently in place may have a positive impact by requiring the expanded use of EHRs, quality measurement and analytics tools to participate in certain federal, state or private sector programs. Others, such as adjustments made to the PPACA by the current presidential Administration and Congress, laws or regulations mandating reductions in reimbursement for certain types of providers, decreasing insurance coverage of patients, state level requests for waivers from CMS related to Medicaid modeling, or increasing regulatory oversight of our products or our business practices, may have a negative impact by reducing the resources available to purchase our products. Increases in fraud and abuse enforcement and payment adjustments for non-participation in certain programs or overpayment of certain incentive payments may also adversely affect participants in the healthcare sector, including us. Generally, Congressional oversight of EHRs and health information technology increased in recent years, including a specific focus on perceived interoperability failures and physician frustration with user burden, as well as any contributing factors to such dissatisfaction, which could impact our clients and our business. The passage of the 21st Century Cures Act in December 2016 assuaged some concerns about interoperability and possible FDA oversight of EHRs, but Congressional on adjusting or defunding the PPACA, fraud and abuse enforcement and reducing clinician burden are not likely to decrease significantly. Further, CMS has proposed changes to the Evaluation & Management (E&M) coding structure that ties closely to our clients’ requirements to document the care they are delivering prior to payment. We expect these changes may have a positive effect on clinician satisfaction with our EHRs, though the fundamentals of payment will remain in transition to value-based payment models.

New payment and delivery system reform programs, including those related to the Medicare program, are increasingly being rolled out at the state level through Medicaid administrators, as well as through the private sector, presenting additional opportunities for us to provide software and services to our clients who participate.

We derive our revenues primarily from sales of our proprietary software (either as a perpetual license sale or under a subscription delivery model), support and maintenance services, and managed services, such as outsourcing, private cloud hosting and revenue cycle management.

Critical Accounting Policies and Estimates

We adopted ASC 606 effective on January 1, 2018 using the modified retrospective method for all contracts not completed as of the date of adoption. ASC 606 superseded nearly all existing revenue recognition guidance under GAAP. The core principle of ASC 606 is to recognize revenue when control of promised goods or services is transferred to customers in an amount that reflects the consideration that is expected to be received for those goods or services. Refer to Note 2, "Revenue from Contracts with Customers," to our consolidated financial statements included in Item I, Part 1, "Financial Statements" of this Form 10-Q for additional information regarding our revenue recognition policies under the new standard and the impact of adoption on our financial position and results of operations as of and for the three and six months ended June 30, 2018.

There were no other material changes to our critical accounting policies and estimates from those previously disclosed in our Form 10-K.

Second Quarter 2018 Summary

During the second quarter of 2018, we continued to make incremental progress on our key strategic, financial and operational imperatives aimed at driving higher client satisfaction, improving our competitive position by expanding the depth and breadth of our products and, ultimately, positioning the company for sustainable long-term growth both domestically and globally. Additionally, we believe there are still opportunities to continue to improve our operating leverage and further streamline our operations and such efforts are ongoing.

Total revenue for the second quarter of 2018 was $526 million, an increase of 23% compared to the second quarter of 2017. For the three months ended June 30, 2018, software delivery, support and maintenance revenue and client services revenue totaled $337 million, for an increase of 22%, and $189 million, for an increase of 25%, respectively, as compared with the three months ended June 30, 2017.

Gross profit increased during the second quarter of 2018 compared with the second quarter of 2017, primarily due to improved profitability from our recurring subscription-based software sales and recurring managed services solutions as we continue to expand our customer base for these services, including through recent acquisitions. Gross margin declined to 40.5% compared with prior year period gross margin of 44.0% primarily due to higher amortization of software development and acquisition-related assets driven by additional amortization expense associated with intangible assets acquired as part of recent acquisitions and higher incentive-based compensation.

As part of our continued focus on improving operational efficiency, during the second quarter of 2018 we mostly completed the migration and integration of the Enterprise Information Solutions Business (the "EIS Business") systems and solutions into our operations and solutions offerings. This integration included the divestitures of the Strategic Sourcing business, completed in March 2018, and of the OneContent business, completed in April 2018. In connection with these integration efforts and other strategic initiatives, we incurred legal, severance, transaction-related, incentive compensation and other costs totaling $45 million during the second quarter of 2018, compared with $9 million of such costs incurred during the second quarter of 2017.

During the three months ended June 30, 2018, we recognized a non-cash asset impairment charge of $30.1 million related to the write-off of purchased third-party software as a result of our decision to discontinue several software development projects and long-term investment non-cash impairment charges of $10 million related to two of our cost-method equity investments.

Our contract backlog as of June 30, 2018 was at a record high of $4.8 billion, slightly above our contract backlog as of December 31, 2017 of $4.7 billion, while increasing 16% compared with contract backlog as of June 30, 2017 of $4.1 billion.

Our bookings, which reflect the value of executed contracts for software, hardware, other client services, private-cloud hosting, outsourcing and subscription-based services, totaled $278 million for the three months ended June 30, 2018 which represented a decrease of 32% over the comparable prior period amount of $407 million and a decrease of 9% from the first quarter of 2018 amount of $304 million. The decrease in bookings compared with prior year was primarily driven by the fact that bookings during the second quarter of 2017 were one of the highest in recent quarters. The composition of our bookings for the three months ended June 30, 2018 was 51% of client services-related bookings and 49% software delivery-related bookings. The corresponding ratios for the three months ended June 30, 2017 were 49% and 51%, respectively.

During the second quarter of 2018, we returned $44.3 million of cash to our shareholders through the repurchase of 3.6 million shares of our common stock. During the first six months of 2018, we returned $101.9 million of cash to our shareholders through the repurchase of 7.7 million shares of our common stock.

On May 18, 2018, we acquired Health Grid Holding Company ("Health Grid"), a patient engagement solutions provider that assists independent providers, hospitals and health systems to improve patient interactions and satisfaction.

Overview of Consolidated Results

Three and Six Months Ended June 30, 2018 Compared with the Three and Six Months Ended June 30, 2017

(In thousands)	Three Months Ended June 30, 2018	Three Months Ended June 30, 2017	% Change	Six Months Ended June 30, 2018	Six Months Ended June 30, 2017	% Change
Revenue:						
Software delivery, support and maintenance	$ 336,406	$ 275,033	22.3%	$ 666,172	$ 543,221	22.6%
Client services	189,171	151,058	25.2%	373,331	296,345	26.0%
Total revenue	525,577	426,091	23.3%	1,039,503	839,566	23.8%
Cost of revenue:						
Software delivery, support and maintenance	114,442	89,071	28.5%	218,852	172,468	26.9%
Client services	165,794	122,229	35.6%	320,562	247,168	29.7%
Amortization of software development and acquisition-related assets	32,678	27,300	19.7%	66,451	53,787	23.5%
Total cost of revenue	312,914	238,600	31.1%	605,865	473,423	28.0%
Gross profit	212,663	187,491	13.4%	433,638	366,143	18.4%
Gross margin %	40.5%	44.0%		41.7%	43.6%	
Selling, general and administrative expenses	149,081	112,037	33.1%	292,151	222,882	31.1%
Research and development	80,342	46,459	72.9%	150,319	95,691	57.1%
Asset impairment charges	30,075	0	NM	30,075	0	NM
Amortization of intangible and acquisition-related assets	11,962	7,891	51.6%	24,210	15,203	59.2%
(Loss) income from operations	(58,797)	21,104	NM	(63,117)	32,367	NM
Interest expense	(26,454)	(20,290)	30.4%	(51,500)	(40,470)	27.3%
Other (loss) income, net	(19)	(214)	(91.1%)	(65)	25	NM
Gain on sale of businesses, net	173,129	0	NM	172,258	0	NM
Impairment of long-term investments	(9,987)	(144,590)	(93.1%)	(15,487)	(144,590)	(89.3%)
Equity in net income (loss) of unconsolidated investments	767	(28)	NM	706	257	174.7%
Income (loss) from continuing operations before income taxes	78,639	(144,018)	(154.6%)	42,795	(152,411)	(128.1%)
Income tax (provision) benefit	(3,683)	1,007	NM	(769)	835	(192.1%)
Effective tax rate	4.7%	0.7%		1.8%	0.5%	
Income (loss) from continuing operations, net of tax	74,956	(143,011)	(152.4%)	42,026	(151,576)	(127.7%)
(Loss) income from discontinued operations, net of tax	(684)	0	NM	3,731	0	NM
Net income (loss)	74,272	(143,011)	(151.9%)	45,757	(151,576)	(130.2%)
Less: Net loss (income) attributable to non-controlling interest	2,700	264	NM	3,490	(189)	NM
Less: Accretion of redemption preference on redeemable convertible non-controlling interest - Netsmart	(12,148)	(10,963)	10.8%	(24,297)	(21,925)	10.8%
Net income (loss) attributable to Allscripts Healthcare Solutions, Inc. stockholders	$ 64,824	$ (153,710)	(142.2%)	$ 24,950	$ (173,690)	(114.4%)

NM – We define "NM" as not meaningful for increases or decreases greater than 200%.

Revenue

(In thousands)	Three Months Ended June 30, 2018	Three Months Ended June 30, 2017	% Change	Six Months Ended June 30, 2018	Six Months Ended June 30, 2017	% Change
Revenue:						
Software delivery, support and maintenance						
Recurring revenue	$ 292,991	$ 224,078	30.8%	$ 587,446	$ 451,528	30.1%
Non-recurring revenue	43,415	50,955	(14.8%)	78,726	91,693	(14.1%)
Total software delivery, support and maintenance	336,406	275,033	22.3%	666,172	543,221	22.6%
Client services						
Recurring revenue	134,385	99,136	35.6%	256,859	200,915	27.8%
Non-recurring revenue	54,786	51,922	5.5%	116,472	95,430	22.0%
Total client services	189,171	151,058	25.2%	373,331	296,345	26.0%
Total revenue	$ 525,577	$ 426,091	23.3%	$ 1,039,503	$ 839,566	23.8%

Three and Six Months Ended June 30, 2018 Compared with the Three and Six Months Ended June 30, 2017

The increase in revenue for the three and six months ended June 30, 2018 compared with the prior year comparable periods was primarily driven by incremental revenue from the acquisitions of the EIS Business, Practice Fusion and Netsmart's acquisition of DeVero. The EIS Business contributed $73 million and $162 million of revenue for the three and six months ended June 30, 2018, respectively, excluding $10 million of revenue associated with discontinued operations for the six months ended June 30, 2018. These increases were partly offset by higher amortization of acquisition-related deferred revenue adjustments, which totaled $10 million and $15 million, respectively, during the three and six months ended June 30, 2018, compared with the prior year comparable periods totals of $1 million and $3 million, respectively.

Software delivery, support and maintenance revenue consists of recurring subscription-based software sales, support and maintenance revenue, recurring transactions revenue, non-recurring perpetual software licenses sales, hardware resale and non-recurring transactions revenue. Client services revenue consists of recurring revenue from managed services solutions, such as outsourcing, private cloud hosting and revenue cycle management, as well as non-recurring project-based client services revenue. The growth in recurring software delivery, support and maintenance and overall client services revenue for the three and six months ended June 30, 2018 compared with the prior year comparable periods was also largely driven by incremental revenue from the above mentioned recent acquisitions. The decrease in non-recurring software delivery, support and maintenance revenue was primarily driven by fewer perpetual software license sales of our acute and post-acute solutions as the prior year periods included several large transactions which did not recur in the current year.

The percentage of recurring and non-recurring revenue of our total revenue was 81% and 19%, respectively, during both the three and six months ended June 30, 2018, representing a slight shift compared with 76% and 24% and 78% and 22%, respectively, during the comparable prior year periods.

Gross Profit

(In thousands)	Three Months Ended June 30, 2018	Three Months Ended June 30, 2017	% Change	Six Months Ended June 30, 2018	Six Months Ended June 30, 2017	% Change
Total cost of revenue	$ 312,914	$ 238,600	31.1%	$ 605,865	$ 473,423	28.0%
Gross profit	$ 212,663	$ 187,491	13.4%	$ 433,638	$ 366,143	18.4%
Gross margin %	40.5%	44.0%		41.7%	43.6%	

Three and Six Months Ended June 30, 2018 Compared with the Three and Six Months Ended June 30, 2017

Gross profit increased during the three and six months ended June 30, 2018 compared with the prior year comparable periods primarily due to the above mentioned recent acquisitions. From a revenue mix perspective, gross profit associated with our recurring revenue streams, which include the delivery of recurring subscription-based software sales, support and maintenance, and recurring client services improved as we continued to expand our customer base for these services, particularly those related to outsourcing and revenue cycle management. Gross profit associated with our non-recurring software delivery, support and maintenance revenue stream decreased primarily due to fewer perpetual software license sales of our acute and post-acute solutions. Gross profit associated with our non-recurring client services revenue stream, which includes non-recurring project-based client services, decreased primarily driven by higher utilization of third-party resources and higher internal personnel costs. Gross margin decreased primarily due to

higher incentive-based compensation and higher amortization of software development and acquisition-related assets driven by additional amortization expense associated with intangible assets acquired as part of recent acquisitions.

Selling, General and Administrative Expenses

	Three Months Ended June 30,			Six Months Ended June 30,		
(In thousands)	**2018**	**2017**	**% Change**	**2018**	**2017**	**% Change**
Selling, general and administrative expenses	$ 149,081	$ 112,037	33.1%	$ 292,151	$ 222,882	31.1%

Three and Six Months Ended June 30, 2018 Compared with the Three and Six Months Ended June 30, 2017

Selling, general and administrative expenses increased during the three and six months ended June 30, 2018 compared with the prior year comparable periods, primarily due to higher incentive-based compensation and incremental expenses from the acquisitions of the EIS Business, Practice Fusion, and Netsmart's acquisition of DeVero. We also incurred higher transaction-related, severance and legal expenses as a result of these acquisitions.

Research and Development

	Three Months Ended June 30,			Six Months Ended June 30,		
(In thousands)	**2018**	**2017**	**% Change**	**2018**	**2017**	**% Change**
Research and development	$ 80,342	$ 46,459	72.9%	$ 150,319	$ 95,691	57.1%

Three and Six Months Ended June 30, 2018 Compared with the Three and Six Months Ended June 30, 2017

Research and development expenses increased during the three and six months ended June 30, 2018 compared with the prior year comparable periods, primarily due to higher overall personnel costs, including higher incentive-based compensation, and additional expenses from the acquisitions of the EIS Business and Netsmart's acquisition of DeVero, which were partly offset by an increase in the amount of capitalized software costs. The increase in research and development expenses during the three and six months ended June 30, 2018 was also partially mitigated by our continued efforts to streamline our operations and improve operational efficiency, including headcount actions taken during the second half of 2017. The increase in capitalized software development costs was primarily driven by our continued investment in expanding the capabilities and functionality of our traditional ambulatory, acute and post-acute platforms as well as incremental investments in the emerging areas of precision medicine and cloud-based solution delivery. The capitalization of software development costs is highly dependent on the nature of the work being performed and the development status of projects and, therefore, it is common for the amount of capitalized software development costs to fluctuate.

Asset Impairment Charges

	Three Months Ended June 30,			Six Months Ended June 30,		
(In thousands)	**2018**	**2017**	**% Change**	**2018**	**2017**	**% Change**
Asset impairment charges	$ 30,075	$ 0	NM	$ 30,075	$ 0	NM

Three and Six Months Ended June 30, 2018 Compared with the Three and Six Months Ended June 30, 2017

During the three and six months ended June 30, 2018, we recognized non-cash asset impairment charges related to the write-off of purchased third-party software as a result of our decision to discontinue several software development projects.

Amortization of Intangible Assets

	Three Months Ended June 30,			Six Months Ended June 30,		
(In thousands)	**2018**	**2017**	**% Change**	**2018**	**2017**	**% Change**
Amortization of intangible and acquisition-related assets	$ 11,962	$ 7,891	51.6%	$ 24,210	$ 15,203	59.2%

Three and Six Months Ended June 30, 2018 Compared with the Three and Six Months Ended June 30, 2017

The increase in amortization expense for the three and six months ended June 30, 2018 compared with the prior year comparable periods was primarily due to incremental amortization expense associated with intangible assets acquired as part of business acquisitions completed during the second half of 2017 and the first half of 2018, the largest being the acquisitions of the EIS Business and Practice Fusion. Refer to Note 3, "Business Combinations" to our consolidated financial statements included in Part I, Item 1, "Financial Statements" of this Form 10-Q for additional information regarding business acquisitions.

Interest Expense

(In thousands)	Three Months Ended June 30,			Six Months Ended June 30,		
	2018	2017	% Change	2018	2017	% Change
Interest expense	$ 26,454	$ 20,290	30.4%	$ 51,500	$ 40,470	27.3%

Three and Six Months Ended June 30, 2018 Compared with the Three and Six Months Ended June 30, 2017

Interest expense during the three and six months ended June 30, 2018 increased compared with the prior year comparable periods primarily due to the combination of higher outstanding borrowings under Allscripts and Netsmart's credit facilities, and higher interest rates. The higher outstanding borrowings were largely due to additional borrowings to finance the acquisition of the EIS Business during the fourth quarter of 2017 and the acquisitions of Practice Fusion and Health Grid during the first half of 2018.

Other (Loss) Income, Net

(In thousands)	Three Months Ended June 30,			Six Months Ended June 30,		
	2018	2017	% Change	2018	2017	% Change
Other (loss) income, net	$ (19)	$ (214)	(91.1%)	$ (65)	$ 25	NM

Three and Six Months Ended June 30, 2018 Compared with the Three and Six Months Ended June 30, 2017

Other (loss) income, net for the three and six months ended June 30, 2017 and 2018 consisted of a combination of interest income, miscellaneous receipts and expenses.

Gain on Sale of Businesses, Net

(In thousands)	Three Months Ended June 30,			Six Months Ended June 30,		
	2018	2017	% Change	2018	2017	% Change
Gain on sale of businesses, net	$ 173,129	$ 0	NM	$ 172,258	$ 0	NM

Three and Six Months Ended June 30, 2018 Compared with the Three and Six Months Ended June 30, 2017

Gain on sale of businesses, net for the three and six months ended June 30, 2018 consists of a gain of $177.9 million and a loss of $5.6 million from the divestitures of the OneContent and Strategic Sourcing businesses, respectively, both of which were acquired as part of the EIS transaction during the fourth quarter of 2017.

Impairment of Long-term investments

(In thousands)	Three Months Ended June 30,			Six Months Ended June 30,		
	2018	2017	% Change	2018	2017	% Change
Impairment of long-term investments	$ 9,987	$ 144,590	(93.1%)	$ 15,487	$ 144,590	(89.3%)

Three and Six Months Ended June 30, 2018 Compared with the Three and Six Months Ended June 30, 2017

During the three and six months ended June 30, 2018, we recognized non-cash charges related to two of our cost-method equity investments and a related note receivable. These charges equaled the cost bases of the investments and the related note receivable prior to the impairment. During the three and six months ended June 30, 2017, we recognized other-than-temporary non-cash impairment charges, primarily related to our investment in NantHealth common stock, based on management's assessment of the likelihood of near-term recovery of this investment.

Equity in Net (Loss) Income of Unconsolidated Investments

(In thousands)	Three Months Ended June 30,			Six Months Ended June 30,		
	2018	2017	% Change	2018	2017	% Change
Equity in net income (loss) of unconsolidated investments	$ 767	$ (28)	NM	$ 706	$ 257	174.7%

Three and Six Months Ended June 30, 2018 Compared with the Three and Six Months Ended June 30, 2017

Equity in net (loss) income of unconsolidated investments represents our share of the equity earnings (losses) of our investments in third parties accounted for under the equity method of accounting.

Income Taxes

(In thousands)	Three Months Ended June 30, 2018	Three Months Ended June 30, 2017	% Change	Six Months Ended June 30, 2018	Six Months Ended June 30, 2017	% Change
Income tax (provision) benefit	$ (3,683)	$ 1,007	NM	$ (769)	$ 835	(192.1%)

Three and Six Months Ended June 30, 2018 Compared with the Three and Six Months Ended June 30, 2017

The United States Tax Cuts and Jobs Act (the "Tax Act") was enacted on December 22, 2017 and introduced significant changes to the income tax law in the United States. Effective in 2018, the Tax Act reduces the United States statutory tax rate from 35% to 21% and creates new taxes on certain foreign-sourced earnings and certain related-party payments, which are referred to as the Global Intangible Low-taxed Income ("GILTI") tax and Base Erosion and Anti-Abuse Tax ("BEAT"), respectively. In addition, in 2017 we were subject to a one-time transition tax on accumulated foreign subsidiary earnings not previously subject to income tax in the United States.

Due to the timing of the enactment and the complexity involved in applying the provisions of the Tax Act, we made reasonable estimates of the effects and recorded provisional benefit of $20.8 million in our financial statements for the year ended December 31, 2017 in accordance with guidance in Staff Accounting Bulletin No. 118 ("SAB 118"), which allows a measurement period of up to one year after the enactment date to finalize the recording of the related tax impacts. This provisional benefit includes $26 million benefit for remeasurement of deferred tax balances to reflect the lower federal rate and expense of $5.2 million for the one-time transition tax on accumulated foreign subsidiary earnings not previously subject to income tax in the United States. We will complete our analysis of the Tax Act during 2018, and any needed adjustments to the provisional amounts will be included in income tax expense or benefit in the appropriate period, in accordance with SAB 118. We are continuing to assess the impacts of the Tax Act on the 2018 effective tax rate and income tax accounting, particularly the new GILTI and BEAT tax rules.

Our provision for income taxes differs from the tax computed at the U.S. federal statutory income tax rate due primarily to valuation allowance, permanent differences, income attributable to foreign jurisdictions taxed at rates different from the United States federal statutory rate, state taxes, tax credits and certain discrete items. Our effective tax rate for the three and six months ended June 30, 2018, compared with the prior year comparable period, differs primarily due to the reduced United States federal statutory rate, the estimated impact of the GILTI and BEAT provisions and the stricter executive compensation deduction provisions of the Tax Act, reflected in the provision for the three and six months ended June 30, 2018.

In evaluating our ability to recover our deferred tax assets within the jurisdictions from which they arise, we consider all available evidence, including scheduled reversals of deferred tax liabilities, tax-planning strategies, and results of recent operations. In evaluating the objective evidence that historical results provide, we consider three years of cumulative operating income (loss). In the six months ended June 30, 2018, we released $17.4 million valuation allowance, mostly due to the utilization of capital loss carryforward against capital gain incurred in the six months ended June 30, 2108.

Discontinued Operations

(In thousands)	Three Months Ended June 30, 2018	Three Months Ended June 30, 2017	% Change	Six Months Ended June 30, 2018	Six Months Ended June 30, 2017	% Change
(Loss) income from discontinued operations, net of tax	$ (684)	$ 0	NM	$ 3,731	$ 0	NM

Three and Six Months ended June 30, 2018 Compared with the Three and Six Months Ended June 30, 2017

The (loss) income from discontinued operations, net of tax, for the three and six months ended June 30, 2018 represents the net earnings attributable to two solutions acquired during the fourth quarter of 2017 as part of the EIS Business that we no longer support effective as of March 31, 2018. Refer to Note 13, "Discontinued Operations" to our consolidated financial statements included in Part I, Item 1, "Financial Statements" of this Form 10-Q for additional information regarding discontinued operations.

Non-Controlling Interests

(In thousands)	Three Months Ended June 30, 2018	Three Months Ended June 30, 2017	% Change	Six Months Ended June 30, 2018	Six Months Ended June 30, 2017	% Change
Net loss (income) attributable to non-controlling interest	$ 2,700	$ 264	NM	$ 3,490	$ (189)	NM
Accretion of redemption preference on redeemable convertible non-controlling interest - Netsmart	$ (12,148)	$ (10,963)	10.8%	$ (24,297)	$ (21,925)	10.8%

Three and Six Months Ended June 30, 2018 Compared with the Three and Six Months Ended June 30, 2017

The net loss (income) attributable to non-controlling interest represents the share of earnings of consolidated affiliates that is attributable to the affiliates' common stock that is not owned by us for each of the periods presented. The accretion of redemption preference on redeemable convertible non-controlling interest represents the accretion of liquidation preference at 11% per annum to the value of the preferred units of Netsmart for each of the periods presented.

Segment Operations

Overview of Segment Results

	Three Months Ended June 30,			Six Months Ended June 30,		
(In thousands)	**2018**	**2017**	**% Change**	**2018**	**2017**	**% Change**
Revenue:						
Clinical and Financial Solutions	$ 389,497	$ 304,111	28.1%	$ 763,476	$ 600,291	27.2%
Population Health	57,068	42,508	34.3%	126,773	85,937	47.5%
Netsmart	86,366	78,421	10.1%	168,852	151,428	11.5%
Unallocated Amounts	(7,805)	1,051	NM	(9,753)	1,910	NM
Discontinued Operations	451	0	NM	(9,845)	0	NM
Total revenue	$ 525,577	$ 426,091	23.3%	$ 1,039,503	$ 839,566	23.8%
Gross Profit:						
Clinical and Financial Solutions	$ 165,073	$ 126,810	30.2%	$ 319,722	$ 246,691	29.6%
Population Health	41,369	34,909	18.5%	94,575	70,818	33.5%
Netsmart	38,877	37,271	4.3%	75,178	71,845	4.6%
Unallocated Amounts	(33,053)	(11,499)	187.4%	(49,143)	(23,211)	111.7%
Discontinued Operations	397	0	NM	(6,694)	0	NM
Total gross profit	$ 212,663	$ 187,491	13.4%	$ 433,638	$ 366,143	18.4%
Income (loss) from operations:						
Clinical and Financial Solutions	$ 79,501	$ 75,501	5.3%	$ 161,648	$ 138,273	16.9%
Population Health	26,587	27,884	(4.7%)	63,106	56,562	11.6%
Netsmart	1,219	7,828	(84.4%)	3,532	16,757	(78.9%)
Unallocated Amounts	(167,028)	(90,109)	85.4%	(286,361)	(179,225)	59.8%
Discontinued Operations	924	0	NM	(5,042)	0	NM
Total (loss) income from operations	$ (58,797)	$ 21,104	NM	$ (63,117)	$ 32,367	NM

Clinical and Financial Solutions

Our Clinical and Financial Solutions segment derives its revenue from the sale of integrated clinical software applications and financial and information solutions, which primarily include EHR-related software, connectivity and coordinated care solutions, financial and practice management software, related installation, support and maintenance, outsourcing, private cloud hosting, revenue cycle management, training and electronic claims administration services.

	Three Months Ended June 30,			Six Months Ended June 30,		
(In thousands)	**2018**	**2017**	**% Change**	**2018**	**2017**	**% Change**
Revenue	$ 389,497	$ 304,111	28.1%	$ 763,476	$ 600,291	27.2%
Gross profit	$ 165,073	$ 126,810	30.2%	$ 319,722	$ 246,691	29.6%
Gross margin %	42.4%	41.7%		41.9%	41.1%	
Income from operations	$ 79,501	$ 75,501	5.3%	$ 161,648	$ 138,273	16.9%
Operating margin %	20.4%	24.8%		21.2%	23.0%	

Three and Six Months Ended June 30, 2018 Compared with the Three and Six Months Ended June 30, 2017

Clinical and Financial Solutions revenue, gross profit and income from operations increased during the three and six months ended June 30, 2018 compared with the prior year comparable periods, as higher revenue from recurring software delivery, support and maintenance, and recurring and non-recurring client services was partly offset by lower non-recurring software delivery, support and maintenance revenue. The increase in overall segment revenue was primarily as a result of the acquisitions of the EIS Business during the fourth quarter of 2017 and Practice Fusion during the first quarter of 2018, which combined contributed $82 million and $166 million of revenue during the three and six months ended June 30, 2018, respectively, including $10 million of revenue associated with discontinued operations during the six months ended June 30, 2018. The decrease in non-recurring software delivery, support and maintenance revenue was primarily driven by fewer perpetual software license sales of our acute and post-acute solutions as the prior year periods included several large transactions which did not recur in the current year.

Gross margin improved during the three and six months ended June 30, 2018 compared with the prior year comparable period primarily due to gross profit from the EIS Business and Practice Fusion, which had higher average gross margins compared with our existing businesses included within the Clinical and Financial Solutions segment. Operating margin declined due to increases in selling general and administrative, and research and development expenses, mostly driven by recent acquisitions and additional investment to expand the capabilities and functionality of our traditional ambulatory and acute platforms.

Population Health

Our Population Health segment derives its revenue from the sale of health management, financial management and patient engagement solutions, which are mainly targeted at hospitals, health systems, other care facilities and ACOs. These solutions enable clients to transition, analyze and coordinate care across the entire care community. This segment also provides document, content and supply chain management solutions through the EIS-EWS business acquired with the EIS Business acquisition. Refer to Note 3, “Business Combinations” to our consolidated financial statements included in Part I, Item 1, “Financial Statements” of this Form 10-Q for additional information regarding the sale of the Strategic Sourcing and OneContent business units, respectively, which together comprised a substantial majority of the EIS-EWS operating segment.

	Three Months Ended June 30,			Six Months Ended June 30,		
(In thousands)	**2018**	**2017**	**% Change**	**2018**	**2017**	**% Change**
Revenue	$ 57,068	$ 42,508	34.3%	$ 126,773	$ 85,937	47.5%
Gross profit	$ 41,369	$ 34,909	18.5%	$ 94,575	$ 70,818	33.5%
Gross margin %	72.5%	82.1%		74.6%	82.4%	
Income from operations	$ 26,587	$ 27,884	(4.7%)	$ 63,106	$ 56,562	11.6%
Operating margin %	46.6%	65.6%		49.8%	65.8%	

Three and Six Months Ended June 30, 2018 Compared with the Three and Six Months Ended June 30, 2017

Population Health revenue and gross profit increased during the three and six months ended June 30, 2018 compared with the prior year comparable periods, primarily driven by the acquisition of the EIS Business during the fourth quarter of 2017, which contributed $6 million and $30 million of revenue, respectively, during the three and six months ended June 30, 2018. The remainder of the increase was primarily due to increased sales of our patient engagement and financial management solutions, including associated client services to implement and support these solutions. Additional revenue and gross profit from the acquisition of Health Grid in May 2018 also contributed to these increases. Income from operations decreased slightly during the three months ended June 30, 2018, primarily due to timing of operating expenses.

Gross margin and operating margin decreased primarily due to the EIS-EWS business, which had lower margins compared with our existing solutions in the Population Health segment.

Netsmart

Our Netsmart segment was established as part of the Netsmart Transaction and includes the Netsmart business, our prior Homecare™ business, HealthMEDX, LLC and DeVero, Inc., which were acquired subsequent to the Netsmart Transaction. The Netsmart segment operates in and provides software and technology solutions to the health and human services and post-acute sectors of health care throughout the United States. The health and human services sector comprises behavioral health, addiction treatment, intellectual and developmental disability services, child and family services and public health market segments. The post-acute sector includes homecare and long-term care which is comprised of home health, hospice, private duty, assisted living and skilled nursing. The human services, home care and long-term care markets combined represent the second largest category of health care spending in the United States.

	Three Months Ended June 30,			Six Months Ended June 30,		
(In thousands)	**2018**	**2017**	**% Change**	**2018**	**2017**	**% Change**
Revenue	$ 86,366	$ 78,421	10.1%	$ 168,852	$ 151,428	11.5%
Gross profit	$ 38,877	$ 37,271	4.3%	$ 75,178	$ 71,845	4.6%
Gross margin %	45.0%	47.5%		44.5%	47.4%	
Income from operations	$ 1,219	$ 7,828	(84.4%)	$ 3,532	$ 16,757	(78.9%)
Operating margin %	1.4%	10.0%		2.1%	11.1%	

Three and Six Months Ended June 30, 2018 Compared with the Three and Six Months Ended June 30, 2017

Revenue for the three and six months ended June 30, 2018 and 2017 includes two revenue categories, business services and system sales. Business services includes both subscription revenue and services and support revenue. System sales includes revenue from software licenses, sold either as perpetual licenses or fixed-term licenses, and revenue from third party software licenses and hardware products.

Revenue for the three and six months ended June 30, 2018 increased compared with the prior year comparable periods, primarily driven by sales to both existing clients as well as new footprints and incremental revenue from the acquisition of DeVero during the third quarter of 2017. In addition, total revenue for the three and six months ended June 30, 2018 was reduced by $0 million and $1 million, respectively, due to the impact of acquisition-related deferred revenue adjustments related to prior acquisitions. The corresponding amounts for the three and six months ended June 30, 2017 were $1 million and $3 million, respectively.

Gross profit improved during the three and six months ended June 30, 2018 compared with the prior year comparable periods, primarily driven by higher revenue from our recurring revenue streams and operational efficiencies as well as the impact of lower acquisition-related deferred revenue adjustments in the 2018 period as compared with the 2017 period. Gross margin decreased due to a higher mix of business services relative to systems sales in the current year period. Income from operations and operating margin decreased during the three and six months ended June 30, 2018 compared with the prior year comparable periods due to the decrease in margin driven by change in sales mix from system sales to a higher concentration of business services, increased operating expenses driven by business growth, and higher intangible amortization and stock-based compensation expense. The change in sales mix was driven by a historically high number of large system sales transactions in the first six months of 2017 versus the first six months of 2018.

Unallocated Amounts

In determining revenue, gross profit and income from operations for our segments, with the exception of the Netsmart segment, we do not include in revenue the amortization of acquisition-related deferred revenue adjustments, which reflect the fair value adjustments to deferred revenues acquired in a business acquisition. With the exception of the Netsmart segment, we also exclude the amortization of intangible assets, stock-based compensation expense, non-recurring expenses and transaction-related costs, and non-cash asset impairment charges from the operating segment data provided to our CODM. Non-recurring expenses relate to certain severance, product consolidation, legal, consulting and other charges incurred in connection with activities that are considered one-time. Accordingly, these amounts are not included in our reportable segment results and are included in the “Unallocated Amounts” category. The “Unallocated Amounts” category also includes (i) corporate general and administrative expenses (including marketing expenses) and certain research and development expenses related to common solutions and resources that benefit all of our business units, all of which are centrally managed, and (ii) revenue and the associated cost from the resale of certain ancillary products, primarily hardware, other than the respective amounts associated with the Netsmart segment. The Netsmart segment, as presented, includes all revenue and expenses incurred by Netsmart since it operates as a stand-alone business entity and its resources allocation and performance are reviewed and measured at such all-inclusive level. The eliminations of intercompany transactions between Allscripts and Netsmart are also included in the “Unallocated Amounts” category.

(In thousands)	Three Months Ended June 30, 2018		2017	% Change	Six Months Ended June 30, 2018		2017	% Change
Revenue	$ (7,805)	$	1,051	NM	$ (9,753)	$	1,910	NM
Gross profit	$ (33,053)	$	(11,499)	187.4%	$ (49,143)	$	(23,211)	111.7%
Gross margin %	NM		NM		NM		NM	
Loss from operations	$ (167,028)	$	(90,109)	85.4%	$ (286,361)	$	(179,225)	59.8%
Operating margin %	NM		NM		NM		NM	

Three and Six Months Ended June 30, 2018 Compared with the Three and Six Months Ended June 30, 2017

Revenue from the resale of ancillary products, primarily consisting of hardware, is customer and project driven and, as a result, can fluctuate from period to period. Revenue for the three and six months ended June 30, 2018 compared with the prior year comparable periods decreased primarily due to the recognition of amortization of acquisition-related deferred revenue adjustments, which reflect the fair value adjustments to deferred revenues acquired in the EIS Business, Practice Fusion and NantHealth provider/patient engagement acquisitions. Such adjustments totaled $10 million and $15 million, respectively, for the three and six months ended June 30, 2018 compared with $1 million and $3 million, respectively, for the prior year comparable periods. Hardware revenue for the three and months ended June 30, 2018 was slightly lower compared with the prior year comparable periods.

Gross unallocated expenses, which represent the unallocated loss from operations excluding the impact of revenue, totaled $159 million and $277 million, respectively, for the three and six months ended June 30, 2018 compared with $91 million and $181 million, respectively, for the prior year comparable periods. The increase for the three months ended June 30, 2018 compared with the comparable prior year period was primarily driven by (i) asset impairment charges of $30 million recorded during the current period, (ii) higher incentive-based compensation, and (iii) transaction-related, severance and legal expenses primarily related to the acquisitions of the EIS Business, Practice Fusion and Health Grid totaling $36 million. The increase for the six months ended June 30, 2018 compared with the comparable prior year period was primarily driven by the same factors, including asset impairment charges of $30 million, higher incentive-based compensation and transaction-related, severance and legal expenses of $46 million, higher amortization of intangible and acquisition-related asset of $12 million, and higher research and development expenses of $11 million. The increase in amortization expense was primarily due to additional amortization expense associated with intangible assets acquired as part of business acquisitions completed during the second half of 2017 and the first half of 2018.

Contract Backlog

Contract backlog represents the value of bookings and support and maintenance contracts that have not yet been recognized as revenue. A summary of contract backlog by revenue category is as follows:

(In millions)	As of June 30, 2018	As of December 31, 2017	As of June 30, 2017	% Change vs. June 30, 2018: December 31, 2017	June 30, 2017
Software delivery, support and maintenance	$ 2,818	$ 2,748	$ 2,401	2.5%	17.4%
Client services	1,950	1,899	1,707	2.7%	14.2%
Total contract backlog	$ 4,768	$ 4,647	$ 4,108	2.6%	16.1%

Total contract backlog as of June 30, 2018 was slightly higher compared with December 31, 2017 and increased compared with June 30, 2017, which was partly due to the impact of recent acquisitions. Total contract backlog can fluctuate between periods based on the level of revenue and bookings as well as the timing and mix of renewal activity and periodic revalidations.

Liquidity and Capital Resources

The primary factors that influence our liquidity include, but are not limited to, the amount and timing of our revenues, cash collections from our clients, capital expenditures and investments in research and development efforts, including investments in or acquisitions of third-parties. As of June 30, 2018, our principal sources of liquidity consisted of cash and cash equivalents of $141 million and available borrowing capacity of $600 million under our revolving credit facility and $50 million under the Netsmart revolving credit facility. The change in our cash and cash equivalents balance is reflective of the following:

Operating Cash Flow Activities

	Six Months Ended June 30,		
(In thousands)	**2018**	**2017**	**$ Change**
Net income (loss)	$ 45,757	$ (151,576)	$ 197,333
Non-cash adjustments to net income (loss)	25,000	261,726	(236,726)
Cash impact of changes in operating assets and liabilities	(4,217)	(791)	(3,426)
Net cash provided by operating activities	$ 66,540	$ 109,359	$ (42,819)

Six Months Ended June 30, 2018 Compared with the Six Months Ended June 30, 2017

Net cash provided by operating activities decreased during the six months ended June 30, 2018 compared with the prior year comparable period primarily due to unfavorable working capital changes and higher costs during the six months ended June 30, 2018 compared with the prior year comparable period, which primarily included higher interest expense, transaction-related and legal expenses, and incentive-based compensation payments. The decrease in non-cash adjustments to net loss was primarily driven by lower other-than-temporary non-cash impairment charges associated with long-term investments during the six months ended June 30, 2018 compared with the prior year comparable period.

Investing Cash Flow Activities

	Six Months Ended June 30,		
(In thousands)	**2018**	**2017**	**$ Change**
Capital expenditures	$ (16,613)	$ (25,035)	$ 8,422
Capitalized software	(68,987)	(71,582)	2,595
Cash paid for business acquisitions, net of cash acquired	(179,041)	(3,975)	(175,066)
Cash received from sale of businesses, net	246,801	0	246,801
Purchases of equity securities, other investments and related intangible assets	(2,723)	(1,323)	(1,400)
Other proceeds from investing activities	45	0	45
Net cash used in investing activities	$ (20,518)	$ (101,915)	$ 81,397

Six Months Ended June 30, 2018 Compared with the Six Months Ended June 30, 2017

Net cash used in investing activities decreased during the six months ended June 30, 2018 compared with the prior year comparable period, primarily due to $247 million of net cash proceeds from the divestiture of the OneContent business during the second quarter of 2018, partly offset by $179 million of net cash paid for the acquisitions of Health Grid, Practice Fusion and two other third parties during the six months ended June 30, 2018. In addition, during the first quarter of 2017, Netsmart entered into an Asset Purchase Agreement with a third party to acquire a business consisting of intellectual property, certain contractual relationships and certain associates, for an aggregate cash consideration of $4.0 million.

Financing Cash Flow Activities

(In thousands)	Six Months Ended June 30, 2018	2017	$ Change
Proceeds from sale or issuance of common stock	$ 212	$ -	$ 212
Taxes paid related to net share settlement of equity awards	(8,610)	(6,554)	(2,056)
Payments on debt instruments	(222,822)	(116,905)	(105,917)
Credit facility borrowings, net of issuance costs	275,843	120,000	155,843
Repurchase of common stock	(101,905)	(12,077)	(89,828)
Payment of acquisition financing obligations	(3,226)	0	(3,226)
Purchases of subsidiary shares owned by non-controlling interest	(6,945)	0	(6,945)
Net cash used in financing activities	$ (67,453)	$ (15,536)	$ (51,917)

Six Months Ended June 30, 2018 Compared with the Six Months Ended June 30, 2017

Net cash used in investing activities increased during the six months ended June 30, 2018 compared with the prior year comparable period primarily due to higher repurchases of common stock and repayments of our credit facilities, partly offset by higher net borrowings under our credit facilities, during the six months ended June 30, 2018 compared with the prior year comparable period. The additional borrowings during the six months ended June 30, 2018 were primarily used to fund the acquisitions Health Grid, Practice Fusion and two other third parties. We also used $6.9 million to acquire the outstanding minority interest in a third party in which we initially acquired a controlling interest in April 2015.

Future Capital Requirements

The following table summarizes our required minimum future payments under the 1.25% Notes, the Senior Secured Credit Facility and Netsmart's Non-Recourse Debt as of June 30, 2018.

(In thousands)	Total	Remainder of 2018	2019	2020	2021	2022	Thereafter
Principal payments:							
1.25% Cash Convertible Senior Notes (1)	$ 345,000	$ 0	$ 0	$ 345,000	$ 0	$ 0	$ 0
Senior Secured Credit Facility (2)	693,750	10,000	20,000	27,500	30,000	37,500	568,750
Netsmart Non-Recourse Debt (2)							
First Lien Term Loan	476,883	2,433	4,866	4,866	4,866	4,866	454,986
Second Lien Term Loan	167,000	0	0	0	0	0	167,000
Total principal payments	1,682,633	12,433	24,866	377,366	34,866	42,366	1,190,736
Interest payments:							
1.25% Cash Convertible Senior Notes (1)	10,782	2,156	4,313	4,313	0	0	0
Senior Secured Credit Facility (2) (3)	135,290	15,249	29,915	29,067	27,929	26,693	6,437
Netsmart Non-Recourse Debt							
First Lien Term Loan (4)	148,359	15,185	30,137	29,827	29,517	29,206	14,487
First Lien Revolver (5)	750	125	250	250	125	0	0
Second Lien Term Loan (6)	104,495	9,500	18,999	18,999	18,999	18,999	18,999
Total interest payments	399,676	42,215	83,614	82,456	76,570	74,898	39,923
Total future debt payments	$ 2,082,309	$ 54,648	$ 108,480	$ 459,822	$ 111,436	$ 117,264	$ 1,230,659

(1) Assumes no cash conversions of the 1.25% Notes prior to their maturity on July 1, 2020.
(2) Assumes no additional borrowings after June 30, 2018 payment of any required periodic installments of principal and that all drawn amounts are repaid upon maturity.
(3) Assumes LIBOR plus the applicable margin remain constant at the rate in effect on June 30, 2018, which was 4.09%.
(4) Assumes Adjusted LIBO Rate plus the applicable margin remain constant at the rate in effect on June 30, 2018, which was 6.57%.
(5) Assumes commitment fee remains constant at the rate in effect on June 30, 2018, which was 0.50%.
(6) Assumes Adjusted LIBO Rate plus the applicable margin remain constant at the rate in effect on June 30, 2018, which was 11.57%.

Other Matters Affecting Future Capital Requirements

On February 15, 2018, we amended and restated our Senior Secured Credit Facility. The Second Amended and Restated Credit Agreement provides for a $400 million senior secured term loan and a $900 million senior secured revolving facility, which represent increases from the $250 million term loan and $550 million revolving facility provided under our 2015 Credit Agreement, respectively, each with a five-year term. Refer to Note 8, "Debt" to our consolidated financial statements included in Part I, Item 1, "Financial Statements" of this Form 10-Q for additional information regarding our amended Senior Secured Credit Facility.

During 2017, we completed renegotiations with Atos and our other largest hosting partners to improve the operating cost structure of our private cloud hosting operations. As a result of these renegotiations, we signed a new restated and amended agreement with Atos and, therefore, starting in 2018, we began to transition substantially all of our hosting services to Atos. The increased scale of the relationship is expected to result in future reductions in the base fees and volume fee rates. The new amended and restated agreement extends the term to 2023 with annual auto-renewal periods for an additional two years thereafter. The new agreement also provides for the payment of initial annual base fees of $30 million per year (decreasing to $25 million by the end of the agreement) plus charges for volume-based services currently projected using volumes estimated based on historical actuals and forecasted projections. During the three and six months ended June 30, 2018, we incurred $14 million and $28 million, respectively, of expenses under our agreement with Atos, which are included in cost of revenue in our consolidated statements of operations.

Our total investment in research and development efforts during 2018 is expected to increase compared with 2017 as we continue to build and expand our capabilities in emerging areas of health care, such as precision medicine and population health analytics, and our traditional offerings in the ambulatory and acute markets. Our total spending consists of research and development costs directly recorded to expense which are offset by the capitalization of eligible development costs.

To supplement our statement of operations, the table below presents a non-GAAP measure of research and development-related expenses that we believe is a useful metric for evaluating how we are investing in research and development.

	Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands)	**2018**	**2017**	**2018**	**2017**
Research and development costs directly recorded to expense	$ 80,342	$ 46,459	$ 150,319	$ 95,691
Capitalized software development costs per consolidated statement of cash flows (1)	36,760	37,571	68,987	71,582
Total non-GAAP R&D-related spending	$ 117,102	$ 84,030	$ 219,306	$ 167,273
Total revenue	$ 525,577	$ 426,091	$ 1,039,503	$ 839,566
Total non-GAAP R&D-related spending as a % of total revenue	22.3%	19.7%	21.1%	19.9%

We believe that our cash and cash equivalents of $141 million as of June 30, 2018, our future cash flows, and our borrowing capacity under our Revolving Facility and Netsmart's revolving facility, taken together, provide adequate resources to fund our ongoing cash requirements for the next twelve months. We cannot provide assurance that our actual cash requirements will not be greater than we expect as of the date of this Form 10-Q. We will, from time to time, consider the acquisition of, or investment in, complementary businesses, products, services and technologies, and the repurchase of our common stock under our stock repurchase program, each of which might impact our liquidity requirements or cause us to borrow under our credit facilities or issue additional equity or debt securities.

If sources of liquidity are not available or if we cannot generate sufficient cash flow from operations during the next twelve months, we might be required to obtain additional sources of funds through additional operating improvements, capital market transactions, asset sales or financing from third parties, a combination thereof or otherwise. We cannot provide assurance that these additional sources of funds will be available or, if available, would have reasonable terms.

Contractual Obligations, Commitments and Off-Balance Sheet Arrangements

We have various contractual obligations, which are recorded as liabilities in our consolidated financial statements. Other items, such as operating lease contract obligations, are not recognized as liabilities in our consolidated financial statements but are required to be disclosed.

During the six months ended June 30, 2018, in the ordinary course of business, we amended or renewed multi-year service agreements with third-party software vendors, which resulted in increases of approximately $12.9 million, $12.1 million, $9.0 million, $1.6 million and $0.9 million to our future purchase obligations amounts for the years ending December 31, 2018, 2019, 2020, 2021 and 2022, respectively, previously disclosed in our Form 10-K.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Our market risk disclosures set forth in Part II, Item 7A, “Quantitative and Qualitative Disclosures About Market Risk” of our Form 10-K have not changed materially during the six months ended June 30, 2018.

Item 4. Controls and Procedures

Evaluation of disclosure controls and procedures

Under the direction of our chief executive officer and chief financial officer, we evaluated our disclosure controls and procedures pursuant to Rule 13a-15(b) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and concluded that our disclosure controls and procedures were effective as of June 30, 2018.

Changes in Internal Control over Financial Reporting

On October 2, 2017 we purchased the EIS Business, on February 13, 2018 we acquired Practice Fusion and on May 18, 2018 we acquired Health Grid as further described in Note 3, “Business Combinations” to our consolidated financial statements included in Part I, Item 1, “Financial Statements” of this Form 10-Q. We continue to integrate policies, processes, people, technology and operations from these transactions, and we will continue to evaluate the impact of any related changes to internal control over financial reporting during this 2018 fiscal year. We have implemented, and continue to refine, internal controls related to the new revenue recognition accounting standard which we adopted on January 1, 2018. Except for any changes in internal controls related to the adoption of the new revenue recognition accounting standard and the integration of the EIS Business, Practice Fusion and Health Grid into Allscripts, there have been no other changes in our internal control over financial reporting during the quarter ended June 30, 2018, which were identified in connection with management’s evaluation required by paragraph (d) of Rules 13a-15 and 15d-15 under the Exchange Act, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II OTHER INFORMATION

Item 1. Legal Proceedings

We hereby incorporate by reference Note 12, "Contingencies," of the Notes to Consolidated Financial Statements in Part I, Item 1 of this Form 10-Q.

Item 1A. Risk Factors

There have been no material changes during the quarter ended June 30, 2018 from the risk factors as previously disclosed in our Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

On November 17, 2016, we announced that our Board approved a stock purchase program under which we may repurchase up to $200 million of our common stock through December 31, 2019. On August 2, 2018, we announced that our Board approved a new stock purchase program under which we may repurchase up to $250 million of our common stock through December 31, 2020, replacing the prior stock repurchase program. Any stock repurchases may be made through open market transactions, block trades, privately negotiated transactions (including accelerated share repurchase transactions) or other means, subject to market conditions.

Any repurchase activity will depend on many factors such as our working capital needs, cash requirements for investments, debt repayment obligations, economic and market conditions at the time, including the price of our common stock, and other factors that we consider relevant. Our stock repurchase program may be accelerated, suspended, delayed or discontinued at any time.

The following table summarizes the stock repurchase activity for the three months ended June 30, 2018 and the approximate dollar value of shares that may yet be purchased pursuant to our stock repurchase program:

(In thousands, except per share amounts)

Period (Based on Trade Date)	Total Number Of Shares Purchased	Average Price Paid Per Share	Total Number Of Shares Purchased As Part Of Publicly Announced Plans Or Programs	Approximate Dollar Value Of Shares That May Yet Be Purchased Under The Plans Or Programs
04/01/18—04/30/18	0	$ 0.00	0	$ 106,422
05/01/18—05/31/18	3,169	$ 12.57	3,169	$ 66,596
06/01/18—06/30/18	358	$ 12.32	358	$ 62,186
	3,527	$ 12.54	3,527	

Item 6. Exhibits

Exhibit Number	Exhibit Description	Filed Herewith	Furnished Herewith	Incorporated by Reference		
				Form	Exhibit	Filing Date
2.1	Interest Purchase Agreement, dated as of April 5, 2018, by and among Change Healthcare Holdings, LLC, Change Healthcare Technologies, LLC and ECS Acquisition Co. LLC.	X				
2.2	Agreement and Plan of Merger, dated April 27, 2018, by and among Health Grid Holding Company, certain stockholders of Health Grid Holding Company, Raj Toleti, in his capacity as representative of the Stockholders, Allscripts Healthcare, LLC and FollowMyHealth Merger Sub, Inc.	X				
31.1	Rule 13a - 14(a) Certification of Chief Executive Officer	X				
31.2	Rule 13a - 14(a) Certification of Chief Financial Officer	X				
32.1	Section 1350 Certifications of Chief Executive Officer and Chief Financial Officer		X			
101.INS	XBRL Instance Document	X				
101.SCH	XBRL Taxonomy Extension Schema	X				
101.CAL	XBRL Taxonomy Extension Calculation Linkbase	X				
101.LAB	XBRL Taxonomy Extension Label Linkbase	X				
101.PRE	XBRL Taxonomy Extension Presentation Linkbase	X				
101.DEF	XBRL Taxonomy Definition Linkbase	X				

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ALLSCRIPTS HEALTHCARE SOLUTIONS, INC.

By: /s/ DENNIS M. OLIS

Dennis M. Olis
Chief Financial Officer
(Principal Financial and Accounting Officer)

Date: August 3, 2018

EXHIBIT 2.1

EXECUTION VERSION

MEMBERSHIP INTEREST PURCHASE AGREEMENT

by and among

CHANGE HEALTHCARE HOLDINGS, LLC,

CHANGE HEALTHCARE TECHNOLOGIES, LLC,

and

ECS ACQUISITION CO. LLC

Dated as of April 5, 2018

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EXHIBITS

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MEMBERSHIP INTEREST PURCHASE AGREEMENT

This MEMBERSHIP INTEREST PURCHASE AGREEMENT (this "Agreement") is made as of April 5, 2018, by and among ECS Acquisition Co. LLC, a Delaware limited liability company ("Buyer"), Change Healthcare Technologies, LLC, a Delaware limited liability company ("CHT"), Change Healthcare Holdings, LLC, a Delaware limited liability company ("CHC", and together with CHT, "Sellers"). Capitalized terms used and not otherwise defined herein have the meanings set forth in Article 11 below.

W I T N E S S E T H:

WHEREAS, Buyer desires to acquire and Sellers desire to sell to Buyer all issued and outstanding membership interests of Barista Operations, LLC, a Delaware limited liability company (the "Company"), which entity, as of the Closing, will own and operate the extended care solutions business of Sellers and their Subsidiaries providing information technology solutions to home health and hospice organizations for clinical decision support, clinical workflow, EMR integration, care planning, and clinician productivity, including, but not limited to, through the product offerings on Annex A (collectively, the "Business"), which such Business comprises the legacy Extended Care Solutions business of McKesson Technology Solutions that was contributed to CHC by McKesson Corporation effective March 1, 2017.

Restructuring

WHEREAS, Sellers and their Subsidiaries have taken and will take certain steps further described below to reorganize themselves in order to separate the Business from Sellers' and their Subsidiaries' other operations (all of such businesses, operations, assets and liabilities not transferred to the Company in connection with the Restructuring, the "Seller Business") prior to the Closing, and Sellers and their respective Affiliates (other than the Company) will retain the Seller Business.

WHEREAS, prior to the Closing, Sellers and the Company will enter into the Contribution Agreement pursuant to which, on the terms and subject to the conditions specified therein, Sellers and their Subsidiaries shall contribute to the Company certain assets and liabilities relating to the Business (consisting of the Seller Contributed Assets and the Company Assumed Liabilities) and the Company shall receive the Seller Contributed Assets and assume the Company Assumed Liabilities (collectively, the "Restructuring").

Purchase and Sale of the Business

WHEREAS, subject to the terms and conditions set forth herein, following the consummation of the Restructuring, at the Closing, Sellers will sell to Buyer, and Buyer will purchase from Sellers, all of the issued and outstanding membership interests of the Company, which comprise 100% of the issued and outstanding Ownership Interests of the Company (the "Membership Interests"), free and clear of all Liens, in exchange for the Purchase Price.

WHEREAS, concurrently with the execution and delivery of this Agreement, as a condition and inducement to the willingness of Buyer to enter into this Agreement, Sellers are entering into a non-competition, non-solicitation, non-hire and confidentiality agreement with

Buyer in the form attached hereto as Exhibit A (the "Non-Competition Agreement"), which such Non-Competition Agreement shall become effective upon the Closing.

WHEREAS, concurrently with the execution and delivery of this Agreement, Netsmart Technologies, Inc. is entering into a limited guaranty in favor of the Sellers in the form attached hereto as Exhibit F.

NOW, THEREFORE, in consideration of the premises, representations and warranties and mutual covenants contained herein and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and intending to be legally bound, the parties hereto each agree as follows:

ARTICLE 1

PURCHASE AND SALE OF SECURITIES

1.01 The Closing

. Subject to any earlier termination hereof in accordance with Section 9.01, the closing of the transactions contemplated herein ("Closing") will take place at the offices of Bass, Berry & Sims PLC in Nashville, Tennessee, at 10:00 a.m. local time on (a) the first Business Day of the first calendar month in which all conditions to the obligations of the parties to consummate such transactions are, and have been during the three (3) Business Days prior to the first Business Day of such calendar month, satisfied or waived (other than conditions that by their nature are to be satisfied at Closing, but subject to the satisfaction or waiver of such conditions at Closing) or (b) such other date or time as the parties hereto mutually agree to in writing (the actual date Closing occurs being the "Closing Date"). Notwithstanding the immediately preceding sentence, in no event shall Buyer be obligated to consummate the Closing prior to the date that is three (3) Business Days after the Specified Pre-Closing Period. Closing will be effective for Tax reporting and accounting purposes, as of 12:01 a.m. local time in Nashville, Tennessee on the Closing Date (the "Effective Time"); provided, however, that, for the avoidance of doubt, the foregoing shall not have any impact on the calculations (including, without limitation, the timing thereof as set forth elsewhere in this Agreement) of Net Working Capital, the Closing Indebtedness Amount, Unpaid Transaction Expenses, Seller Taxes or any other calculation set forth in this Agreement. The parties hereto agree that documents may be delivered at Closing by facsimile or other electronic means, and the receiving party may rely on the receipt of such documents so delivered as if the original had been received.

1.02 Purchase and Sale of Membership Interests

. Upon the terms and subject to the conditions set forth in this Agreement, immediately prior to the Calculation Time, Sellers shall cause the steps of the Restructuring to occur in accordance with the Contribution Agreement. At the Closing, Sellers will sell, assign, transfer and convey to Buyer, and Buyer will purchase and acquire from Sellers, all of the Membership Interests, free and clear of all Liens (other than Liens arising under applicable securities Laws), in exchange for the payment of cash as set forth below.

1.03 Calculation of Closing and Final Purchase Price

.

(a) The aggregate purchase price to be paid by the Buyer for the Membership Interests shall be $167,500,000 (the "Purchase Price"); provided, however, that, (i) at the Closing,

the Purchase Price shall be (A)(1) increased by the amount by which the Estimated Net Working Capital exceeds the Net Working Capital Target or (2) decreased by the amount by which the Net Working Capital Target exceeds the Estimated Net Working Capital, (B) decreased by the Estimated Closing Indebtedness Amount, and (C) decreased by the amount of Estimated Transaction Expenses, and, (ii) following the Closing, the Purchase Price shall be further adjusted in accordance with Sections 1.03(e) and 1.03(f).

(b) At least three (3) Business Days prior to the Closing Date, Sellers will deliver to Buyer an estimated unaudited balance sheet of the Company as of the Calculation Time (for the avoidance of doubt, after giving effect to the Restructuring) and a written statement (the "Estimated Closing Statement") setting forth their good faith estimates of (i) the Net Working Capital calculated consistent with the Agreed Accounting Principles and the example calculation attached as Annex C (including the adjustments included therein) (the "Estimated Net Working Capital"), (ii) the Closing Indebtedness Amount (the "Estimated Closing Indebtedness Amount"), and (iii) the Unpaid Transaction Expenses (the "Estimated Transaction Expenses"), in each case, reasonably satisfactory to Buyer, and together with reasonable supporting or underlying documentation used in preparation thereof. The Estimated Closing Statement shall also include each of the Indebtedness Pay-off Letters (if any) and invoices from the respective payees representing (or, if invoices are not reasonably available, payment instructions for) the Unpaid Transaction Expenses (if any).

(c) Within ninety (90) days after the Closing Date, Buyer will deliver to Sellers (i) an unaudited balance sheet of the Company as of the Calculation Time (the "Balance Sheet") and (ii) its calculation of (A) the Net Working Capital, (B) the Closing Indebtedness Amount, and (C) the Unpaid Transaction Expenses (together, the "Closing Statement"). The Closing Statement will be prepared in a manner consistent with the definitions of the terms Net Working Capital, Closing Indebtedness Amount and Unpaid Transaction Expenses and the Agreed Accounting Principles and the example calculation attached as Annex C. The Closing Statement will entirely disregard (i) any and all effects on the Company (including the assets and liabilities of the Company) as a result of any financing or refinancing arrangements entered into at any time by Buyer or any of its Affiliates or any other transaction entered into by Buyer or any of its Affiliates in connection with the consummation of the transactions contemplated hereby, and (ii) any of the plans, transactions, fundings, payments or changes that Buyer or any of its Affiliates initiates or makes or causes to be initiated or made after the Closing with respect to the Company or the Business, or any facts or circumstances that are unique or particular to Buyer or any of its Affiliates or any of their assets or liabilities.

(d) During the Objection Period, Buyer will, and will cause the Company to, (i) provide Sellers and their representatives with reasonable access during normal business hours to the books, records (including work papers, schedules, memoranda and other documents) and supporting data of Buyer, its Affiliates and the Company relating to the Business reasonably requested and to the extent reasonably necessary for purposes of Sellers' review of the Closing Statement, and (ii) reasonably cooperate with Sellers and their representatives in connection with such review, including providing on a timely basis such other information necessary or useful in connection with the review of the Closing Statement as is reasonably requested by Sellers or their representatives. If Sellers have any objections to the Closing Statement, Sellers will deliver to Buyer a statement setting forth their objections thereto (an "Objections Statement"), which

statement will identify in reasonable detail those items and amounts to which Sellers object (the "Disputed Items") and Sellers' proposal and calculations for such Disputed Items. If an Objections Statement is not delivered to Buyer within thirty (30) days after delivery of the Closing Statement (the "Objection Period"), the Closing Statement as prepared by Buyer will be final, binding and non-appealable by the parties; provided that, in the event Buyer, its Subsidiaries or the Company do not provide any papers or documents reasonably requested by Sellers or any of their representatives within five (5) days after a request therefor (or such shorter period as may remain in such thirty (30) day period), such thirty (30) day period will be extended by one day for each additional day required for Buyer to respond to such request. Sellers and Buyer will negotiate in good faith to resolve the Disputed Items and all such discussions will (unless otherwise agreed by Buyer and Sellers) be governed by Rule 408 of the Federal Rules of Evidence and any applicable similar state rule, but if they do not reach a final resolution within thirty (30) days after the delivery of the Objections Statement to Buyer, Sellers and Buyer will submit any unresolved Disputed Items to a mutually acceptable, independent, nationally recognized public accounting firm (the "Accounting Firm") and the parties hereto agree to enter into reasonable and customary arrangements for the services to be rendered by the Accounting Firm under this Section 1.03(d). The parties hereto shall use their commercially reasonable efforts to cause the Accounting Firm to issue a written report as to the resolution of each Disputed Item, as determined by the Accounting Firm in accordance with the definitions and terms provided in this Agreement and the Agreed Accounting Principles. The Accounting Firm shall not assign a value to any Disputed Item that is greater than the greatest value for such item assigned to it by Buyer, on the one hand, or Sellers, on the other hand, or less than the smallest value for such item assigned to it by Buyer, on the one hand, or Sellers, on the other hand, based solely on such written submissions by Buyer and Sellers (or by in-person or telephonic conferences if agreed to among each of Buyer, Sellers and the Accounting Firm) and not by independent review and neither Buyer nor Sellers shall have any ex parte conversations or meetings with the Accounting Firm without the prior written consent of Sellers (in the case of Buyer) and Buyer (in the case of Sellers). Buyer and Sellers shall each furnish to the Accounting Firm such work papers and other documents and information relating to the Disputed Items, and shall answer questions, as such Accounting Firm may reasonably request. The determination of the Accounting Firm shall be non-appealable, final, binding and conclusive on the parties hereto (absent manifest arithmetical error). The fees and expenses of the Accounting Firm shall be paid by Buyer, on the one hand, and Sellers, on the other hand, based on the inverse of the percentage of the amounts that the Accounting Firm determines in such party's favor bears to the aggregate amount of the total Disputed Items (for example, should the aggregate Disputed Items total $1,000 and the Accounting Firm awards $600 in favor of Sellers' position, sixty percent (60%) of the fees and expenses of the Accounting Firm's review would be paid by Buyer and forty percent (40%) of the Accounting Firm's fees and expenses would be paid by Sellers.

(e) If the Net Working Capital as finally determined pursuant to Section 1.03(d) (the "Final Net Working Capital") is greater than the Estimated Net Working Capital, then the Purchase Price shall be increased by the amount of such excess, if the Closing Indebtedness Amount as finally determined pursuant to Section 1.03(d) (the "Final Closing Indebtedness Amount") is less than the Estimated Closing Indebtedness Amount, then the Purchase Price shall be increased by the amount of such difference, and if the amount of Unpaid Transaction Expenses as finally determined pursuant to Section 1.03(d) (the "Final Transaction Expenses") is less than the Estimated Transaction Expenses, then the Purchase Price shall be increased by the amount of such difference.

(f) If the Final Net Working Capital is less than the Estimated Net Working Capital, then the Purchase Price shall be decreased by the amount of such difference, if the Final Closing Indebtedness Amount is greater than the Estimated Closing Indebtedness Amount, then the Purchase Price shall be decreased by the amount of such excess, and if the amount of Final Transaction Expenses is greater than the Estimated Transaction Expenses, then the Purchase Price shall be decreased by the amount of such excess.

(g) To the extent the aggregate increases to the Purchase Price in Section 1.03(e) exceed the aggregate decreases to the Purchase Price in Section 1.03(f) (the "Final Closing Adjustment Excess"), Buyer shall pay the Final Closing Adjustment Excess to Sellers by wire transfer of immediately available funds to an account(s) designated by Sellers within three (3) Business Days following such final determination. To the extent the aggregate decreases to the Purchase Price in Section 1.03(f) exceed the aggregate increases to the Purchase Price in Section 1.03(e) (the "Final Closing Adjustment Shortfall"), then Sellers shall pay to Buyer such shortfall by wire transfer of immediately available funds to an account designated by Buyer within three (3) Business Days following such final determination.

(h) All adjustments to the Purchase Price required pursuant to Sections 1.03(e) and 1.03(f) will be deemed to be adjustments for Tax purposes to the aggregate purchase price paid by Buyer for the Membership Interests purchased by it pursuant to this Agreement, unless otherwise required by Law.

1.04 Closing Deliverables and Payments

.

(a) Sellers' Closing Deliverables. At the Closing, Sellers shall deliver or cause to be delivered the following to Buyer:

(i) documentation necessary to evidence and effect the assignment, transfer and delivery of the Membership Interests to Buyer;

(ii) a certificate of Sellers executed by a duly authorized officer thereof, dated as of the Closing Date, stating that the conditions specified in Sections 2.02(a), 2.02(b), 2.02(c), 2.02(d) and 2.02(e) have been satisfied (the "Seller Closing Certificate");

(iii) the Transition Services Agreement in the form set forth on Exhibit D (but subject to the agreement of the parties as to the related schedules), duly executed by CHC and the Company;

(iv) the Lease Assignment, duly executed by CHT and the Company;

(v) the Escrow Agreement, duly executed by the Sellers and the Escrow Agent;

(vi) a certificate from the Sellers, dated as of the Closing Date, duly executed and delivered by the Secretary or comparable authorized representative of such entity, (A) attaching copies of (1) the Sellers' and the Company's Organizational Documents, and (2) certified copies of the resolutions duly adopted by each Sellers' board of directors (or equivalent governing body) authorizing the execution, delivery and

performance of this Agreement and the Ancillary Agreements to which such Seller is a party, and the consummation of all transactions contemplated hereby and thereby, (B) certifying that such attached copies referred to in clause (A) above are true, correct and complete copies, and (C) certifying to the incumbency, signature and authority of the officers of such entity to execute and deliver this Agreement and the applicable Ancillary Agreements;

(vii) a certificate as to the non-foreign status of each Seller in a form and substance required by Treasury Regulations Section 1.1445-2(b)(2);

(viii) a certificate of good standing for the Company issued not more than ten (10) days prior to the Closing Date by the Secretary of State or comparable Governmental Body of its jurisdiction of organization and each other jurisdiction where each such entity is qualified to do business;

(ix) evidence of the release of liens provided by Bank of America in form and substance reasonably satisfactory to the Buyer;

(x) all consents, approvals, orders or authorizations of, or registrations, declarations or filings with, or notices to, any Person required in connection with the execution, delivery or performance of this Agreement set forth on Schedule 1.04(a)(x) shall have been obtained or made and shall be in full force and effect, in each case in form and substance reasonably satisfactory to the Buyer (and copies thereof shall have been provided to Buyer);

(xi) the written resignations contemplated by Section 6.07;

(xii) duly executed written agreements terminating the Related Party agreements as contemplated by Section 6.05; and

(xiii) the Contribution Agreement, duly executed by Sellers and the Company.

(b) Buyer's Closing Deliverables and Closing Payment. At the Closing, Buyer shall deliver or cause to be delivered the following to Sellers:

(i) the Closing Payment Amount by wire transfer to such account(s) specified in writing by Sellers (which wire transfer instructions must be delivered to Buyer at least three (3) Business Day prior to Closing);

(ii) a certificate of Buyer executed by a duly authorized officer thereof, dated as of the Closing Date, stating that the conditions specified in Sections 2.03(a) and 2.03(b) hereof have been satisfied (the "Buyer Closing Certificate");

(iii) certified copies of the resolutions duly adopted by Buyer's board of directors (or equivalent governing body) authorizing the execution, delivery and performance of this Agreement and the other agreements contemplated hereby, and the consummation of all transactions contemplated hereby and thereby; and

(iv) the Escrow Agreement, duly executed by Buyer.

(c) Commercial Arrangement; Escrow Deposit. At the Closing, Buyer shall deposit or cause to be deposited an amount equal to $2,500,000 (the "Escrow Amount" and such funds *plus* all income accrued thereon, the "Escrow Funds", with Citibank, N.A., as escrow agent (the "Escrow Agent"). The Escrow Funds shall be maintained by the Escrow Agent as segregated funds and administered in accordance with the terms of the escrow agreement by and among the Sellers, the Buyer and the Escrow Agent in the form attached hereto as Exhibit E (the "Escrow Agreement"). The Escrow Funds will be released to Buyer and/or Sellers, as the case may be, in accordance with the terms set forth on Schedule 1.04(c) and any amount not released to Sellers shall be deemed an adjustment to Purchase Price.

ARTICLE 2

CONDITIONS TO CLOSING

2.01 Conditions to All Parties' Obligations

. The obligations of Sellers and Buyer to consummate the transactions contemplated by this Agreement are subject to the satisfaction or waiver of the following conditions at or prior to the Closing:

(a) (i) No Governmental Body of competent jurisdiction shall have (A) enacted, issued or promulgated any Law that is in effect and has the effect of making the consummation of the transactions contemplated hereby illegal or which has the effect of prohibiting or otherwise preventing the consummation of the transactions contemplated hereby or (B) issued or granted any Order that is in effect and has the effect of making the consummation of the transactions contemplated hereby illegal or which has the effect of prohibiting or otherwise preventing the consummation of the transactions contemplated hereby, and (ii) no Proceeding shall be pending or threatened in writing by or before any Governmental Body by any third party that (A) seeks to prevent, restrain or hinder the consummation of the transactions contemplated by this Agreement or (B) would reasonably be expected to declare unlawful any of the transactions contemplated by this Agreement or cause any of the transactions contemplated by this Agreement to be rescinded following consummation.

(b) The filings of Buyer and Sellers pursuant to the HSR Act shall have been made and the applicable waiting period and any extensions thereof shall have expired or been terminated.

(c) Buyer and Sellers shall have mutually agreed on the form and substance of the schedules to the Transition Services Agreement.

2.02 Conditions to Buyer's Obligations

. In addition to the conditions set forth in Section 2.01, the obligation of Buyer to consummate the transactions contemplated by this Agreement is subject to the satisfaction or waiver in writing by Buyer of the following conditions at or prior to the Closing:

(a) Each of the representations and warranties of Sellers contained in Article 3 and Article 4 (in each case, without giving effect to any "Material Adverse Effect" or materiality

or similar qualification therein), other than the representations and warranties set forth in Sections 3.01 (Organization and Power), 3.02(a) (Authorization; Valid and Binding Agreement), 3.03 (Capitalization and Subsidiaries) 3.07(a) (Title to Other Properties), 3.19 (Sufficiency of Assets), 3.20 (Brokerage), 4.01 (Organization and Power) and 4.02 (Ownership) shall be true and correct at and as of the date of this Agreement and at and as of the Closing as if made anew as of such time (except to the extent any such representation and warranty are expressly made as of an earlier date (in which case as of such earlier date)), except for, in each case, any inaccuracies or omissions that taken together have not had and would not reasonably be expected to have a Material Adverse Effect;

(b) Each of the representations and warranties of Sellers contained in Section 3.19 (Sufficiency of Assets), (without giving effect to any "Material Adverse Effect" or materiality or similar qualification therein) shall be true and correct in all respects at and as of the Closing as if made anew as of such time (except to the extent any such representation and warranty are expressly made as of an earlier date (in which case as of such earlier date)) except for any inaccuracies or omissions that taken together would not reasonably be expected to result in excess of $5,000,000 in indemnifiable Losses to the Buyer Indemnified Parties following the Closing;

(c) Each of the representations and warranties of Sellers contained in Sections 3.01 (Organization and Power), 3.02(a) (Authorization; Valid and Binding Agreement), 3.03 (Capitalization and Subsidiaries), 3.07(a) (Title to Other Properties), 3.20 (Brokerage), 4.01 (Organization and Power), 4.02 (Ownership) and the Contribution Agreement (in each case, without giving effect to any "Material Adverse Effect" or materiality or similar qualification therein) shall be true and correct in all material respects at and as of the date of this Agreement and at and as of the Closing as if made anew as of such time (except to the extent any such representation and warranty are expressly made as of an earlier date (in which case as of such earlier date));

(d) Sellers shall have complied with and performed in all material respects all of the covenants and agreements under this Agreement that are required to be performed by them at or prior to the Closing;

(e) Since the date of this Agreement, there shall not have occurred a Material Adverse Effect;

(f) All Liens, other than any Permitted Liens, on the Seller Contributed Assets and on the Company and its assets must have been released at or prior to the Closing;

(g) The Restructuring shall have been completed in accordance with the Contribution Agreement; and

(h) Sellers shall have delivered or caused to be delivered each document that Section 1.04(a) requires them to deliver.

2.03 Conditions to Sellers' Obligations

. In addition to the conditions set forth in Section 2.01, the obligations of Sellers to consummate the transactions contemplated by this Agreement are subject to the satisfaction or waiver in writing by Sellers of the following conditions at or prior to the Closing:

(a) Each of the representations and warranties set forth in Article 5 hereof shall be true and correct as of the date of this Agreement and at and as of the Closing as if made anew as of such date (except to the extent any such representation and warranty are expressly made as to an earlier date (in which case as of such earlier date)), except for any failure of such representation and warranty to be true and correct that has not had a material adverse effect on Buyer's ability to consummate the transactions contemplated hereby;

(b) Buyer shall have complied with and performed in all material respects all of the covenants and agreements under this Agreement that are required to be performed by it at or prior to the Closing; and

(c) Buyer shall have delivered or caused to be delivered each document or other deliverable that Section 1.04(b) requires it to deliver.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES WITH RESPECT TO THE COMPANY

Except as set forth in the corresponding sections and subsections of the disclosure schedules delivered in connection with the execution of this Agreement, Sellers, jointly and severally, represent and warrant to Buyer, as of the date hereof and as of the Closing, as follows:

3.01 Organization and Power

. The Company is a limited liability company duly organized, validly existing and in good standing under the Laws of the State of Delaware and has all requisite limited liability company power and authority to own, lease and operate all of its assets, rights and properties and to carry on the Business as it has been conducted since April 1, 2017. The Company is duly qualified to do business and is in good standing in every jurisdiction in which its ownership of property or the conduct of the Business as now conducted requires it to qualify, except where the failure to be so qualified would not be material to the Business. The Company has made available to Buyer complete and correct copies of the Organizational Documents of the Company. The Company is not in violation of any of the provisions of its Organizational Documents.

3.02 Authorization; Valid and Binding Agreement; No Breach

.

(a) The Company has all necessary limited liability company power and authority to execute and deliver each Ancillary Agreement to which the Company is a party and to perform its obligations thereunder and to consummate the transactions contemplated thereby. The execution, delivery and performance of each Ancillary Agreement to which the Company is a party, and the consummation of the transactions contemplated thereby, have been duly and validly authorized by all requisite action on the part of the Company, and no other proceedings on the Company's part are necessary to authorize the execution, delivery or performance of the Ancillary Agreements to which it is a party. Each Ancillary Agreement to which the Company is a party will be duly executed and delivered by the Company at Closing and, assuming the due authorization, execution and delivery thereof by the other parties thereto, will constitute at Closing a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its

terms, except as enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization or moratorium Laws, other similar Laws affecting creditors' rights and general principles of equity affecting the availability of specific performance and other equitable remedies.

(b) Except as set forth on the attached Schedule 3.02(b), the execution, delivery and performance by Sellers of this Agreement and each Ancillary Agreement to which either Seller or any of their Subsidiaries or the Company is a party, and the consummation of the transactions contemplated hereby and thereby, do not and will not (i) violate, contravene or conflict with any provision of Sellers' or their Subsidiaries' or the Company's Organizational Documents, (ii) assuming that the filings referred to in Section 3.02(c) are made and any waiting periods thereunder have expired or been terminated, violate, contravene or conflict with any Law or Order, (iii) contravene, conflict with, result in the violation or breach of any of the terms or conditions of, or constitute (with or without notice or lapse of time or both) a default under or give rise to any right of notice, modification, acceleration, payment, suspension, withdrawal, cancellation or termination under, or in any manner release any party thereto from any obligation under, or otherwise affect any rights of any Seller or any of their Subsidiaries or the Company under, any Material Contract or Business Permit, or (iv) result in the creation of any Lien (other than Permitted Liens) upon the Membership Interests (other than Liens arising under applicable securities Laws) or any material assets, rights or properties of the Business.

(c) Assuming all filings required under the HSR Act are made and any waiting periods thereunder have expired or been terminated, no authorizations, consents, or approvals of, or filings, declarations or registrations with, or notices to, any Governmental Body are necessary for the execution, delivery and performance of this Agreement and the Ancillary Agreements and the consummation of the transactions contemplated hereby and thereby by the Sellers, their Subsidiaries and/or the Company, as applicable.

3.03 Capitalization and Subsidiaries

.

(a) Schedule 3.03(a) attached hereto sets forth a complete and correct list of the issued and outstanding Membership Interests of the Company, including the name of the record and beneficial owner thereof and the number of Membership Interests held thereby. The Membership Interests constitute the only issued and outstanding equity securities of, or Ownership Interests in, the Company. All of such Membership Interests have been duly authorized and validly issued and have not been issued in violation of any preemptive rights. The Company has not violated any applicable federal or state securities Laws in connection with the offer, sale or issuance of any of the Membership Interests. There are no outstanding options, warrants or other rights of any Person to acquire any of the Membership Interests or any other equity securities of, or any Ownership Interests in, the Company, or securities exercisable or exchangeable for, or convertible into, equity securities of, or Ownership Interests in, the Company. There are no voting agreements, voting trusts or other agreements, commitments or understandings with respect to the voting or transfer of Membership Interests of the Company and there are no agreements containing profit participation or phantom equity features with respect to the Company.

(b) The Company does not own any equity securities of or Ownership Interests in any other Person.

(c) The Membership Interests are not "securities" governed by Article 8 of the UCC.

3.04 Financial Statements

.

(a) Schedule 3.04(a) attached hereto consists of (i) the income statement of the Business, on a consolidated basis, for the nine month period ended December 31, 2017 (the "Nine-Month Financial Statements Period") and the balance sheet for the Business, on a consolidated basis, as of December 31, 2017 (the "Nine-Month Financial Statements") and (ii) the income statements of the Business, on a consolidated basis, for the calendar months of January 2018 and February 2018 and the two month period ended February 28, 2018 (the "Interim Financial Statements", and together with the Nine-Month Financial Statements, the "Financial Statements").

(b) Except as set forth in Schedule 3.04(b), the Financial Statements (i) have been prepared in accordance with, for the Nine-Month Financial Statements, the Agreed Accounting Principles consistently applied, and for the Interim Financial Statements, in accordance with past practice of Sellers for the preparation of monthly financial statements for the Business, (ii) with respect to the Nine-Month Financial Statements, fairly present (in accordance with the Agreed Accounting Principles) in all material respects the financial position and results of operations of the Business as a stand-alone business as of the dates and for the periods indicated therein (for the avoidance of doubt, including, without limitation, (A) all costs and expenses of services provided to the Business by the Sellers or their Subsidiaries or Affiliates and (B) all costs and expenses of IT Systems or other hardware leased by the Sellers' Affiliates and used primarily in the Business), and (iii) with respect to the Nine-Month Financial Statements were prepared from, and are in all material respects in accordance with and accurately reflect the books and records of the Business. All books and records of the Business upon which the Nine-Month Financial Statements were based have been maintained in the Ordinary Course, reflect only actual, bona fide transactions and reflect in all material respects the transactions and results of operations of the Business in accordance with accounting practices historically used by Sellers in connection with the operation of the Business, consistently applied, during all such periods. Since December 31, 2017, there has been no change in the accounting methods or practices followed by Sellers in connection with the operation of the Business, or in the depreciation, amortization, or inventory valuation policies used or adopted by Sellers in connection with the operation of the Business.

(c) There are no material Liabilities of the Business, except for (i) Liabilities reflected or reserved against in the Nine-Month Financial Statements, (ii) current Liabilities incurred in the Ordinary Course (none of which result from or arise out of any breach of or default under any Contract, breach of warranty, tort, infringement or violation of Law) since December 31, 2017, (iii) Liabilities disclosed on Schedule 3.04(c) attached hereto, (iv) Liabilities pursuant to this Agreement and any Ancillary Agreement and the transactions contemplated hereby and thereby and (v) the Retained Liabilities.

(d) All accounts receivable of the Business (including all accounts receivable reflected in the Nine-Month Financial Statements and all accounts receivable that have arisen since the date of the Nine-Month Financial Statements (except such accounts receivable as have been collected since such dates)) are valid and enforceable claims and were earned by performance of actual, bona fide transactions in the Ordinary Course. The allowance for doubtful accounts, if any,

set forth on the Nine-Month Financial Statements was determined in accordance with the Agreed Accounting Principles. All accounts payable of the Business arose in the Ordinary Course and represent only actual, bona fide transactions. Since April 1, 2017, all current assets and current liabilities of the Business have been managed by the Sellers and their Subsidiaries in all material respects in the Ordinary Course (including the collection of accounts receivable and payment of accounts payable and other liabilities).

(e) The Company has been formed solely for the purpose of engaging in the transactions contemplated hereby and by the Contribution Agreement and Restructuring and prior to the Effective Time has engaged in no other business activities and has incurred no liabilities or obligations other than as contemplated herein or pursuant to or incidental with the Contribution Agreement and Restructuring. The Company does not have, and has never had, any employees.

3.05 Absence of Certain Developments

. Since December 31, 2017, there has not been any Material Adverse Effect. Since December 31, 2017 (except as otherwise contemplated by this Agreement or the Contribution Agreement and Restructuring), the Business has been conducted in the Ordinary Course. Without limiting the generality of the foregoing, except as set forth on Schedule 3.05 or as contemplated by this Agreement or the Contribution Agreement and Restructuring, since December 31, 2017, neither the Company nor the Sellers nor any their Subsidiaries (unless otherwise limited to the Company below) has:

(a) solely with respect to the Company, amended or modified its Organizational Documents;

(b) subjected any material properties or assets of the Business to any Lien, except for Permitted Liens;

(c) sold, leased, encumbered, assigned, transferred or otherwise disposed of (in whole or in part) any material tangible assets or properties of the Business, except in the Ordinary Course;

(d) sold, assigned, exclusively licensed or transferred any patents, registered trademarks, material trade names, registered copyrights, material trade secrets or other material intangible assets of the Business, except in the Ordinary Course;

(e) solely with respect to the Company, issued, sold, pledged, promised, encumbered or transferred any of its capital stock or other Ownership Interests, securities convertible into its capital stock or other Ownership Interests or warrants, options or other rights to acquire its capital stock or other Ownership Interests, or any bonds or debt securities;

(f) solely with respect to the Company, made any capital investment in, or any loan to, any other Person;

(g) (i) established, adopted entered into, or terminated any material Plans or made any material changes in its Plans with respect to its officers, directors, or employees engaged primarily in the conduct of the Business (such officers and employees are referred to herein as the "Business Employees"), (ii) made any changes in wages, salary, or other compensation or benefits with respect to the Business Employees, in each case other than changes made pursuant to pre-

existing agreements or arrangements, (iii) hired any new Business Employees (other than new hires made in the Ordinary Course all of whom are "at-will" employees who can be terminated at any time for any reason without any monetary or other obligation on the part of the employer) or terminated any Business Employee;

(h) commenced, paid, discharged, satisfied or settled any litigation relating to the Business, any Seller Contributed Asset or any Company Assumed Liability involving an amount in excess of $50,000 for any one case;

(i) solely with respect to the Company, made any material Tax election, changed the Company's method of Tax accounting, prepared any Tax Returns in a manner which is materially inconsistent with the past practices of the Company with respect to the treatment of items on prior Tax Returns, incurred any material liability for Taxes other than in the ordinary course of business consistent with past practice, filed an amended Tax Return or any past-due Tax Return or filed any Tax Return in a jurisdiction where the Company did not file a Tax Return of the same type in the immediately preceding Tax period or a claim for refund of Taxes with respect to the income, operations or property of the Company, or settled any claim relating to Taxes;

(j) made any material change in any accounting policies, procedures, methods or practices (including with respect to reserves, revenue recognition, inventory control, prepayment of expenses, timing for payments of account payable and collection of accounts receivable) with respect to the Business, the Seller Contributed Assets or the Company Assumed Liabilities; or

(k) committed in writing to do any of the foregoing.

3.06 Title to Real Properties

.

(a) Schedule 3.06(a) sets forth a list of all real property leases (the "Real Property Leases") under which Sellers or their Subsidiaries lease real property as a lessee or sublessee and that are used primarily with respect to the Business (the "Leased Real Property") and the street address of such property. Except as set forth on Schedule 3.06(a), the Real Property Leases with respect to the Leased Real Property set forth on Schedule 3.06(a) are in full force and effect, have not been amended or modified except as set forth on Schedule 3.06(a), and there are no material defaults by the Company, Sellers, or any of their Subsidiaries under such Real Property Leases or, to Sellers' knowledge, any other party thereto. Except for the Leased Real Property, none of the Company, the Sellers, nor any of their Subsidiaries owns any interest (fee, leasehold or otherwise) in any real property used primarily in connection with the Business, and neither the Company, Sellers, nor any of their Subsidiaries has entered into any leases, arrangements, licenses or other agreements relating to the use, occupancy, sale, option, disposition or alienation of all or any portion of the Leased Real Property. As of the Closing, the Company will have, a valid and subsisting leasehold interest in the Leased Real Property, free and clear of all Liens, except for Permitted Liens or any Liens by lenders of the applicable landlords under the Real Property Leases.

(b) There are no pending or, to Sellers' knowledge, threatened eminent domain, condemnation, zoning or other Proceedings affecting the Leased Real Property that would result

in the taking of all or any part of the Leased Real Property or that would prevent or hinder the continued use of the Leased Real Property as currently used in the conduct of the Business.

(c) True and complete copies of the Real Property Leases (including any and all amendments or modifications thereto) have been made available to the Buyer or its representatives.

3.07 Title to Other Properties

.

(a) Except as set forth on Schedule 3.07(a), (i) as of the date hereof, Sellers, and their Subsidiaries have, and (ii) as of the Closing, the Company will have, good and valid title to, or a valid and enforceable right to use under a written Contract, all of the Seller Contributed Assets, free and clear of all Liens, except for Permitted Liens. The foregoing sentence shall not be deemed to be a representation of non-infringement of any patents.

(b) Taken as a whole, the tangible Seller Contributed Assets are in good operating condition and repair, ordinary wear and tear excepted, consistent with industry standards.

3.08 Tax Matters

.

(a) The Company, Sellers and their Subsidiaries have timely and properly filed all Tax Returns that they were required to file with respect to the Business and the Seller Contributed Assets, and all such Tax Returns were true, correct and complete in all material respects. The Company, Sellers and their Subsidiaries have timely and properly paid all Taxes imposed on them with respect to the Business, and the Seller Contributed Assets, whether or not shown as owing on any Tax Return.

(b) The Company, Sellers and their Subsidiaries have timely and properly withheld or collected and timely paid over to the appropriate Governmental Body all material Taxes related to the Business and the Seller Contributed Assets required to have been withheld or collected and paid over under applicable Tax Laws, and all IRS Forms W-2 and 1099 required with respect thereto have been properly completed and timely filed.

(c) There are no Liens for Taxes on any property of the Company or the Seller Contributed Assets except for Permitted Liens.

(d) Except as set forth on Schedule 3.08(d):

There is no inquiry, dispute or claim concerning any Tax liability of Sellers or any Subsidiary of Sellers that is related to the Business or the Seller Contributed Assets raised by any Governmental Body in writing that is currently pending or threatened, and all Tax deficiencies or assessments asserted or made by a Governmental Body against Sellers or any Subsidiary of Sellers that relate to the Business or the Seller Contributed Assets as a result of any examination of Sellers' or their Subsidiaries' Tax Returns have been paid or fully settled. Neither the Company nor the Sellers with respect to the Business or the Seller Contributed Assets have received from any Governmental Body any (i) written notice indicating an intent to open an audit or other review with respect to Taxes, (ii) written request for information related to Tax matters, or (iii) written notice of deficiency or proposed adjustment for any amount of Tax. No written claim has been

made by a Governmental Body in a jurisdiction where Sellers or any of their Subsidiaries does not file Tax Returns that Sellers or any of their Subsidiaries may be subject to any Tax of such jurisdiction in respect of the Business or the Seller Contributed Assets.

(e) None of the Company, Sellers or any Subsidiary of Sellers has granted any extension or waived any statute of limitations period applicable to any Tax Return or Tax which could affect the Business or the Seller Contributed Assets, which period (after giving effect to such extension or waiver) has not yet expired.

(f) The Company is not party to any Tax allocation, Tax sharing, Tax distribution, Tax indemnification or Tax gross-up agreement or arrangement.

(g) The Company has no liability for Taxes of another Person under Treasury Regulation Section 1.1502-6, as a transferee or successor, by Contract, or otherwise.

(h) The Company is not a party to any agreement or arrangement that would result, separately or in the aggregate, in the actual or deemed payment of any "excess parachute payments" within the meaning of Section 280G of the Code (or any comparable provision of foreign, state or local Law).

(i) Neither the Company nor any of the Sellers has requested or received a ruling from any Governmental Body or signed any binding agreement with any Governmental Body that might impact the amount of Tax due from Buyer or its Affiliates (including following the Closing, for the avoidance of doubt, the Company) after the Closing Date.

(j) Each of the Company and CHT are, and in the case of the Company at all times since its formation has been, properly classified as an entity disregarded as separate from CHC within the meaning of Treasury Regulation Sections 301.7701-2(c)(2)(i) and 301.7701-3(b)(1)(ii) for U.S. federal income tax purposes, and neither Sellers nor the Company nor any Person on behalf of either of them has made any election to have the Company or CHT treated other than as an entity disregarded as separate from its owner within the meaning of Treasury Regulation Section 301.7701-2(c)(2)(i) and 301.7701-3(b)(1)(ii).

(k) None of the assets of the Company consist of ownership interests in any entity.

3.09 Contracts and Commitments

.

(a) Except as set forth on the attached Schedule 3.09, as of the date of this Agreement, neither Sellers nor any of their Subsidiaries (in each case, solely to the extent related to the Business, the Seller Contributed Assets or the Company Assumed Liabilities) or the Company is party to or bound by any:

(i) Contract for the lease of personal or real property to or from any Person providing for lease payments in excess of $50,000 per annum;

(ii) Contract pursuant to which it (A) has acquired any license, covenant not to sue, or right to use any Intellectual Property material to the operation of the Business

(excluding any license the benefit of which is being provided under the Transition Services Agreement and agreements for off-the-shelf or commercially available Software, technology or content subject to one-time or annual payments of less than $50,000 unless such Software, technology or content is incorporated into the Company Proprietary Software), or (B) has granted to any third party any license, covenant not to sue, or right to use any Company IP, other than non-exclusive licenses granted to customers and vendors in the Ordinary Course;

(iii) Contract with any Material Client that was issued an invoice from September 1, 2016 to the date hereof or any Contract with a Material Supplier;

(iv) partnership, strategic alliance, joint venture or other similar agreement that concerns collaboration, partnership or the sharing of profits (excluding for the avoidance of doubt, any customer agreement);

(v) Contract under which it has created, incurred, assumed or guaranteed any indebtedness for borrowed money, or any capitalized lease obligation, in excess of $50,000 or under which it has imposed a Lien on any of its assets, tangible or intangible, other than Permitted Liens;

(vi) Contract that contains any provision or covenant limiting (A) its ability to engage in any line of business, to compete with any Person or to do business with any Person in any location (including any Contract that contains any covenant not to compete or other similar provision), (B) its ability to employ any Person, other than any such restrictions contained in non-disclosure agreements or agreements with customers or vendors entered into in the Ordinary Course or (C) the ability of any Person to compete with or obtain products or services from it;

(vii) collective bargaining agreement (or similar labor Contract);

(viii) Contract for the employment of any Business Employee or that provides severance benefits;

(ix) Contracts relating to the acquisition or disposition of any business (whether by merger, sale of stock, sale of assets or otherwise) as to which Sellers or any of their Subsidiaries or Affiliates or the Company has continuing material obligations or material rights;

(x) Contract relating to capital expenditures (including capitalized software costs) in excess of $50,000 in the current or any future fiscal year, or relating to the acquisition or construction of fixed assets in the current or any future fiscal year with a value in excess of $50,000;

(xi) Contract granting any exclusive right or rights of first refusal, negotiation or similar rights in any of its properties or assets;

(xii) Contracts with any Governmental Body; or

(xiii) agreement containing commitments, obligations or other Contract to enter into any Contract of the types described in this Section 3.09.

(b) Except as set forth on Schedule 3.09(b), Buyer has been given access to a true and correct copy of all written Contracts (and has been provided with a written description of all oral Contracts) which are referred to on Schedule 3.09, together with all written modifications and amendments thereto. Except as set forth on Schedule 3.09(b), neither Sellers nor any of their Subsidiaries nor the Company has received any written (or, to the Seller's knowledge, oral), notice of cancellation, termination or material adverse modification in connection with any Material Contract.

(c) Neither Sellers nor any of their Subsidiaries nor the Company is in material breach or default under any Contract listed on Schedule 3.09 or required to be listed on Schedule 3.09 (each, a "Material Contract" and, collectively, the "Material Contracts") and to Sellers' knowledge, the other parties to each of the Material Contracts are not in material default thereunder and neither Sellers nor any of their Subsidiaries nor the Company has received any written notice that any of the foregoing Persons has materially breached, violated or defaulted under any of the Material Contracts. Each Material Contract is the legal, valid and binding obligation of Sellers or their Subsidiaries, as applicable, and to Sellers' knowledge, the other parties thereto, is in full force and effect and enforceable (except to the extent enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization or moratorium Laws, other similar Laws affecting creditors' rights and general principles of equity affecting the availability of specific performance and other equitable remedies) against Sellers or their Subsidiaries, as applicable, and to Sellers' knowledge, the other parties thereto, in accordance with its terms.

3.10 Intellectual Property; Software

(a) Schedule 3.10(a) sets forth all Intellectual Property Rights owned by the Sellers, their Subsidiaries, or the Company that is currently used or held for use in connection with the operation of the Business (including all Company IP, but excluding any rights to the name "Change" or any derivations thereof) and subject to an application or registration before a Governmental Body ("Registered IP"), and identifies the owner of each item of Registered IP following the consummation of the Restructuring. All Registered IP is subsisting, and to the knowledge of the Sellers, valid and enforceable. None of the Registered IP is the subject of any opposition, cancellation, reexamination, or any other Proceeding with the United States Patent and Trademark Office (other than routine office actions and other similar proceedings) or any other intellectual property registry or Governmental Body anywhere in the world challenging the ownership, registration, validity, enforceability, or patentability of any of the foregoing and none of the Registered IP has lapsed, expired, or been abandoned or withdrawn.

(b) The Sellers or their Subsidiaries (as of the date hereof) and the Company (immediately following the consummation of the Restructuring) own, or are licensed or otherwise possess adequate rights to use (including without limitation an adequate number of seats), the Intellectual Property used in connection with and necessary for the operation of the Business as currently conducted.

(c) Immediately following the Closing, the Company will exclusively own, all right, title, and interest in and to the Company IP free and clear of Liens (other than Permitted Liens). Neither the execution, delivery, or performance of this Agreement nor the consummation of any of the transactions contemplated by this Agreement will, with or without notice or lapse of time or both, result in, or give any other Person the right or option to cause or declare, (i) a loss of, or Lien (other than Permitted Liens) on, any Company IP; (ii) a material breach of any Contract listed on Schedule 3.09(a)(ii); (iii) the release, disclosure, or delivery of any Company IP, including of any source code for Company Proprietary Software by or to any escrow agent or other Person (other than Buyer); or (iv) the grant, assignment, or transfer to any other Person of any license or other right or interest under, to, or in any of the Company IP.

(d) Each Person who is or was an employee or contractor of any of the Sellers or their Subsidiaries and who is or was involved in the creation or development of any Company IP has signed a valid and, to the knowledge of Sellers, enforceable agreement containing an assignment of such Person's Intellectual Property Rights in such Company IP to the Sellers or their Subsidiaries and confidentiality provisions protecting the Company IP.

(e) The conduct of the Business as currently conducted does not infringe or otherwise violate any Person's Intellectual Property Rights and the conduct of the Business as conducted in the past four (4) years has not infringed or otherwise violated any Person's Intellectual Property Rights (provided that the foregoing representation in this sentence is made only to the knowledge of Sellers with respect to patents). There is no claim pending or, to the knowledge of Sellers, threatened in writing against Sellers, their Subsidiaries or the Company alleging infringement or violation of any Person's Intellectual Property Rights based on the conduct of the Business, and except as set forth on Schedule 3.10(e), the Sellers and their Subsidiaries have not received any written notice in the four (4) years prior to the date of this Agreement alleging infringement or violation of any Person's Intellectual Property Rights (including, without limitation, demands to license any Person's Intellectual Property Rights, or offers to license any Person's patents) based on the conduct of the Business.

(f) To the knowledge of Sellers (i) no Person is infringing or otherwise violating any Company IP, and (ii) no such claims for the infringement of the Company IP are pending or threatened in writing against any Person by Sellers, their Subsidiaries or the Company.

(g) Sellers and their Subsidiaries have used and continue to use commercially reasonable actions to protect, preserve and maintain the confidentiality of the confidential information and trade secrets included in the Company IP. The Company Proprietary Software currently functions substantially in compliance with all applicable written, documentation and specifications and currently conform in all material respects to all published warranties or other contractual commitments relating to functionality and performance of the Company Proprietary Software. Except as set forth on Schedule 3.10(g), in the past four (4) years, (i) no customer or other Person has provided written notice to or brought any claim, suit, or allegation against Sellers or their Subsidiaries alleging any breach of contract or violation of law arising out of or related to the functionality or performance of any Company Proprietary Software or based on any reports provided by the Company Proprietary Software and (ii) none of the Company Proprietary Software has been subject to widespread failure, recall, withdrawal, suspension, discontinuance due to

performance issues, or required the providing of client credits, rebates, or payments due to performance issues.

(h) The Company has used commercially reasonable efforts intended to ensure that no Company Proprietary Software contains any “virus” or any other code designed or intended to: (i) disrupt, disable, harm, or otherwise impede in any manner the operation of, or provide unauthorized access to, a computer system or network or other device on which such code is stored or installed; or (ii) damage or destroy any data or file without the user’s consent, and, to the knowledge of the Sellers, no Company Proprietary Software contains any such “virus” or other code.

(i) Except as set forth on Schedule 3.10(i), no Company Proprietary Software is subject to any “copyleft” or other obligation or condition (including any obligation or condition under any “open source” license such as the GNU Public License, Lesser GNU Public License, or Mozilla Public License) that requires or conditions the use or distribution of such Company Proprietary Software on the disclosure, licensing, or distribution of any source code for any portion of such Company Proprietary Software or the licensing or distribution of any portion of any Company Proprietary Software free of charge.

(j) None of the source code included in the Company Proprietary Software has been publicly disclosed and, other than in the Ordinary Course, none of the source code included in the Company Proprietary Software has been put into escrow by Sellers, their Subsidiaries or the Company.

(k) Except for licenses granted to customers in the Ordinary Course, neither the Sellers nor their Subsidiaries nor the Company are bound by, and no Company IP is subject to, any Contract containing any covenant or other provision that in any way materially limits or restricts the ability of the Sellers or their Subsidiaries (as of the date hereof) or the Company (following the consummation of the Restructuring) to use, exploit, make available, assert, or enforce any Company IP or Company Proprietary Software anywhere in the world.

(l) All of the information technology and computer systems (including information technology and telecommunication hardware, communications networks and data centers) relating to the transmission, storage, maintenance, organization, presentation, generation, processing or analysis of data and information whether or not in electronic format, used in the Business (the “IT Systems”) operate and perform in all material respects in a manner that permit the Sellers or their Subsidiaries (as of the date hereof) or will permit the Company (immediately following the consummation of the Restructuring) to conduct the Business as currently conducted. With respect to the IT Systems, to the knowledge of the Sellers, within the four (4)-year period prior to the date of this Agreement: (i) there have been no successful, unauthorized intrusions or breaches of the security thereof, (ii) there has not been any material malfunction thereof that has not been remedied or replaced in all material respects or any significant unplanned downtime or service interruption thereof that resulted in a material disruption of the Business’ delivery of products and services, and (iii) all security patches or security upgrades that are generally available therefor have been implemented in the Ordinary Course as reasonably determined by Company and/or Seller or their Subsidiaries as applicable. The Sellers and their Subsidiaries (in each case, solely to the extent related to the Business, the Seller Contributed Assets or the Company Assumed

Liabilities) have implemented, and at the Closing the Company will have in place, commercially reasonable backup and recovery technology processes.

3.11 Litigation

. Except as set forth on the attached Schedule 3.11, there are no Proceedings pending or, to Sellers' knowledge, threatened against Sellers or their Subsidiaries (in each case, solely to the extent related to the Business, the Seller Contributed Assets or the Company Assumed Liabilities) or the Company or any of the assets or properties used in the Business (including the Seller Contributed Assets) or the Company Assumed Liabilities, at Law or in equity, or before or by any Governmental Body. Neither Sellers nor any of their Subsidiaries (in each case, solely to the extent related to the Business, the Seller Contributed Assets or the Company Assumed Liabilities) or the Company or any of the assets or properties used in the Business (including the Seller Contributed Assets) is subject to any outstanding Order.

3.12 Employee Benefit Plans

.

(a) Schedule 3.12(a) contains a true and complete list of each "employee benefit plan" as defined in Section 3(3) of ERISA (each, an "ERISA Plan"), and each other material plan, program, policy, practice, arrangement or agreement providing compensation or benefits of any kind that is currently sponsored or maintained by Sellers or any of their Subsidiaries for the benefit of any Business Employee (collectively, the "Plans"). No Plans are subject to Laws outside the United States.

(b) With respect to each Plan, Sellers have delivered or made available to Buyer on or prior to the date hereof complete and correct copies of the following documents, as applicable: (i) all documents that constitute the terms of such Plan (or in the event of an unwritten Plan, a written summary of such Plan's material terms); (ii) except as set forth on the attached Schedule 3.12(b), the most recent Form 5500 (with all attachments thereto); (iii) the most recent IRS determination letter (or opinion or advisory letter upon which Sellers or any of their Subsidiaries is entitled to rely); (iv) the current summary plan description and any summaries of material modification thereto; and (v) any applicable actuarial report required to be prepared for Sellers or any of their Subsidiaries since January 1, 2016 with respect to an ERISA Plan or a Plan that provides pension, disability, post-employment life or medical benefits.

(c) Neither Sellers nor any Person that is considered a single employer with any Seller pursuant to ERISA Section 4001(b) or Section 414(b), (c) or (m) of the Code (i) sponsors, maintains, contributes to, is required to contribute to or has in the past six years sponsored, maintained, contributed to, been required to contribute to or otherwise incurred any liability or obligation under any employee pension plan (as defined under Section 3(2) of ERISA) that is or was subject to Title IV or Section 302 of ERISA or Code Section 412, or (ii) contributes to or is obligated to contribute to, or within the six years preceding the date hereof contributed to or was obligated to contribute to, any Plan that is a Multiemployer Plan.

(d) Each of the Plans has been operated and administered in all material respects in accordance with their terms and with all applicable Laws, including ERISA and the Code, and, except as set forth on Schedule 3.12(d), no material Proceedings are pending or, to the knowledge of Sellers, threatened with respect to a Plan.

(e) Each of the Plans which is intended to be "qualified" within the meaning of section 401(a) of the Code has received a favorable determination letter from the IRS as to its qualification under the Code or is in the form of a prototype plan that is the subject of a favorable opinion letter from the IRS. To the knowledge of Sellers, nothing has occurred that could reasonably be expected to adversely affect such Plan's qualified status.

(f) No Plan provides to any current or former Business Employee or family member of such individual post-employment health or life insurance benefits except as required by Code Section 4980B or Part 6 of Subtitle B of Title I of ERISA.

(g) Except as set forth on the attached Schedule 3.12(g), the consummation of the transactions contemplated by this Agreement (either alone or in combination with any other event) will not (i) cause a Plan, the Company, either Seller or any of their Subsidiaries to make any payment or provide any benefit to any Business Employee or (ii) accelerate the time of payment or vesting or increase the amount of compensation or benefits due to any Business Employee from a Plan, the Company, either Seller or any of their Subsidiaries.

3.13 Insurance

. The attached Schedule 3.13 lists each insurance policy maintained by Sellers, their Subsidiaries or the Company with respect to the Business. All such insurance policies are in full force and effect. Neither (x) Sellers or their Subsidiaries (in each case, solely to the extent related to the Business, the Seller Contributed Assets or the Company Assumed Liabilities), nor (y) as of the Closing, the Company, is in default with respect to its obligations under any such insurance policies, except, in each case, as would not be material to the Business, the Seller Contributed Assets or the Company Assumed Liabilities.

3.14 Compliance with Laws

.

(a) Sellers and their Subsidiaries and Affiliates (in each case, solely to the extent related to the Business, the Seller Contributed Assets or the Company Assumed Liabilities) and the Company are, and since January 1, 2015 have been, in compliance in all material respects with all applicable Laws. Sellers and their Subsidiaries (in each case, solely to the extent related to the Business, the Seller Contributed Assets or the Company Assumed Liabilities) currently have, and the Company immediately following the Closing will have, all authorizations, licenses and permits of any Governmental Body which are required for the operation of the Business as presently conducted (collectively, the "Business Permits"), except for any failure to have such Business Permits as would not be material to the Business. All such Business Permits are in full force and effect, and neither Sellers nor their Subsidiaries or Affiliates (in each case, solely to the extent related to the Business, the Seller Contributed Assets or the Company Assumed Liabilities) nor the Company is in material default or violation of any term, condition or provision of any such Business Permit to which it is a party.

(b) Without limiting the generality of the foregoing, Sellers and their Subsidiaries and Affiliates (in each case, solely to the extent related to the Business, the Seller Contributed Assets or the Company Assumed Liabilities) and the Company are, and during the past three (3) years have been, in compliance with all legal requirements under (i) the Foreign Corrupt Practices Act (15 U.S.C. §§ 78dd-1, et seq.) and (ii) all other applicable anti-corruption and bribery Laws, in each case, in jurisdictions in which they carry on business or are otherwise

operating, including those jurisdictions where such Laws impose liability for the conduct of associated third parties (collectively, "Anti-Bribery Laws"). During the past three (3) years, neither Sellers nor their Subsidiaries or Affiliates (in each case, solely to the extent related to the Business, the Seller Contributed Assets or the Company Assumed Liabilities) nor the Company has received any written communication from any Governmental Authority that alleges that such Person or any of its agents or representatives is in violation of, or has, or may have, any liability under, any Anti-Bribery Law. Neither Sellers nor their Subsidiaries nor the Company is (i) a Person described or designated in the Specially Designated Nationals and Blocked Persons List of the Office of Foreign Assets Control or in Section 1 of the Anti -Terrorism Order or (ii) a Person that engages in any dealings or transactions with any such Person.

3.15 Environmental Compliance and Conditions

.

(a) Sellers and their Subsidiaries and Affiliates (in each case, solely to the extent related to the Business, the Seller Contributed Assets or the Company Assumed Liabilities) and the Company are and, at all times since January 1, 2015 have been, in compliance in all material respects with all applicable Environmental Laws, including possessing all permits and other governmental authorizations required for the operation of the Business under applicable Environmental Laws;

(b) There is no pending or, to Sellers' knowledge, threatened Proceeding against Sellers or their Subsidiaries or Affiliates (in each case, solely to the extent related to the Business, the Seller Contributed Assets or the Company Assumed Liabilities) or the Company under or pursuant to any Environmental Law. Neither Sellers nor their Subsidiaries or Affiliates (in each case, solely to the extent related to the Business, the Seller Contributed Assets or the Company Assumed Liabilities) or the Company has received written notice from any Person, including any Governmental Body, alleging that they have been or are in violation of any applicable Environmental Law or otherwise may be liable under any applicable Environmental Law, which violation or liability is unresolved. Neither Sellers nor their Subsidiaries or Affiliates (in each case, solely to the extent related to the Business, the Seller Contributed Assets or the Company Assumed Liabilities) or the Company is a party or subject to any Order relating to, arising under or pursuant to any Environmental Law; and

(c) To Seller's knowledge, there have been no Releases, spills or discharges of Hazardous Substances on or underneath any Leased Real Property that has resulted or could result in any material liability on the part of Sellers, any of their Subsidiaries or Affiliates or the Company.

3.16 Affiliated Transactions

. Except as set forth on the attached Schedule 3.16, no Related Party is a party to any Contract or transaction with any Seller or its Subsidiaries (in each case, solely to the extent related to the Business, the Seller Contributed Assets or the Company Assumed Liabilities) or the Company (other than any (i) Contract or transaction with respect to such Person's employment with Sellers, their Subsidiaries or the Company and (ii) Contract with a Related Party in its capacity as a client of the Business entered into in the Ordinary Course). No Related Party has a direct or indirect ownership interest in any Seller Contributed Asset other than through its indirect ownership interest in the Company and its Subsidiaries.

3.17 Labor and Employee Matters

.

(a) No Business Employee is or within the last three (3) years has been represented by a union, labor organization, works council, or other employee representative body ("Bargaining Representative") with respect to his or her employment with either Seller or any of their Subsidiaries. Within the last three (3) years, neither Seller nor any of their Subsidiaries has been a party to any collective bargaining agreement or other agreement with a Bargaining Representative. No petition has been filed with the National Labor Relations Board requesting the appointment, election or certification of a collective bargaining representative for any group of Business Employees and to Sellers' knowledge no such petition has been threatened and to Sellers' knowledge there is no other union organizing activity pending or threatened. With respect to the Business or current or former employees of the Business, within the last three (3) years, neither Seller nor any of their Subsidiaries have experienced a strike, lockout, slowdown, picketing, concerted refusal to work overtime or other material labor dispute. The consummation of the transactions contemplated by this Agreement due not require the notification, consultation or consent of any Bargaining Representative.

(b) Sellers and their Subsidiaries (in each case, solely to the extent related to the Business and all current and former and prospective employees of the Business) are in compliance in all material respects with all applicable Laws respecting employment, employment practices, and terms and conditions of employment, including without limitation wages, hours, overtime, discrimination, equal opportunity, harassment, immigration, disability, affirmative action, leaves of absence, privacy, rest periods, meal breaks, workers' compensation, unemployment insurance, occupational health and safety and the collection and payment of withholding and/or social contribution Taxes and similar Taxes, plant closings, mass layoffs and relocations. Except as set forth on Schedule 3.17(b), neither Seller nor any of their Subsidiaries (in each case, solely to the extent related to the Business and all current and former and prospective employees of the Business) is subject to any pending or, to the knowledge of Sellers, threatened Proceeding relating to any employment or labor matter.

(c) Schedule 3.17(c) sets forth a complete and correct list as of the date hereof, of each Targeted Employee, showing for each: (i) name, (ii) hire date and job entry date (if different from hire date), (iii) current job title, (iv) base salary level, targeted bonus, or commission schedule with respect to the period beginning April 1, 2017 and ending March 31, 2018 (which are the base salary levels, targeted bonuses, and commission schedules currently in effect for such Targeted Employees), (v) full/part time status, (vi) accrued paid time off and vacation, (vii) employing entity, (viii) work location, and (ix) exempt or non-exempt status as shown on Sellers' HRIS system. No Targeted Employee is employed outside of the United States. The Sellers, their Subsidiaries and the Company have properly completed all documentation legally required to ensure that each Targeted Employee is authorized to work in the United States, and, to Sellers' knowledge, each such Targeted Employee is so authorized. To Seller's knowledge, no Targeted Employee is subject to a Contract that prohibits or restricts such Targeted Employee's employment with or performance of duties for the Business. To the knowledge of Sellers, no officer engaged in the Business has indicated that he or she intends to terminate his or her employment with Sellers.

(d) Except as set forth Schedule 3.17(a), no natural person independent contractors or workers employed by a third party employee staffing or leasing agency provides services to the Business.

3.18 Data Privacy and Information Security

.

(a) Except as set forth on Schedule 3.18(a) and except as would not be material to the Business, Sellers and their Subsidiaries (in each case, solely to the extent related to the Business, the Seller Contributed Assets or the Company Assumed Liabilities) and the Company are, and during past three (3) years have been, in compliance with (i) all applicable Privacy Laws; (ii) their published written privacy policies and notices; and (iii) all Contracts relating to Processing of Personally Identifiable Information.

(b) There is no pending or, to the knowledge of Sellers, threatened Proceeding or investigation (including by a payment card association) against Sellers or their Subsidiaries (in each case, solely to the extent related to the Business, the Seller Contributed Assets or the Company Assumed Liabilities) or the Company under or pursuant to any Privacy Law.

(c) Except as set forth on Schedule 3.18(c), neither Sellers nor their Subsidiaries (in each case, solely to the extent related to the Business, the Seller Contributed Assets or the Company Assumed Liabilities) or the Company has received any written notice, allegation, complaint or other communication from any Person, including any Governmental Body or payment card association, alleging that they have been or are in material violation of any applicable Privacy Law.

(d) Neither Sellers nor their Subsidiaries (in each case, solely to the extent related to the Business, the Seller Contributed Assets or the Company Assumed Liabilities) or the Company is a party or subject to any Order pursuant to any Privacy Law.

(e) To the knowledge of Sellers and solely to the extent related to the Business, within the three (3) year period prior to the date of this Agreement (i) neither Sellers nor their Subsidiaries has experienced a material Information Security Incident; and (ii) neither Sellers nor their Subsidiaries (in each case, solely to the extent related to the Business, the Seller Contributed Assets or the Company Assumed Liabilities) or the Company has notified in writing, or been required to notify, any Person of any Information Security Incident.

(f) Sellers and their Subsidiaries (in each case, solely to the extent related to the Business, the Seller Contributed Assets or the Company Assumed Liabilities) and the Company employ commercially reasonable security measures that comply in all material respects with all Privacy Laws to protect Personally Identifiable Information within their custody or control and require the same of all vendors that Process Personally Identifiable Information on their behalf.

(g) To the extent required by its Contracts with clients of the Business, Sellers and their Subsidiaries (in each case, solely to the extent related to the Business, the Seller Contributed Assets or the Company Assumed Liabilities) and the Company have provided all requisite notices and obtained all required consents, and satisfied all other notification requirements (including but not limited to notification to Governmental Bodies) in all material respects, necessary (i) for their respective Processing of all Personally Identifiable Information in

connection with the conduct of the Business as currently conducted; and (ii) in connection with the consummation of the transactions contemplated hereunder.

3.19 Sufficiency of Assets

. Except as set forth on Schedule 3.19, the Seller Contributed Assets, together with the Business Employees and the rights granted to the Company pursuant to the Lease Assignment, the Transition Services Agreement (excluding any Non-Income Statement Omitted Services that are necessary to develop and/or deliver client solutions of the Business as conducted prior to the Closing Date) and the Shared Contract Activities, constitute all of the assets, employees, properties and rights necessary for the Company to operate the Business immediately following Closing in the same manner as the Business is currently conducted in all material respects and has been conducted in all material respects since April 1, 2017.

3.20 Brokerage

. Except as set forth on the attached Schedule 3.20, no broker, finder, investment banker or other Person is entitled to any brokerage, finder's, investment banker's or other fee or commission in connection with the transactions contemplated by this Agreement based upon any arrangement or agreement made by or on behalf of Sellers, their Subsidiaries, the Company or any of their Affiliates.

3.21 Material Clients

. Schedule 3.21 sets forth a complete and accurate list of the top 50 clients of the Business based upon the revenue generated by the Business from such client during calendar year ending December 31, 2017 ("Material Clients"). Except as set forth on Schedule 3.21, as of the date hereof, the Business has not received any written or, to Sellers' knowledge, oral notice from a Material Client that it has ceased to use the Business' services, nor has there been any written or, to Sellers' knowledge, oral notice from a Material Client that it intends to cease after the Closing to use such services or to otherwise terminate or materially reduce its relationship with the Business. Schedule 3.21A also indicates which Contracts with a Material Client (A) contain any so-called "most favored nation" provision or any similar provision requiring such Seller or any of Sellers' Subsidiaries (in each case, solely to the extent related to the Business, the Seller Contributed Assets or the Company Assumed Liabilities) or the Company to offer a Person any terms, conditions or concessions that are at least as favorable as those offered to one or more other Persons, or (B) provide for "exclusivity," preferred treatment or any similar requirement that restricts the Seller or any of Sellers' Subsidiaries (in each case, solely to the extent related to the Business, the Seller Contributed Assets or the Company Assumed Liabilities) or the Company with respect to sales, distribution, licensing, marketing, development or other material activities.

3.22 Material Suppliers

. Schedule 3.22 sets forth a complete and accurate list of the top 20 suppliers of the Business based upon the amount paid to such supplier during the period beginning April 1, 2017 and ending February 28, 2018 ("Material Suppliers"). As of the date hereof, the Business has not received any written or, to Sellers' knowledge, oral notice from a Material Supplier that it intends to cease providing goods or services to the Business. None of the Contracts with suppliers of the Business that are Seller Contributed Assets will impose any obligation on the Company that relates to the Seller Business.

3.23 Healthcare Matters.

(a) Except as set forth on Schedule 3.23(a), Sellers or their Subsidiaries (in each case, solely to the extent related to the Business, the Seller Contributed Assets or the Company Assumed Liabilities) and the Company are materially in compliance with Healthcare Laws.

(b) None of Sellers or their Subsidiaries (in each case, solely to the extent related to the Business, the Seller Contributed Assets or the Company Assumed Liabilities) or the Company are subject to: (i) any corporate integrity agreement with the Office of the Inspector General of the U.S. Department of Health and Human Services ("OIG") or written agreement with the OIG to establish or maintain a corporate integrity policy or program or (ii) any settlement, reporting obligation or other agreement with any other Governmental Body that imposes any continuing obligations arising out of a violation or alleged violation of any Law applicable to a Government Payment Program. Except as set forth on Schedule 3.23(b), none of Sellers or their Subsidiaries (in each case, solely to the extent related to the Business, the Seller Contributed Assets or the Company Assumed Liabilities) or the Company have in the past three (3) years, (i) been a defendant in any unsealed qui tam or False Claims Act legal proceeding or (ii) made any voluntary disclosure to the OIG, Centers for Medicare and Medicaid, any Medicaid program or other Governmental Body related to any Healthcare Law. Except as set forth on Schedule 3.23(b), no Governmental Body has provided notice to Sellers or their Subsidiaries (in each case, solely to the extent related to the Business, the Seller Contributed Assets or the Company Assumed Liabilities) or the Company of its intent to conduct any material investigation or non-ordinary course review of the Company or Seller Contributed Assets with respect to an alleged violation of any Healthcare Law.

(c) Except as set forth on Schedule 3.23(c), since January 1, 2015, none of Sellers or their Subsidiaries (in each case, solely to the extent related to the Business, the Seller Contributed Assets or the Company Assumed Liabilities) or the Company have employed or contracted with or had as an officer or director any individual or entity who performs services for, or on behalf of, any such party that is suspended, excluded or disbarred from participation in, or otherwise ineligible to participate in a Federal Healthcare Program as defined in 42 U.S.C. § 1320a-7d(f).

(d) Except as set forth on Schedule 3.23(d), none of the products of Sellers or their Subsidiaries (in each case, solely to the extent related to the Business, the Seller Contributed Assets or the Company Assumed Liabilities) or the Company (whether voluntarily or otherwise) are subject to or are currently under consideration by Sellers or their Subsidiaries (in each case, solely to the extent related to the Business, the Seller Contributed Assets or the Company Assumed Liabilities) or the Company for recall, withdrawal, suspension, post-sale warning seizure, discontinuance, or similar action and, (i) as of December 31, 2017, any such past recall, withdrawal, suspension, post-sale warning seizure, discontinuance, or similar action has been completed and (ii) there are no outstanding client rebates or similar reimbursements due and owing to clients of the Business with respect thereto.

(e) To Sellers' knowledge, no client of the Business is the subject of any Proceeding alleging a violation of any Healthcare Law implicating or being caused by any of the products or services of Sellers or their Subsidiaries (in each case, solely to the extent related to the Business, the Seller Contributed Assets or the Company Assumed Liabilities) or the Company or by any Seller Contributed Assets.

3.24 No Other Representations and Warranties

. EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES CONTAINED IN ARTICLE 3 AND ARTICLE 4 OF THIS AGREEMENT OR ANY ANCILLARY AGREEMENT, NONE OF SELLERS OR THEIR AFFILIATES MAKES ANY EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY, AND EACH SELLER AND ITS AFFILIATES HEREBY DISCLAIMS ANY SUCH OTHER REPRESENTATION OR WARRANTY, INCLUDING WITH RESPECT TO (X) THE EXECUTION AND DELIVERY OF THIS AGREEMENT AND THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED HEREBY, (Y) THE BUSINESS AND THE ASSETS AND LIABILITIES RELATING THERETO (INCLUDING WITH RESPECT TO INFORMATION AND DOCUMENTATION FURNISHED OR MADE AVAILABLE TO BUYER OR ITS REPRESENTATIVES RELATING THERETO), AND (Z) THE COMPANY. NOTWITHSTANDING THE FOREGOING OR ANYTHING TO THE CONTRARY HEREIN, NOTHING IN THIS SECTION 3.23 SHALL IN ANY WAY LIMIT ANY OF THE REPRESENTATIONS OR WARRANTIES SET FORTH IN ARTICLE 3 AND ARTICLE 4 OF THIS AGREEMENT OR ANY ANCILLARY AGREEMENT.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES WITH RESPECT TO SELLERS

Each Seller hereby, jointly and severally, represents and warrants to Buyer, as of the date hereof and as of the Closing, as follows:

4.01 Organization and Power; Authorization

. Each Seller is a limited liability company duly organized, validly existing and in good standing under the Laws of the State of Delaware. Each Seller has all requisite limited liability company power and authority to execute and deliver this Agreement and each Ancillary Agreement to which it is a party and to perform its obligations under this Agreement and each such Ancillary Agreement and to consummate the transactions contemplated hereby and thereby. The execution, delivery and performance of this Agreement and each Ancillary Agreement to which the Sellers and/or any of their Subsidiaries is a party, and the consummation of the transactions contemplated hereby and thereby, have been duly and validly authorized by all requisite action on the part of such Seller and its Subsidiaries, as applicable, and no other proceedings on such Seller’s or its Subsidiaries’ part are necessary to authorize the execution, delivery or performance of this Agreement and each Ancillary Agreement to which it is a party, as applicable. This Agreement has been, and each of the Ancillary Agreements to which the Sellers and/or any of their Subsidiaries is a party will be at the Closing, duly executed and delivered by the applicable Seller and/or Subsidiary and, assuming the due authorization, execution and delivery hereof and thereof by the other parties hereto and thereto, this Agreement constitutes, and the Ancillary Agreements to which the Sellers and/or any of their Subsidiaries is a party when so executed and delivered will constitute, a legal, valid and binding obligation of such Seller and/or Subsidiary, enforceable against such Seller and/or Subsidiary in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization or moratorium Laws, other similar Laws affecting creditors’ rights and general principles of equity affecting the availability of specific performance and other equitable remedies

4.02 Ownership

. Sellers are the sole record and beneficial owners of the Membership Interests set forth next to its name on Schedule 4.02, each free and clear of all Liens, options, proxies, voting trusts or agreements or other restrictions or limitations of any kind, other than applicable federal and state securities Law restrictions, and at the Closing, the Sellers will transfer the Membership Interests set forth next to its name on Schedule 4.02 to Buyer, free and clear of all Liens, options, proxies, voting trusts or agreements or other restrictions or limitations of any kind, other than applicable federal and state securities Law restrictions.

ARTICLE 5

REPRESENTATIONS AND WARRANTIES OF BUYER

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

5.01 Organization and Power

. Buyer is a limited liability company duly organized, validly existing and in good standing under the Laws of the State of Delaware. Buyer has all requisite limited liability company power and authority to execute and deliver this Agreement and each Ancillary Agreement to which it is a party and to perform its obligations under this Agreement and each such Ancillary Agreement.

5.02 Authorization; Valid and Binding Agreement

. The execution, delivery and performance of this Agreement by Buyer and each Ancillary Agreement to which it is a party and the consummation of the transactions contemplated hereby and thereby have been duly and validly authorized by all requisite action on the part of Buyer, and no other proceedings on Buyer's part are necessary to authorize the execution, delivery or performance of this Agreement and each Ancillary Agreement to which it is a party. Assuming the due authorization, execution and delivery of this Agreement and the Ancillary Agreements by the other parties hereto and thereto, this Agreement constitutes, and each Ancillary Agreement to which the Buyer is a party when so executed and delivered will constitute a valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization or moratorium Laws, other similar Laws affecting creditors' rights and general principles of equity affecting the availability of specific performance and other equitable remedies.

5.03 No Breach

. Except as set forth on Schedule 5.03, the execution, delivery and performance of this Agreement by Buyer and the consummation of the transactions contemplated hereby do not conflict with or result in any material breach of, constitute a material default under, result in a material violation of, result in the creation of any lien, security interest, charge or encumbrance upon any assets of Buyer, or require any authorization, consent, approval, exemption or other material action by or notice to any court, other Governmental Body or other third party, under the provisions of any indenture, mortgage, lease, loan agreement or other agreement or instrument to which Buyer or its assets are bound, or any Law or Order to which Buyer is subject other than (a) any such breaches, defaults, violations or liens that, individually or in the aggregate, would not reasonably be expected to have a material adverse effect on the ability of Buyer to perform any of its material obligations under this Agreement and each Ancillary Agreement to which it is a party and (b) any authorizations, consents, approvals, exemptions or other actions

required under the HSR Act, or that may be required by reason of Sellers' participation in the transactions contemplated hereby, or the failure of which to obtain would not, individually or in the aggregate, have a material adverse effect on the ability of Buyer to perform any of its material obligations under this Agreement.

5.04 Consents, etc

. Except as set forth in Schedule 5.03, (a) Buyer is not required to submit any notice, report or other filing with any Governmental Body in connection with the execution, delivery or performance by it of this Agreement or the consummation of the transactions contemplated hereby and (b) no consent, approval or authorization of any Governmental Body or any other party or Person is required to be obtained by Buyer in connection with its execution, delivery and performance of this Agreement or the consummation of the transactions contemplated hereby, in each case other than any authorizations, consents, approvals, exemptions or other actions required under the HSR Act, or that may be required by reason of Sellers' participation in the transactions contemplated hereby, or the failure of which to obtain would not, individually or in the aggregate, have a material adverse effect on the ability of Buyer to perform any of its material obligations under this Agreement.

5.05 Litigation

. There are no Proceedings pending or, to Buyer's knowledge, threatened against or affecting Buyer, at Law or in equity, or before or by any Governmental Body, which would, in any material respect, adversely affect Buyer's performance under this Agreement or the consummation of the transactions contemplated hereby. Buyer is not subject to any outstanding Order, which would, in any material respect, adversely affect Buyer's performance under this Agreement or the consummation of the transactions contemplated hereby.

5.06 Brokerage

. No broker, finder, investment banker or other Person is entitled to any brokerage, finder's, investment banker's or other fee or commission in connection with the transactions contemplated by this Agreement based upon any arrangement or agreement made by or on behalf of Buyer or any of its Affiliates.

5.07 Investment Representation

. Buyer is acquiring the Membership Interests for its own account with the present intention of holding such securities for investment purposes and not with a view to, or for sale in connection with, any distribution of such securities in violation of any federal or state securities Laws. Buyer is an "accredited investor" as defined in Regulation D promulgated by the SEC under the Securities Act. Buyer acknowledges that the Membership Interests have not been registered under the Securities Act or any state or foreign securities Laws and that the Membership Interests may not be sold, transferred, offered for sale, assigned, pledged, hypothecated or otherwise disposed of unless such transfer, sale, assignment, pledge, hypothecation or other disposition is pursuant to the terms of an effective registration statement under the Securities Act and the Membership Interests are registered under any applicable state or foreign securities Laws or sold pursuant to an exemption from registration under the Securities Act and any applicable state or foreign securities Laws.

5.08 Financial Ability

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(a) Buyer has delivered to Sellers a complete and correct copy of the Commitment Letter as of the date hereof; provided that, the economic terms, including any flex provisions, in a copy of any fee letter executed in connection with the Commitment Letter

delivered hereto may be redacted. As of the date hereof, the Commitment Letter has not been amended or modified and the obligations and commitments contained in such Commitment Letter have not been withdrawn, terminated or rescinded. The Commitment Letter is in full force and effect as of the date hereof and constitutes valid and binding obligations of Buyer, and, to the Buyer's knowledge, each other party thereto, enforceable against such party in accordance with its terms, except, in each case, as such enforcement may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization or moratorium Laws, other similar Laws affecting creditors' rights and general principles of equity affecting the availability of specific performance and other equitable remedies.

(b) No event has occurred which, with or without notice, lapse of time or both, would or would reasonably be expected to (A) constitute a default or breach on the part of Buyer or, to the knowledge of Buyer, any other party thereto under the Commitment Letter or (B) result in a failure by Buyer to satisfy any condition precedent to the availability of any financing set forth in the Commitment Letter on the Closing Date. Except as set forth in the Commitment Letter, there are no conditions precedent or contingencies to the obligations of the providers of the Debt Financing under the Commitment Letter to make the full amount of any financing available to Buyer on the terms therein or otherwise related to the funding of the full amount of the financing, other than the Closing of the transactions contemplated by this Agreement. Other than as set forth in the Commitment Letter, as of the date hereof, there are no side letters or other Contracts between any of the providers of the Debt Financing and/or their respective Affiliates, on the one hand, and Buyer and its Affiliates, on the other hand, with respect to the Debt Financing (other than any related fee letter) that could adversely affect (i) the ability of Buyer to satisfy any of the conditions to the Debt Financing or (ii) the availability of the Debt Financing upon the satisfaction (or waiver) of the conditions precedent to the funding of the Debt Financing.

(c) Notwithstanding anything in this Agreement to the contrary, Buyer understands, acknowledges and agrees that under the terms of this Agreement, Buyer's obligation to consummate the transactions contemplated hereby is not in any way contingent upon or otherwise subject to Buyer's consummation of any financing arrangements.

5.09 Solvency

. Assuming the accuracy in all material respects of the representations and warranties set forth in Article 3 and Article 4 of this Agreement, immediately after giving effect to the transactions contemplated hereby, Buyer and the Company will not, taken as a whole, (a) be "insolvent" within the meaning given to that term and similar terms under Laws relating to fraudulent transfer and conveyances or be left with unreasonably small capital, (b) have incurred debts beyond their ability to generally pay such debts as they mature, or (c) have liabilities in excess of the reasonable market value of their assets (taken as a going concern).

5.10 Investigation

. Buyer acknowledges that it is relying on its own independent investigation and analysis in entering into the transactions contemplated hereby. Buyer is knowledgeable about the industries in which Sellers, their Subsidiaries and the Company operate and is capable of evaluating the merits and risks of the transactions contemplated by this Agreement and is able to bear the substantial economic risk of such investment for an indefinite period of time. Buyer has been afforded access to the books and records, facilities and personnel of Sellers, the Company and the Business requested by Buyer sufficient for purposes of conducting a due diligence investigation of Sellers, the Company and the Business to its satisfaction.

Notwithstanding the foregoing or anything to the contrary in this Agreement, nothing in this Section 5.10 shall in any way limit any of the representations or warranties set forth in Article 3, Article 4 or any Ancillary Agreement.

ARTICLE 6

COVENANTS OF SELLERS

6.01 Conduct of the Business

. During the period from the date of this Agreement until the Closing or the earlier termination of this Agreement pursuant to Section 9.01 hereof, except as otherwise expressly contemplated by this Agreement or set forth on the attached Schedule 6.01, and except as otherwise consented to in writing by Buyer (which consent shall not be unreasonably withheld, conditioned or delayed), Sellers shall (to the extent related to the Business or the Seller Contributed Assets) and shall cause their Subsidiaries (to the extent related to the Business or the Seller Contributed Assets) and the Company to, (i) use commercially reasonable efforts to conduct the Business in all material respects in the Ordinary Course, (ii) use commercially reasonable efforts to preserve intact their assets, goodwill and business organizations, keep available the services of the officers and employees, and to preserve the relationships with the customers, suppliers, licensors, employees, distributors and others having material business relationships with the Business and (iii) not take any action which, if taken after December 31, 2017 and prior to the date of this Agreement, would have been required to be disclosed on Schedule 3.05 pursuant to Section 3.05. Notwithstanding the foregoing, prior to the Closing, Sellers and their Subsidiaries may (i) prior to the Calculation Time, use available cash to repay or collect the payment of any intercompany indebtedness, and/or make cash distributions to its equity owners, and (ii) consummate the Restructuring in accordance with the Contribution Agreement.

6.02 Access to Books and Records

. During the period from the date of this Agreement until the date that is the later of (a) one hundred twenty (120) days following the Closing or (b) the completion of an audit of the financial statements of the Company for the twelve months ended March 31, 2018 or the earlier termination of this Agreement pursuant to Section 9.01 hereof and subject to the terms of the Confidentiality Agreement and the Clean Team Agreement prior to Closing, Sellers shall, at Buyer’s expense (such expense limited to reasonable out-of-pocket expenses incurred by the Sellers as agreed to by both parties), (i) provide Buyer and its authorized representatives (“Buyer’s Representatives”) with reasonable access during normal business hours and upon reasonable notice to the offices, properties, books and records (including electronic records), management and other key employees of the Business, (ii) use commercially reasonable efforts to provide reasonable access to Sellers’ accountants, and (iii) furnish to Buyer and Buyer’s Representatives such additional financial, operating and other relevant data and information about the Business (including, without limitation, source documents and working papers) as Buyer may reasonably request, in each case, for the purpose of consummating the transactions contemplated by this Agreement, preparing to operate the Business following the Closing, and completing an audit of the Business for the twelve (12) month period ending March 31, 2018, if required by Buyer’s or its Affiliates’ reporting obligations under applicable Law and/or applicable rules and regulations of the SEC; provided, however, that if such audit is required and is not completed within 120 days following Closing, then Sellers may prohibit such access for a period of sixty (60) days following the end of such one hundred twenty day (120) period; provided, further, that if it is determined by Buyer that any such audit is not required as set forth herein, Buyer shall promptly

notify Sellers and the post-Closing access provided for under this Section 6.02 shall automatically terminate. Sellers will make available its relevant personnel for up to 10 hours per week to Buyer and Buyer's auditors to assist them in the completion of the audit until such time the audit is completed. Notwithstanding the foregoing, no access or information provided to Buyer and Buyer's Representatives pursuant to this Section 6.02 shall unreasonably interfere with the normal operations of the Business; provided further that all requests for such access will be directed to Scott Anderson, or such other Person or Persons as Sellers may designate to Buyer in writing from time to time. Notwithstanding anything to the contrary in this Agreement, neither Sellers nor the Company will be required to provide access or disclose any information to Buyer in accordance with this Section 6.02 to the extent that such access or disclosure would be reasonably likely to (x) jeopardize any attorney-client or other legal privilege or (y) contravene any applicable Laws, fiduciary duty or binding agreement entered into prior to the date hereof. In the event that Sellers do not provide access or information in reliance on the preceding sentence, such Person shall provide notice to Buyer that such access or information is being withheld and such Person shall use its commercially reasonable efforts to communicate, to the extent feasible, the applicable information in a way that would not violate the applicable obligation or risk waiver of such privilege. Neither Sellers nor the Company makes any representation or warranty as to the accuracy of any information (if any) provided pursuant to this Section 6.02, and Buyer may not rely on the accuracy of any such information, in each case other than as expressly set forth in the Sellers' representations and warranties contained in Article 3 or Article 4, the Ancillary Agreements or the Seller Closing Certificate. Subject to Section 10.04(a), Information provided pursuant to this Section 6.02 shall be governed by all the terms and conditions of the Confidentiality Agreement and the Clean Team Agreement, as applicable.

6.03 Other Actions; Conditions

. Without limiting any covenant contained in this Agreement, including the obligations of Sellers described in Section 10.06, which obligations shall control to the extent of any conflict with the succeeding provisions of this Section 6.03, Sellers shall at their own expense: (a) assemble, prepare and file any information (and, as needed, to supplement such information) as may be reasonably necessary to obtain as promptly as practicable all governmental and regulatory consents required to be obtained in connection with the transactions contemplated by this Agreement and the Ancillary Agreements, (b) use commercially reasonable efforts to obtain all material consents and approvals of third parties that Sellers, their Subsidiaries or the Company are required to obtain in order to consummate the transactions contemplated by this Agreement and the Ancillary Agreements, (c) use commercially reasonable efforts to (i) following the Closing to the extent requested by Buyer, facilitate the execution of new contracts on substantially similar terms between the Company and the third parties referenced on Schedule 6.03 and (ii) otherwise facilitate the transition with such third parties, and (d) take such other action as may reasonably be necessary or as Buyer may reasonably request to satisfy the conditions of Sections 2.01 and 2.02 to Buyer's obligations or otherwise to comply with this Agreement and (subject to the provisions of Section 1.01) to consummate the transactions contemplated hereby as soon as practicable. Notwithstanding the foregoing, in no event shall Sellers, their Subsidiaries or the Company be obligated to bear any material expense or pay any material fee or grant any material concession in connection with obtaining any third party consents, authorizations or approvals in connection with the consummation of the transactions contemplated by this Agreement and the Ancillary Agreements.

6.04 Exclusive Dealing

. During the period from the date of this Agreement until the Closing or the earlier termination of this Agreement pursuant to Section 9.01 hereof, Sellers will not, and will cause their Affiliates and their and their Affiliates' respective representatives, officers, directors, managers, agent and employees (collectively, "Representatives") not to, directly or indirectly: (a) solicit, initiate, encourage or facilitate any inquiry, indication of interest, proposal or offer from any Person (other than Buyer and its Representatives) relating to or in connection with an Acquisition Transaction; (b) participate in or attend any discussions or negotiations or enter into any agreement, arrangement or understanding, whether or not legally binding, with, or provide or confirm any information to, any Person (other than Buyer and its Representatives) relating to or in connection with an Acquisition Transaction; (c) accept any proposal or offer from any Person (other than Buyer and its Representatives) relating to or in connection with an Acquisition Transaction or otherwise commit to, enter into or consummate any Acquisition Transaction with any Person other than Buyer; or (d) furnish any non-public information relating to the Business to any Person (other than Buyer and its Representatives) in any manner related to or that could reasonably result in an Acquisition Transaction.

6.05 Related Party Obligations

. Sellers and their Subsidiaries shall take such action and make such payments as may be necessary and reasonably acceptable to Buyer so that, as of the Closing, there shall be no intercompany liabilities, obligations or agreements between Seller and its Subsidiaries, on the one hand, and the Company, on the other hand, other than the liabilities, obligations and agreements of Sellers and their Subsidiaries and the Company pursuant to this Agreement and the Ancillary Agreements and those listed on Schedule 6.05. Sellers shall cause evidence of the termination of such Related Party liabilities, obligations and agreements reasonably satisfactory to Buyer to be delivered to Buyer.

6.06 Restructuring

. Prior to the Closing, Sellers and their Subsidiaries and the Company will complete the Restructuring in accordance with the Contribution Agreement.

6.07 Resignations

. Prior to the Closing, the Sellers shall cause to be delivered to Buyer a duly executed written resignation (in a form reasonably acceptable to Buyer) of each manager and each officer of the Company (other than those specified by Buyer in writing at least two (2) days prior to Closing), which such resignations shall be effective at the Effective Time.

6.08 Liens

. Sellers and their Subsidiaries shall cause all Liens, other than any Permitted Liens, on the Seller Contributed Assets and on the Company and its assets to be released at or prior to the Closing.

6.09 Financing Assistance

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(a) At the sole expense of Buyer, Sellers and their Subsidiaries shall, and shall cause the Company to, use their commercially reasonable efforts to provide such cooperation reasonably requested by Buyer in connection with the arrangement of the Debt Financing contemplated by the Commitment Letter, including by (i) participating in a reasonable number of meetings, rating agency presentations, and due diligence sessions, in each case upon reasonable advance notice and at mutually agreed upon times, (ii) furnishing Buyer, its Affiliates, and the Financing Sources as promptly as reasonably practicable with historical financial statements, financial and other pertinent information that is reasonably available, readily obtainable or that can

reasonably be prepared using such reasonably available or readily obtaining information regarding the Business as may be reasonably requested by Buyer, its Affiliates, or the Financing Sources in connection with the Debt Financing, including definitive joinder documentation (it being understood that Seller and their Subsidiaries need only provide information to assist in the preparation of the Required Financial Information and other customary financial and other information regarding the Company as may be reasonably requested by Buyer, its Affiliates, or the Financing Sources in connection with the Debt Financing, and shall not be required to provide pro forma financial statements or pro forma adjustments reflecting (A) the Debt Financing or any description of all or any component of the Debt Financing, or (B) the transactions contemplated hereby, or otherwise implement any accounting standards not used in the preparation of the Financial Statements, including Financial Accounting Standards Board Accounting Standards Codification 606, Revenue from Contracts with Customers), together with customary authorization letters authorizing the distribution of such information, (iii) providing reasonable assistance to Buyer connection with the preparation of any offering memorandum, bank book, ratings agency presentations or similar documents, (iv) delivering at least three (3) Business Days prior to Closing, all documentation reasonably requested by the Financing Sources related to the Company required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, (v) providing the Financing Sources with reasonable access to the senior management personnel and the properties, books and records of the Business, at reasonable times and in a manner that shall not disrupt the conduct of the Business or the businesses of the Sellers and their Subsidiaries, and (vi) requesting Sellers independent accountants to provide customary and reasonable assistance to Buyer; provided, however, that any such requested cooperation as set forth in this Section 6.09(a), shall not unreasonably interfere with the ongoing operations of Sellers or any of their Subsidiaries. The Company shall not be required to pay any commitment or other similar fee or make any other payment (other than reasonable out-of-pocket costs) prior to the Closing Date. Notwithstanding the foregoing, nothing in this Section 6.09(a) shall (A) require any action that would reasonably be expected to (x) conflict with or violate any applicable Law, the Organizational Documents of any Seller or any Subsidiary thereof (including the Company) or any Material Contract, (y) cause any condition to Closing set forth in this Agreement to fail to be satisfied or (z) cause any breach of this Agreement (unless waived in advance by Buyer), (B) require the Sellers or any of their Subsidiaries to pay any commitment or similar fee, pay or reimburse any third party expense, provide any indemnities, or incur or assume any liability or obligation, in connection with such Debt Financing prior to the Closing, (C) require any member, manager or board of directors or similar governing body of Sellers or any of their Subsidiaries to approve or authorize any Debt Financing or agreements related thereto, (D) require Sellers or any of their Subsidiaries to execute prior to the Closing any definitive financing documents or other agreements and documents in connection with any Debt Financing that is not contingent on the Closing (other than with respect to the authorization letters described in clause (ii) above) or (E) cause any director, officer or employee of the Company or of the Sellers or any of their Subsidiaries to incur any personal liability.

6.10 Leased Real Property

. Promptly following the date of this Agreement, Sellers, at their expense, shall engage an inspector (which shall be subject to the approval of Buyer, such approval not to be unreasonably withheld) for the purpose of inspecting the condition of the Leased Real Property. Such inspector shall ascertain the condition of the exterior and interior of the Leased Real Property, including the roof, walls, foundation, leading and servicing areas, exterior doors and glass, interior partitions and doors, fixtures, equipment and appurtenances (including

electrical, mechanical and plumbing equipment, piping and the heating and air conditioning systems) and deliver to both Sellers and Buyer a written report identifying any deferred maintenance or necessary repairs with respect thereto. Following such inspection and prior to the Closing, Sellers shall use commercially reasonable efforts to cause all such deferred maintenance and necessary repairs to be conducted to the extent CHT, as lessee of the Leased Real Property, is obligated to perform such maintenance and repairs pursuant to Article IV, Section 1 and Amendment 2, Sections 4 and 5 of the Lease. All such maintenance and repairs shall be made in accordance with the terms of the Lease (including with respect to any Landlord consent thereunder). Responsibility for all costs and expenses in connection with such maintenance and repairs shall be apportioned between the parties as follows: (i) aggregate costs and expenses less than or equal to $25,000 shall be the sole responsibility of Buyer; and (ii) aggregate costs and expenses greater than $25,000 shall be the sole responsibility of Sellers. Notwithstanding the foregoing, in the event that this Agreement is duly terminated pursuant to Section 9.01 hereof, Buyer shall have no responsibility for any costs and expenses in connection with such maintenance and repairs of the Leased Real Property. For the avoidance of doubt, the completion of such maintenance and repairs shall not be a condition to Closing and to the extent such maintenance and repairs, if any, have not been made prior to Closing, responsibility for the costs and expenses of completing such repairs following the Closing shall be apportioned as set forth in this Section 6.10.

ARTICLE 7

COVENANTS OF BUYER

7.01 Access to Books and Records

. From and after the Closing, Buyer will cause the Company to provide Sellers and their authorized representatives with reasonable access (for the purpose of examining and copying), during normal business hours, to the books and records of the Business with respect to periods or occurrences prior to the Closing Date to the extent reasonably necessary in connection with tax reporting and filing and/or preparation of tax or financial reports or for any other reasonable purpose. Unless otherwise consented to in writing by Sellers (which consent shall not be unreasonably withheld, conditioned or delayed), Buyer will not, and will not permit the Company to, for a period of seven years following the Closing Date, destroy, alter or otherwise dispose of any books and records of the Business, or any portions thereof, relating to periods prior to the Closing Date without first giving reasonable prior notice to Sellers and offering to surrender to Sellers such books and records or such portions thereof.

7.02 Conditions

. Without limiting any covenant contained in this Agreement, including the obligations of Buyer described in Section 10.06, which obligations shall control to the extent of any conflict with the succeeding provisions of this Section 7.02, Buyer shall: (a) assemble, prepare and file any information (and, as needed, to supplement such information) as may be reasonably necessary to obtain as promptly as practicable all governmental and regulatory consents required to be obtained in connection with the transactions contemplated by this Agreement and the Ancillary Agreements, (b) use commercially reasonable efforts to obtain all consents and approvals of third parties that Buyer or its Affiliates may be required to obtain in connection with the transactions contemplated by this Agreement and the Ancillary Agreements, and (c) take such other action as may reasonably be necessary or as Sellers may reasonably request to satisfy the

conditions of Sections 2.01 and 2.03 to Sellers' obligations or otherwise to comply with this Agreement and (subject to the provisions of Section 1.01) to consummate the transactions contemplated hereby as soon as practicable.

7.03 Contact with Clients and Suppliers

. Except as otherwise provided in Section 6.02, prior to the Closing, Buyer and Buyer's representatives will contact and communicate with the employees, clients, suppliers and other business relations of the Business in connection with the transactions contemplated hereby only with the prior written consent of Sellers (which consent shall not be unreasonably withheld or delayed).

7.04 Employees

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(a) Prior to the Closing and effective as of the Effective Time, on the Closing Date, Buyer will either (i) offer employment to or (ii) pay the severance owed under the Change Healthcare New U.S. Broad-Based Severance Policy to each of the employees set forth on Exhibit G, in each case to the extent such employees are still employed by Sellers or their Subsidiaries at the time of such offer (the "Targeted Employees"). Targeted Employees who accept the Buyer's offer of employment and become employees of the Buyer shall be referred to herein as the "Transferred Employees." Sellers agree that the Buyer shall have no Liability whatsoever (including under Section 4980B of the Code) with respect to any Targeted Employee who is offered employment consistent with the terms of this Section 7.04(a), but who does not accept such offer, and the Sellers shall retain, bear and discharge all Liabilities with respect to such Targeted Employees (including Liabilities under Section 4980B of the Code). Buyer shall bear 100% of the costs relating to, and shall indemnify and hold harmless Sellers and their Subsidiaries from and against, all penalties and claims arising under the Worker Adjustment and Retraining Notification Act or any similar termination or reduction in force under applicable state or local Law as a result of Buyer's failure to offer employment to any Targeted Employees.

(b) In connection with the offering and hiring of the Targeted Employees by Buyer, the terms and conditions of Buyer's offer of employment to each Targeted Employee receiving an offer pursuant to Section 7.04(a) shall include base salary or hourly wages, as applicable, that are substantially similar to the base salary or hourly wages disclosed with respect to such Targeted Employee pursuant to Section 3.17(c)(iv) (which is the base salary or hourly wages provided by Sellers and their Subsidiaries to such Targeted Employee immediately prior to the Closing Date). Notwithstanding the foregoing, nothing contemplated by this Agreement shall be construed as requiring Buyer to be obligated to continue the employment of any Transferred Employee for any period after the Closing Date. The Buyer shall not assume and shall have no Liability whatsoever, and the Sellers shall retain, bear and discharge all Liabilities, under each Plan.

(c) Effective from and after the Closing Date, Buyer shall (i) to the extent permitted by Buyer's applicable plan, program and arrangement, recognize, for all purposes under all plans, programs and arrangements established or maintained by Buyer for the benefit of the Transferred Employees, service with Sellers and their Subsidiaries prior to the Closing Date to the extent such service was recognized under the corresponding Plan covering such Transferred Employees including, for purposes of eligibility, vesting and benefit levels and accruals, (ii) waive any pre-existing condition exclusion, actively-at-work requirement or waiting period under all

employee health and other welfare benefit plans established or maintained by Buyer for the benefit of the Transferred Employees, (iii) provide full credit for any out-of-pocket maximums, deductibles or similar payments made or incurred prior to the Closing Date for the plan year in which the Closing occurs, (iv) in connection with any offer made to the Targeted Employees, such offer shall be made in writing and include an acknowledgment that future merit increases in the normal course of Buyer's or its Affiliates' annual review shall take into consideration in good faith the amount of time since the last merit increase for such Targeted Employees (it being understood that the foregoing is not a guarantee or obligation to make any merit increase), and (v) honor any accrued paid time off to the extent accounted for in Net Working Capital.

(d) Effective from and after the Closing Date, Buyer shall assume, honor, and perform all obligations and liabilities in respect of any Transferred Employee for all claims for hospital, medical, dental or other health benefits, expenses or other reimbursements relating to any medical service, product or confinement provided to or in respect of any Transferred Employee (or his or her eligible dependents) incurred on or after the Closing Date. The Buyer shall have no Liability whatsoever and the Sellers shall retain, bear and discharge all Liabilities relating to workers' compensation claims made by (i) any Transferred Employee filed or presented before the Closing, (ii) any Transferred Employee filed or presented after the Closing but relating to claims and/or injuries first arising before the Closing and (iii) any Targeted Employee who does not become a Transferred Employee.

(e) To the extent permitted by Law, the Sellers shall provide, or cause to be provided, promptly to the Buyer, at the Buyer's request, any information or copies of personnel records (including addresses, dates of birth, dates of hire and dependent information) relating to the Transferred Employees or relating to the service of Transferred Employees with the Sellers or their Subsidiaries or Affiliates prior to the Closing. The Sellers and the Buyer shall cooperate with the other and shall provide to the other such documentation, information and assistance as is reasonably necessary to effect the provisions of this Section 7.04. Effective as of the Closing, the Sellers on their behalf and on behalf of their Subsidiaries, hereby release each of the Transferred Employees from any and all post-employment obligations under such Transferred Employee's Company Protection Agreement or Business Asset Protection Agreement, in each case solely with respect to such Transferred Employee's employment or service to Buyer, the Company or any of their respective Subsidiaries or Affiliates; provided, however, that for the avoidance of doubt, the foregoing release shall not release any such Transferred Employee from any confidentiality obligations with respect to the Seller Business.

(f) The Transferred Employees (to the extent eligible to participate under Sellers 401(k) Plan) shall be eligible to participate, effective as of the Closing Date, in a 401(k) plan sponsored or maintained by Buyer (the "Buyer 401(k) Plan"). Buyer shall take any and all actions as may be required, including amendments to the Buyer 401(k) Plan, to permit each Transferred Employee who is a participant in a 401(k) Plan sponsored or maintained by Sellers (the "Sellers 401(k) Plan") to be eligible to commence participation in the Buyer 401(k) Plan as of the Closing Date, make rollover contributions to the Buyer 401(k) Plan of "eligible rollover distributions" (within the meaning of Section 401(a)(31) of the Code) in an amount equal to the full account balance distributable to such Transferred Employee from the Sellers 401(k) Plan, including plan loans.

(g) Neither Buyer nor any Affiliate of Buyer will, or will cause any Person to, following the Closing Date, effectuate a “plant closing” or “mass layoff” as those terms are defined in the Worker Adjustment and Retraining Notification Act or any similar termination or reduction in force under applicable state or local Law with respect to the Business Employees for a period of 120 days following the Closing

7.05 Procedures for Non-Assigned Contracts

. Except as contemplated by the Shared Contract Activities, in the event that, (a) as part of the Restructuring, Sellers or their Subsidiaries attempt to assign any Contract, lease, permit or other claim or right, or any benefit arising thereunder or resulting therefrom (each, an “Assignable Right”) that constitutes a Seller Contributed Asset, (b) such assignment requires the consent of a third party and (c) such third party consent is not obtained prior to the Closing, then Sellers and Buyer shall use their respective commercially reasonable efforts, and cooperate with each other, to obtain such consent as quickly as practicable thereafter. Prior to the obtaining of any such consent, Sellers and Buyer shall cooperate with each other in any reasonable and lawful arrangements designed to provide to Buyer the benefits of use of the Assignable Right for its term, and to the extent that Buyer receives such benefits, it will assume the obligations of the Sellers or their Subsidiaries or Affiliates thereunder to the extent that Buyer would have been responsible therefor if such consent had been obtained. Once a consent is obtained, Sellers shall cause the holder of the Assignable Right to promptly assign such Assignable Right to Buyer (or its designated Affiliate), and Buyer (or its designated Affiliate) shall assume the obligations thereunder. In addition, prior to Closing, Buyer and Sellers shall commence the Contract activities set forth on Schedule 7.05 (the “Shared Contract Activities”).

7.06 Financing

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(a) Subject to the other terms and conditions of this Agreement, Buyer shall use its commercially reasonably efforts to take, and shall cause their Affiliates to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary or advisable to obtain the financing described in the Commitment Letter at Closing on the terms and conditions described therein including using commercially reasonable efforts (i) to maintain in effect the Commitment Letter until the consummation of the transactions contemplated hereby and to comply with their obligations, including the satisfaction at or prior to the Closing of all conditions to the extent within the control of Buyer, under the Commitment Letter, (ii) to consummate the financing contemplated by the Commitment Letter at or prior to or, concurrently with, the Closing, and (iii) to enforce its rights under or with respect to the Commitment Letter. Buyer shall not without the written consent of Sellers consent to (a) any amendment or modification to, or any waiver of any provision under, the Commitment Letter if such amendment, modification or waiver imposes new or additional conditions, or otherwise adversely expands any of the conditions, to the receipt of the Debt Financing, extends the timing of the funding of the commitments thereunder or reduces the aggregate cash amount of the funding commitments thereunder, (b) any other amendment, modification to, or any waiver of any provision under, the Commitment Letter that would reasonably be expected to adversely affect the ability of Buyer to consummate the transactions contemplated by this Agreement on the Closing Date (provided, that (x) Buyer may replace or amend the Commitment Letter to add lenders, lead arrangers, bookrunners, syndication agents or similar entities that have not executed the Commitment Letter as of the date hereof and (y) the exercise of any “flex” provisions in any fee letter will not be deemed an amendment, modification

or waiver of the Commitment Letter under this Section 7.06) or (c) any early termination of the Commitment Letter unless it is replaced with a new commitment that, were it structured as an amendment to the existing Commitment Letter, would satisfy the requirements of this Section; provided, however, that in no event will Buyer be under any obligation to disclose any information that is subject to attorney-client or similar privilege if Buyer shall have used its reasonable best efforts to disclose such information in a way that would not waive such privilege. Without limiting its other obligations under this Section 7.06, if a Financing Failure Event occurs Buyer shall (i) use reasonable best efforts to, as promptly as practicable, obtain alternative debt financing in an amount necessary to fund the Purchase Price (less the amount of cash on hand) from the same or other sources and which do not include terms and conditions to the consummation of such alternative debt financing that are materially less favorable (taken as a whole) to Buyer than the terms and conditions set forth in the Commitment Letter (including the "flex" provisions of any fee letters), and (ii) promptly provide the Company with a true and complete copy of a new financing commitment. Buyer shall promptly (and in any event within two (2) Business Days) notify Sellers of a Financing Failure Event. Nothing in this Section or otherwise in this Agreement shall require Buyer or any of its Affiliates to take any enforcement action to consummate the Debt Financing at the Closing.

(b) Buyer shall indemnify and hold harmless the Seller and its Subsidiaries and their respective officers, directors, managers, employees, agents, consultants, financial advisors, accountants and other Representatives from and against any and all Losses suffered or incurred by any of them in connection with the arrangement of the Debt Financing, any information used in connection therewith (other than to the extent arising from the willful misconduct, gross negligence, fraud or intentional misrepresentation of Seller, its Subsidiaries and their respective officers, directors, managers, employees, agents, consultants, financial advisors, accountants and other Representatives) and any cooperation provided by the Seller and its Subsidiaries and their respective officers, directors, managers, employees, agents, consultants, financial advisors, accountants and other Representatives. None of Seller, its Subsidiaries, and their respective officers, directors, managers, employees, agents, consultants, financial advisors, accountants and other Representatives shall have any liability to Buyer or any of its Affiliates in respect of any financial statements, other financial information or data or other information provided pursuant to this Agreement, including Section 6.09(a). Buyer shall promptly, upon request by Sellers, reimburse Sellers for all documented out-of-pocket costs and expenses (including reasonable costs, fees and expenses of counsel and accountants) incurred by Sellers and their Subsidiaries in connection with any cooperation of Seller and its Subsidiaries and their respective officers, directors, managers, employees, agents, consultants, financial advisors, accountants and other Representatives provided under Section 6.09(a).

ARTICLE 8

INDEMNIFICATION

8.01 Survival of Representations, Warranties, Covenants, Agreements and Other Provisions

. The representations and warranties of Sellers contained in Article 3 and Article 4 of this Agreement shall survive the Closing until, and shall terminate at, 11:59 p.m. (New York City time) on the date which is 18 months following the Closing Date (the "General Expiration Time"); provided that (a) the representations and warranties set forth in Section 3.10 of this Agreement and

the Fundamental Representations (other than the Tax Representations) in this Agreement shall survive the Closing until, and shall terminate at, 11:59 p.m. (New York City time) on the date that is three years following the Closing Date, and (b) the representations and warranties set forth in Section 3.08 of this Agreement (the "Tax Representations") shall survive the Closing until, and shall terminate at, 11:59 p.m. (New York City time) on the date that is sixty (60) days after the expiration of the statute of limitations (giving effect to any waiver, mitigation or extension thereof) applicable to the subject matter of such representation or warranty bars all claims with respect to such subject matter. The Fundamental Representations of Sellers in the Contribution Agreement shall survive the Closing until, and shall terminate at, 11:59 p.m. (New York City time) on the date that is three (3) years following the Closing Date. The representations and warranties of Buyer contained in Article 5 shall survive the Closing until, and shall terminate at, the General Expiration Time; provided that any representation or warranty of Buyer contained in Sections 5.01 (Organization and Power), 5.02 (Authorization; Valid and Binding Agreement) and 5.06 (Brokerage) shall survive the Closing until, and shall terminate at, 11:59 p.m. (New York City time) on the date that is three years following the Closing Date. Each covenant or agreement made by any party hereto that is contained herein that is to be performed in full prior to the Closing shall survive the Closing until, and shall terminate at, 11:59 p.m. (New York City time) on the date that is six (6) months following the Closing Date; provided, however, that the covenants in Sections 6.06 (Restructuring) and 6.08 (Liens) shall survive the Closing until, and shall terminate at, 11:59 p.m. (New York City time) on the date that is eighteen (18) months following the Closing Date. Each covenant or agreement in this Agreement that by its terms contemplates performance, whether in whole or in part, at or after the Closing, and each covenant or agreement in the Contribution Agreement, shall survive the Closing until, and shall terminate at, (i) in the case of any covenant or agreement that by its terms expires or terminates on a specific date subsequent to the Closing Date, 11:59 p.m. (New York City time) on the date that is sixty (60) days after the date on which the underlying obligation expires or terminates, and (ii) in the case of any covenant or agreement that does not by its terms expire or terminate on a specific date subsequent to the Closing Date, until fully performed in accordance with its respective terms; provided, however, that the obligation of Sellers to indemnify the Buyer Indemnified Parties pursuant to Section 8.02(c)(iii) shall survive the Closing until, and shall terminate at, 11:59 p.m. (New York City time) on the date that is two (2) years following the Closing Date. Except for claims relating to Fraud, no claim for indemnification hereunder for breach of any such representations, warranties, covenants or agreements may be made after the expiration of the survival period therefor, provided that the parties hereto acknowledge and agree that any claim (and only such claim but not the related representations, warranties, covenants and agreements) for indemnification in respect of any breach of any representation, warranty, covenant or agreement contained herein that is made in writing in accordance with the terms of this Article 8 on or prior to the applicable survival date as specified herein shall survive such survival period as to such claim until the final resolution thereof. Notwithstanding anything to the contrary herein, none of the survival periods, termination dates or limitations contained in this Section 8.01 shall apply to any claims relating to Fraud, which shall survive the Closing for the maximum period permitted by applicable Law.

8.02 Indemnification for the Benefit of the Buyer Indemnified Parties

. From and after the Closing (but subject to the provisions of this Article 8), Sellers shall jointly and severally defend, indemnify and hold harmless Buyer and its Subsidiaries and Affiliates (including, following the Closing, the Company) and their respective owners, stockholders, members, directors, officers, managers, employees, attorneys, accountants, advisors, representatives and

agents (collectively, the "Buyer Indemnified Parties") from and against, and shall pay or reimburse the Buyer Indemnified Parties for, any and all Losses that are suffered, incurred or paid by any Buyer Indemnified Party (in each case, whether or not resulting from or arising out of a Third Party Claim) as a result of or arising out of (a) any inaccuracy in or breach of any representation or warranty by Sellers contained in Article 3 or Article 4, the Contribution Agreement or the Seller Closing Certificate, (b) any breach of or failure to perform any covenant or agreement of Sellers contained in this Agreement or the Contribution Agreement, (c)(i) any Retained Liabilities, (ii) any inaccuracy in or breach of any representation or warranty by Sellers contained in the last sentence of Section 3.22 and (iii) the Covered Matters, and (d)(i) any Closing Indebtedness not included in the Final Closing Indebtedness Amount or (ii) any Unpaid Transaction Expenses not included in the Final Transaction Expenses. Unless otherwise directed by Buyer, any indemnification payment to which any Buyer Indemnified Party shall become entitled pursuant to this Section 8.02 shall be delivered by Sellers to Buyer by wire transfer of immediately available funds to an account designated by Buyer, within fifteen (15) days after the date upon which any underlying claims are finally resolved.

8.03 Indemnification for the Benefit of the Seller Indemnified Parties

. From and after the Closing (but subject to the provisions of this Article 8), Buyer shall defend, indemnify and hold harmless Sellers and their Subsidiaries and Affiliates and their respective owners, stockholders, members, directors, officers, managers, employees, attorneys, accountants, advisors, representatives and agents (collectively, the "Seller Indemnified Parties") from and against, and shall pay or reimburse the Seller Indemnified Parties for, any and all Losses that are directly or indirectly suffered, incurred or paid by any Seller Indemnified Party (in each case, whether or not resulting from or arising out of a Third Party Claim) as a result of or arising out of (a) any inaccuracy in or breach of any representation or warranty by Buyer contained in Article 5 or the Buyer Closing Certificate, (b) any breach of or failure to perform any covenant or agreement of Buyer contained in this Agreement and (c) any Company Assumed Liability and any Liability arising from the operation of the Business by the Company and Buyer following the Closing (but excluding any Liability resulting from or arising from the matters set forth in Section 8.02(a) through (d)). Unless otherwise directed by the Sellers, any indemnification payment to which any Seller Indemnified Party shall become entitled pursuant to this Section 8.03 shall be delivered by the Buyer to Sellers by wire transfer of immediately available funds to an account(s) designated by Sellers, within fifteen (15) days after the date upon which any underlying claims are finally resolved.

8.04 Limitations on Indemnification

. The rights of the Buyer Indemnified Parties and the Seller Indemnified Parties to indemnification pursuant to the provisions of this Article 8 are subject to the following limitations, notwithstanding anything in this Agreement to the contrary:

(a) No individual claim or series of related or similar claims for indemnification by any Buyer Indemnified Party pursuant to Section 8.02(a) (other than with respect to a claim arising from a breach of a Fundamental Representation), or any Seller Indemnified Party pursuant to Section 8.03(a) (other than with respect to a claim arising from a breach of the representations set forth in Sections 5.01 (Organization and Power), 5.02 (Authorization; Valid and Binding Agreement) and 5.06 (Brokerage)), shall be asserted unless and until the aggregate amount of Losses that would be payable pursuant to such claim exceeds an amount equal to $35,000 (the "Mini-Basket") (it being understood that any such individual claims or series of related claims for

amounts less than the Mini-Basket shall be ignored in determining whether the Deductible has been exceeded and any claim or series of related or similar claims in excess of the Mini-Basket shall include the Mini-Basket from dollar one and be included for purposes of determining whether the Deductible has been exceeded). For the purpose of this Section 8.04(a), any claims pursuant to Section 3.19 (Sufficiency of Assets) shall be deemed to be related claims;

(b) No Buyer Indemnified Party shall be entitled to recover any Losses in respect of any indemnification claim made pursuant to Section 8.02(a), unless and until the aggregate amount of Losses that would otherwise be payable pursuant to Section 8.02(a) collectively exceeds on a cumulative basis the Deductible, and if the amount of such Losses exceeds the Deductible, the Buyer Indemnified Parties shall only be entitled to be indemnified and held harmless from such Losses in excess of the Deductible, but subject in all cases to the other terms set forth in this Article 8; provided, that the Deductible shall not apply to (i) Losses suffered, incurred or paid by any Buyer Indemnified Party as a result of or arising out of the inaccuracy in or breach of any representation or warranty of Sellers contained in Sections 3.01 (Organization and Power), 3.02(a) (Authorization; Valid and Binding Agreement), 3.03 (Capitalization and Subsidiaries), 3.07(a) (Title to Other Properties), 3.08 (Tax Matters), 3.20 (Brokerage), 4.01 (Organization and Power) and 4.02 (Ownership) or of Sellers contained in the Contribution Agreement (collectively, the "Fundamental Representations"), (ii) Losses suffered, incurred or paid by any Buyer Indemnified Party as a result of or arising out of the inaccuracy in or breach of any representation or warranty of Sellers contained in Section 3.19 (Sufficiency of Assets) or (iii) claims relating to Fraud, it being agreed that, in such circumstances, the applicable Buyer Indemnified Party shall, subject to the other limitations set forth in this Article 8, be entitled to be indemnified and held harmless from all such Losses from the first dollar of such Losses (except for the Mini-Basket as it applies to breaches of the representations and warranties set forth in Section 3.19 (Sufficiency of Assets)), and any such Losses shall not count towards the Deductible;

(c) In no event shall the Buyer Indemnified Parties be entitled to recover any Losses in respect of any indemnification claim or claims made pursuant to Section 8.02(a) in an aggregate amount in excess of the Cap Amount; provided, that the Cap Amount shall not apply to (i) Losses suffered, incurred or paid by any Buyer Indemnified Party as a result of or arising out of the inaccuracy in or breach of any Fundamental Representations or as a result of or arising out of the inaccuracy in or breach of Section 3.19 (Sufficiency of Assets), or (ii) claims relating to Fraud;

(d) In no event shall the Buyer Indemnified Parties be entitled to recover any Losses in respect of any indemnification claim or claims (other than claims relating to Fraud) made pursuant to Section 8.02(a) as a result of or arising out of the inaccuracy in or breach of Section 3.19 (Sufficiency of Assets) in excess of $25,000,000.

(e) In no event shall the Buyer Indemnified Parties be entitled to recover any Losses in respect of any indemnification claim or claims (other than claims relating to Fraud) made pursuant to Section 8.02(c)(iii) in excess of $2,000,000.

(f) In no event shall the Buyer Indemnified Parties be entitled to recover any Losses in respect of any indemnification claim or claims (other than claims relating to Fraud) made

pursuant to Sections 8.02(a) and/or 8.02(b) in an aggregate amount in excess of the Purchase Price (as adjusted in accordance with Section 1.03);

(g) The amount of any Loss subject to indemnification under Sections 8.02 or 8.03 shall be calculated net of (i) any Tax Benefit realized by the Indemnitee on account of such Loss in any taxable year that begins prior to the second anniversary of the Closing Date and (ii) any third party insurance proceeds actually received by the Indemnitees on account of such Loss, net of the aggregate amount of all costs and expenses (including reasonable attorney's fees and expenses) of recovery or collection, including deductibles, retention or similar costs or payments and any increases in premiums (collectively, "Recovery Costs"), and (iii) any indemnification payments made by any third party to, and actually received by, the Indemnitees on account of such Loss, net of any Recovery Costs. If the Indemnitee realizes a Tax Benefit in any taxable year that begins prior to the second anniversary of the Closing Date) and the amount of the indemnity payment was not previously reduced by the amount of such Tax Benefit (or any portion thereof), the Indemnitee shall promptly pay to the Indemnitor, the amount of such Tax Benefit (or such portion thereof as was not previously taken into account) at such time or times as and to the extent that such Tax Benefit is realized by the Indemnitee, but in no event shall the amount of such payment to the Indemnitor exceed the amount of the indemnification payment made to the Indemnitee and not previously reimbursed. For purposes hereof an Indemnitee shall realize, a "Tax Benefit" on account of a Loss for any taxable year to the extent that (i) the Indemnitee's cash Tax liability for such taxable year determined without taking such Loss and the Tax consequences of any related indemnification payment into account (which Tax consequences for the purposes of this Section 8.04(g) shall include the present value, calculated at an eight percent (8%) discount rate, of any reduced amortization and depreciation deductions resulting from an indemnification payment) is greater than (ii) the Indemnitee's Tax liability for the relevant taxable year determined taking into account such Loss and the Tax consequences of any related indemnification payment. The Indemnitee shall use commercially reasonable efforts to seek realization of such Tax Benefit or recovery under any third party insurance policies covering any Losses, in each case to the same extent as such Indemnitee would pursue such recovery or realization if the related Losses were not subject to indemnification hereunder (but for the avoidance of doubt, only after the amount of any deductibles, retentions or similar costs have been satisfied and only the extent such policies cover such Losses); provided, however, notwithstanding anything to the contrary herein, the Indemnitees shall not be required to engage counsel or file or bring a lawsuit, arbitration or other action or Proceeding with respect to any insurance policies or third party indemnification rights. For the avoidance of doubt, notwithstanding anything to the contrary in this Agreement, the Indemnitees shall be entitled to seek indemnification under this Article 8 concurrently with seeking recovery from any third party insurance policies or other third party. In the event that an insurance recovery under a third party insurance policy or third party indemnity payment is actually received by any Indemnitee with respect to any Loss for which any such Indemnitee has been indemnified hereunder, then the Indemnitee shall promptly pay to the Indemnitor, an amount equal to the lessor of (x) the amount of such insurance recovery or third party indemnity payment actually received by the Indemnitees, net of any Recovery Costs, and (y) the amount of the indemnification payment previously received by the Indemnitees pursuant to Section 8.02 with respect to such Losses and not previously reimbursed. To the extent that any Tax Benefit that is used to reduce a Loss pursuant to this Section 8.04(g) is disallowed, the Indemnitor shall pay an amount equal to such disallowed Tax Benefit to the Indemnitee within five (5) days after Indemnitor's receipt of notice of such disallowance, and such Tax Benefit shall become a "Disallowed Tax Benefit" for the purposes of

this Agreement. Notwithstanding the foregoing, nothing in this Section 8.04(d) shall defer when an indemnification payment shall be made under this Agreement;

(h) In no event shall the Buyer Indemnified Parties be entitled to recover any Losses in respect of any indemnification claim or claims made pursuant to Section 8.02 to the extent that such Losses were included as a current liability or reserve for doubtful accounts in the calculation of Net Working Capital other than Losses in respect of Seller's failure to pay any Final Closing Adjustment Shortfall pursuant to Section 1.03(g); and

(i) Notwithstanding anything to the contrary in this Agreement, for purposes of calculating the amount of Losses to which a Buyer Indemnified Party or a Seller Indemnified Party is entitled under Section 8.02(a) or Section 8.03(a) and for purposes of determining whether a representation or warranty has been breached, the representations and warranties of the Sellers and the Buyer shall not be deemed to be qualified by, and shall be interpreted without giving effect to the terms "material," "materiality," and "Material Adverse Effect"; provided, however, that the foregoing shall not apply to the following: the defined terms "Material Contract", "Material Client" and "Material Supplier" and the representations and warranties set forth in Sections 3.05, 3.09(a)(ii), 3.12(a) and 3.12(b).

8.05 Mitigation

. To the extent required by applicable Law, each Person entitled to indemnification hereunder shall take, or cause to be taken, commercially reasonable steps to mitigate Losses which are indemnifiable or recoverable hereunder or in connection herewith upon becoming aware of any event which would reasonably be expected to give rise to such Losses.

8.06 Indemnification Procedures; Defense of Third Party Claims

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(a) Any Buyer Indemnified Party or Seller Indemnified Party entitled to make a claim for indemnification under Sections 8.02 or 8.03 (an "Indemnitee") shall promptly notify the indemnifying party (the "Indemnitor") in writing of the assertion or commencement of any claim or Proceeding by any Person who is not a party to this Agreement or an Affiliate of a party to this Agreement against such Indemnitee that the Indemnitee has determined would reasonably be expected to give rise to such right of indemnification (a "Third Party Claim"), describing in reasonable detail (to the extent known) the facts and circumstances with respect to the subject matter of such claim or Proceeding; provided, that the failure to provide such notice shall not release the Indemnitor from any of its obligations under this Article 8 except to the extent the Indemnitor is materially prejudiced by such failure, it being agreed that notices for claims in respect of a breach of a representation, warranty, covenant or agreement must be delivered prior to the expiration of any applicable survival period specified in Section 8.01 for such representation, warranty, covenant or agreement.

(b) Upon receipt of a notice of a Third Party Claim for indemnity from an Indemnitee pursuant to Sections 8.02 or 8.03, the Indemnitor shall have thirty (30) days (unless the claim or Proceeding requires a response before the expiration of such thirty-day period, in which case the Indemnitor shall have until the date that is ten (10) days before the required response date) to acknowledge (in writing) its indemnification obligations under this Agreement with respect to the Third Party Claim (assuming the accuracy of the facts alleged in such Third Party Claim) (such acknowledgment in writing, an "Indemnitor Acknowledgment") and undertake

and assume, through counsel of its own choosing, and at its expense, the settlement, defense and control of such Third Party Claim; provided, that (x) the Indemnitor shall allow the Indemnitee to participate in the settlement and defense of such Third Party Claim with its own counsel and at its own expense, (y) in no event shall the Indemnitor have the right to conduct or control the defense, compromise or settlement of any Special Claim and (z) the Indemnitor shall pay (A) the reasonable fees and expenses of one counsel of the Indemnitee in the event that the Third Party Claim of which the Indemnitor seeks to assume control involves a claim that Indemnitee reasonably determines, based on the advice of legal counsel to the Indemnitee is inappropriate for joint representation because Indemnitee has separate defenses from the Indemnitor or because there is a conflict of interest between the Indemnitee and the Indemnitor with respect to such Third Party Claim and (B) any reasonable fees and expenses incurred by the Indemnitee prior to its receipt of the Indemnitor Acknowledgement. So long as the Indemnitor has taken responsibility for (including by providing an Indemnitor Acknowledgment to the Indemnitee) and continues to defend the Third Party Claim in good faith, the Indemnitee shall not pay, compromise or settle such claim without the Indemnitor's written consent, which consent shall not be unreasonably withheld, conditioned or delayed. If the Indemnitor does not deliver an Indemnitor Acknowledgment to Indemnitee and assume the defense and control of any Third Party Claim pursuant to this Section 8.06(b) or if the Third Party Claim is a Special Claim, the Indemnitee shall be entitled to undertake, assume and control, through counsel of its own choosing, and at the Indemnitor's expense, defense and settlement of such Third Party Claim; provided, however, (A) the Indemnitor may nonetheless participate in the defense of such Third Party Claim with its own counsel and at its own expense and (B) the amount agreed to be paid by the Indemnitee in settlement or compromise of such Third Party Claim without the prior consent of the Indemnitor to such payment amount (which such consent shall not be unreasonably withheld, conditioned or delayed) shall not be deemed determinative of the amount of the indemnification payment owed by the Indemnitor to the Indemnitee. Buyer or Sellers, as the case may be, shall, and shall cause each of its Affiliates and their respective representatives to, reasonably cooperate with the party controlling the defense of any Third Party Claim, including by furnishing books and records, personnel and witnesses, as appropriate for any defense of such Third Party Claim. If the Indemnitor has delivered an Indemnitor Acknowledgment and assumed the defense and control of a Third Party Claim in accordance with this Section 8.06(b), it shall not be authorized to consent to a settlement or compromise of, or the entry of any judgment arising from, any Third Party Claim, without the prior written consent of the Indemnitee (in the Indemnitee's sole discretion) unless such compromise, settlement or judgment (i) does not involve any finding or admission of any violation of Law or admission of any wrongdoing by any Indemnitee, (ii) involves solely the payment of money damages by the Indemnitor, (iii) includes, as an unconditional term of such payment, compromise or settlement, an unconditional and irrevocable release of the Indemnitees from all liability in respect of the Third Party Claim, and (iv) does not impose any restriction on the Indemnitee or any injunctive or other equitable relief against the Indemnitee.

(c) With respect to any Third Party Claim subject to indemnification under this Section 8.06, both the Indemnitee and the Indemnitor, as the case may be, shall keep the other Person reasonably informed of the status of such Third Party Claim and any related Proceedings at all stages thereof where such Person is not represented by its own counsel.

(d) Notwithstanding anything in Section 8.06 to the contrary, the Indemnitee will have the right to conduct and control, through counsel of its choosing, the defense,

compromise and settlement of any Third Party Claim with respect to which the Indemnitee is any one or more of the Buyer Indemnified Parties and that (i) involves any possibility of criminal liability or any action by any Governmental Body, (ii) involves a Material Client, (iii) seeks injunctive relief, specific performance or other equitable relief against any of the Buyer Indemnified Parties, (iv) involves any claim or Proceeding with respect to Taxes (provided, that the procedures with respect to claims or Proceedings relating to Taxes shall be governed by and subject to the provisions of Section 10.02(b)) or (vi) involves Losses with respect to which it is reasonably likely that the Buyer Indemnified Parties would bear a greater portion of as compared to the Sellers under this Article 8 (each of the foregoing, a "Special Claim").

8.07 Sole and Exclusive Remedy

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(a) Except for (i) the right of a party to pursue specific performance pursuant to Section 12.19 or the Contribution Agreement, (ii) any claim of Fraud, and (iii) any claim arising under the Transition Services Agreement or the Non-Competition Agreement or any commercial agreement entered into after the date hereof, and subject to and without limitation of the rights of the parties hereto pursuant to Article 1, from and after the Closing, the indemnification terms set forth in this Article 8 shall constitute the sole and exclusive remedy of the parties hereto, the Buyer Indemnified Parties and the Seller Indemnified Parties for any and all Losses or other claims relating to or arising from this Agreement, the Contribution Agreement or in connection with the transactions contemplated hereby or thereby, including in any exhibit, Schedule or certificate delivered hereunder.

(b) The parties hereto acknowledge and agree, on their behalf and on behalf of the Buyer Indemnified Parties and Seller Indemnified Parties, that from and after the Closing no Indemnitee may avoid the limitation on liability set forth in this Article 8 by (x) seeking damages for breach of contract, tort or pursuant to any other theory of liability outside of the indemnification provisions set forth herein, all of which are hereby waived, or (y) asserting or threatening any claim against any Person that is not a party hereto for breaches of the representations, warranties, covenants and agreements contained in this Agreement. Notwithstanding the foregoing or anything to the contrary in this Agreement, (i) nothing in this Section 8.07(b) shall in any way limit the right of a party to pursue specific performance pursuant to Section 12.19, and (ii) the provisions of this Section 8.07(b) shall not, and shall not be deemed or construed to, waive or release any claims relating to Fraud or any claim arising under the Transition Services Agreement or the Non-Competition Agreement. The parties hereto agree that the provisions in this Agreement relating to indemnification, and the limits imposed on the remedies of the parties hereto (and the Buyer Indemnified Parties and Seller Indemnified Parties) with respect to this Agreement and the Contribution Agreement, including in any Schedule or certificate hereunder or thereunder, and the transactions contemplated hereby or thereby, were specifically bargained for between sophisticated parties and were specifically taken into account in the determination of the amounts to be paid to the Sellers hereunder.

8.08 Other Claims

. A claim for indemnification for any matter not involving a Third Party Claim (each, a "Direct Claim") may be asserted by (a) in the case of any claim by any Buyer Indemnified Party under Section 8.02, written notice to Sellers and (b) in the case of any claim by any Seller Indemnified Party under Section 8.03, written notice to Buyer, in each case, in accordance with Section 12.05 hereof.

8.09 No Circular Recovery; Double Recovery

. The Sellers on their behalf and on behalf of the other Seller Indemnified Parties, hereby irrevocably waive and release, and acknowledge and agree that none of the Sellers shall have or shall exercise or assert (or attempt to exercise or assert), any right of contribution, right of indemnity or advancement of expenses, right of subrogation or other right or remedy (including under any provisions of any Organizational Documents of the Company) against the Company in connection with any indemnification obligation or any other liability to which any Seller may become subject under or in connection with this Agreement. No party is to be entitled to recover any Losses pursuant to this Article 8 to the extent such party has previously actually recovered the full cash amount of such Losses pursuant to another provision of this Agreement.

ARTICLE 9

TERMINATION

9.01 Termination

. This Agreement may be terminated at any time prior to the Closing:

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

(b) by Buyer, if there has been a material breach by Sellers of any covenant, agreement, representation or warranty contained in this Agreement such that any of the conditions set forth in Section 2.02 would not be satisfied and such breach has not been waived by Buyer or cured by Sellers prior to the earlier of (i) ten (10) days after receipt of written notice thereof from Buyer or (ii) the Outside Date (but subject to any extension thereof pursuant to Section 9.01(d)); provided, however, that Buyer shall not have the right to terminate this Agreement pursuant to this Section 9.01(b) if Buyer is then in material breach of this Agreement;

(c) by Sellers, if there has been a material breach by Buyer of any covenant, agreement, representation or warranty contained in this Agreement such that any of the conditions set forth in Section 2.03 would not be satisfied and such breach has not been waived by Seller or cured by Buyer prior to the earlier of (i) ten (10) days after receipt of written notice thereof by Sellers or (ii) the Outside Date; provided, however, that Sellers shall not have the right to terminate this Agreement pursuant to this Section 9.01(c) if Sellers are then in material breach of this Agreement;

(d) by either Buyer or Sellers if the transactions contemplated hereby have not been consummated by 5:00 p.m., Nashville, Tennessee time on October 5, 2018, or such later date as Buyer and Sellers may mutually agree in writing (such date, the "Outside Date"); provided, however, that if on Outside Date any of the conditions to Closing set forth in Section 2.01(a) or Section 2.01(b) shall not have been satisfied or, to the extent permitted by applicable Law, waived, by the parties entitled to the benefit of such condition but all other applicable conditions to Closing set forth in Article 2 shall have been satisfied or waived (except for those conditions that by their nature or terms can only be satisfied at the Closing, which conditions were capable of being satisfied at such time), then the Outside Date shall be extended to January 7, 2019 if Sellers or Buyer notify the other party in writing on or prior to the initial Outside Date of such Party's election to extend the Outside Date; provided further, that neither Buyer nor Sellers shall have the right to terminate this Agreement pursuant to this Section 9.01(d) if the failure of the Closing to take place

on or before 5:00 p.m., Nashville, Tennessee time on the Outside Date (including any extension thereof pursuant to this Section 9.01(d)) results from, or is caused by, such Person's material breach of any covenant, agreement, representation or warranty contained in this Agreement; or

(e) by either Sellers or Buyer if (i) any Order of any Governmental Body permanently restraining, enjoining or otherwise preventing or prohibiting the consummation of the transactions contemplated by this Agreement has been issued and becomes final and non-appealable; provided, that neither Buyer nor Sellers shall have the right to terminate this Agreement pursuant to this Section 9.01(e) if such Person's material breach of any provision of this Agreement causes or results in the imposition of such Order or the failure of such Order to be resisted, resolved or lifted, as applicable or (ii) there shall be any applicable Law enacted, promulgated, issued or deemed applicable to the transactions contemplated by this Agreement by any Governmental Body that would make consummation of the transactions contemplated by this Agreement illegal.

9.02 Effect of Termination

. In the event of the termination of this Agreement by either Buyer or Sellers as provided above, the provisions of this Agreement will immediately become void and of no further force or effect (other than Section 7.06(b), this Section 9.02 and Article 12 hereof which will survive the termination of this Agreement in accordance with their terms; provided, however, that the last sentence of Section 6.02 above, and the Confidentiality Agreement and the Clean Team Agreement referred to therein, will survive the termination of this Agreement for a period of two years following the date of such termination or such longer period as provided for in such agreements (and, notwithstanding anything contained in this Agreement or the Confidentiality Agreement to the contrary, if applicable, the Confidentiality Agreement term will be automatically amended to be extended for such two-year period)); provided, further that nothing in this Article 9 will be deemed to (i) impair the right of any party to compel specific performance by another party of its obligations under this Agreement or (ii) relieve any party hereto from liability for willful breaches of this Agreement arising prior to the termination of this Agreement.

ARTICLE 10

ADDITIONAL COVENANTS AND AGREEMENTS

10.01 Acknowledgment by Buyer

. Buyer acknowledges that it has conducted, to its satisfaction, an independent investigation of the financial condition, results of operations, assets, liabilities, properties and projected operations of the Business and the Company and, in making its determination to proceed with the transactions contemplated by this Agreement, Buyer has determined to rely only on the representations and warranties of Sellers expressly and specifically set forth in Article 3 and Article 4 of this Agreement, the Seller Closing Certificate and the other Ancillary Agreements, and on no other representations or warranties of Sellers or its Affiliates or any of their respective directors, officers, employees, members or representatives. SUCH REPRESENTATIONS AND WARRANTIES BY SELLERS AND THOSE INCLUDED IN ANY ANCILLARY AGREEMENT HERETO CONSTITUTE THE SOLE AND EXCLUSIVE REPRESENTATIONS AND WARRANTIES OF SELLERS TO BUYER AND THEIR AFFILIATES REGARDING THE BUSINESS, THE COMPANY AND OTHERWISE IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED HEREBY, AND BUYER UNDERSTANDS, ACKNOWLEDGES AND AGREES THAT ALL OTHER

REPRESENTATIONS AND WARRANTIES OF ANY KIND OR NATURE EXPRESS OR IMPLIED (INCLUDING ANY RELATING TO THE FUTURE OR HISTORICAL FINANCIAL CONDITION, RESULTS OF OPERATIONS, ASSETS OR LIABILITIES OF THE BUSINESS, THE COMPANY OR TO ANY ENVIRONMENTAL, HEALTH OR SAFETY MATTERS) ARE SPECIFICALLY DISCLAIMED BY SELLERS AND ARE NOT BEING RELIED UPON BY BUYER OR ANY OF ITS REPRESENTATIVES OR AFFILIATES. Notwithstanding the foregoing or anything to the contrary in this Agreement, nothing in this Section 10.01 shall in any way limit any of the representations or warranties set forth in Article 3, Article 4 or any Ancillary Agreement.

10.02 Tax Matters

.

(a) Tax Treatment and Allocation of Purchase Price. For U.S. federal income tax purposes, the purchase and sale of the Company will be treated by the parties hereto as a purchase and sale of all the assets of the Company and an assumption by the Buyer of the liabilities of the Company, and the Sellers and Buyer agree to report the transactions contemplated hereby in such manner (the "Agreed Tax Treatment"). The Purchase Price and the liabilities of the Company (and any other amount of consideration for purposes of Section 1060 of the Code, including any adjustment thereto) shall be allocated among the assets of the Company for income tax purposes in accordance with section 1060 of the Code and the principles set forth in Annex D. Within thirty (30) days following the final determination of the Closing Statement, Buyer shall provide Sellers with a Tax allocation prepared consistent with Annex D (the "Allocation"). Sellers shall have a period of ten (10) Business Days to review the Allocation and to provide comments to Buyer. Buyer shall incorporate any reasonable comments received from Sellers in good faith and following the receipt of comments, if any, from Sellers, shall furnish to Sellers the final Allocation. In case of any adjustment to the Purchase Price (or any other item of consideration for United States federal income Tax purposes), requiring an amendment to the Allocation, Buyer shall amend the Allocation in accordance with the principles set forth in this Section 10.02(a) and provide such amended allocation to the Sellers (which, subject to Sellers' review rights applicable to the original Allocation, shall become the Allocation). Buyer and Sellers shall cooperate with each other in the preparation and filing of IRS Form 8594 in connection with the Allocation. Neither Buyer nor Sellers, nor any of their respective Affiliates, shall take any position for income tax purposes (whether in audits, Tax Returns or otherwise) which is inconsistent with the Agreed Tax Treatment or the Allocation unless required to do so by applicable Law. Buyer and Sellers shall promptly give the other notice of any disallowance of the Allocation and challenge to such reporting by any Governmental Body. Buyer and Sellers shall cooperate fully, as and to the extent reasonably requested by another party, in connection with any audit, litigation, or other proceeding with respect to the Agreed Tax Treatment and the Allocation. Such cooperation shall be consistent with Section 10.02(c) and a party, upon the other party's request and expense, shall provide the records and information that are reasonably relevant to any such audit, litigation, or other proceeding for the relevant time periods.

(b) Tax Returns; Audits. The Sellers will include all items of income (including deferred revenue), gain, loss, deduction or credit of the Company or that relate to the Business for taxable periods (or portions thereof) ending on or before the Closing Date reflecting the fact that the Company is a disregarded entity and Sellers shall not be deemed for Tax purposes to make any payment to Buyer or any of its Affiliates with respect to any deferred revenue. All personal

property Taxes or ad valorem obligations and similar recurring Taxes and fees imposed on the Company or related to the Business for taxable periods beginning on or before, and ending after, the Closing Date, shall be prorated between Buyer and Sellers as of the Closing Date based on the number of days in any such taxable period ending on the end of the Closing Date and the number of days in such entire taxable period. Seller shall be liable for all Taxes of the Company or that relate to the Business imposed for any taxable period (or portion thereof) up to and including the Closing Date and the Company shall be liable for all Taxes of the Company or that relate to the Business imposed for any taxable period (or portion thereof) beginning after the Closing Date. The Sellers will have the right to control all audits or other proceedings by any taxing authority of the Company or that relate to the Business for taxable periods that end on or include the Closing Date; provided, however, that in the case of any such audit or other proceeding involving the Company or the Business the Sellers elect in writing to control any such audit or other proceeding within fifteen (15) days of receiving written notice thereof the Buyer shall have the right, at its own expense, to participate in any such audit or other proceeding and that the Sellers shall not settle any such audit or other proceeding involving the Company or any of its assets that could affect the Tax liability of the Buyer or any of its Affiliates (including, for the avoidance of doubt, following the Closing, the Company) without the Buyer's prior written permission, which permission shall not be unreasonably conditioned, delayed or withheld. The Buyer shall have the right to control any other audits or other proceedings by any taxing authority of the Company or with respect to the Business.

(c) Cooperation. The parties hereto will cooperate with each other to provide each other with such assistance as may be reasonably requested by them in connection with the preparation of any Tax Returns, including any Tax audit or other examination in connection with an administrative or judicial proceeding involving a Taxing Authority relating to Taxes and the enforcement of the provisions of this Section 10.02(c). Such cooperation will include, including upon Sellers' request and expense, providing records and information that are reasonably relevant to any such matters and making employees available on a mutually convenient basis to provide additional information; provided, that the Sellers shall reimburse Buyer for all out of pocket costs and expenses incurred in connection with any such request.

(d) Transfer Taxes. Sellers will pay any transfer Tax, documentary Tax, sales Tax, registration Tax, real property Tax, stamp Tax or other similar Tax imposed on the Company or Sellers as a result of the transactions contemplated by this Agreement and the Contribution Agreement (collectively, "Transfer Taxes"), and any penalties or interest with respect to the Transfer Taxes, and Sellers shall, at their own expense, file all necessary Tax Returns and other documentation with respect to all such Transfer Taxes, and, if required by applicable Law, the parties will, and will cause their Affiliates to, join in the execution of any such Tax Returns and other documentation ("Transfer Tax Returns"). Buyer shall cooperate with Sellers in the filing of any returns with respect to the Transfer Taxes, including promptly supplying any information in their possession that is reasonably necessary to complete such returns.

(e) Tax Sharing Agreements. Sellers shall cause all Tax sharing or distribution agreements, excluding, for avoidance of doubt, this Agreement, providing for the sharing of Tax liabilities to which any Seller or any of its Affiliates (other than the Company), on the one hand, and the Company, on the other hand, is a party to be terminated as of 12:01 a.m. local time on the

Closing Date and the Company to not be bound thereby or have any liability thereunder with respect to any Taxable period.

10.03 Misdirected Payments

. Following the Closing, all payments and reimbursements made by any third party in the name of or to a Seller or any of its Affiliates to the extent arising out of the Business, shall be held by such Seller or such Affiliate in trust for the benefit of Buyer, and within ten (10) Business Days after receipt by such Seller or such Affiliate of any such payment or reimbursement, such Seller or such Affiliate shall pay over to Buyer the amount of such payment or reimbursement, together with all corresponding notes, documentation and information received in connection therewith. Following the Closing, all payments and reimbursements made by any third party in the name of or to Buyer or any of its Affiliates to the extent arising out of the Seller Business, shall be held by Buyer or such Affiliate in trust for the benefit of Sellers, and within ten (10) Business Days after receipt by Buyer or such Affiliate of any such payment or reimbursement, Buyer or such Affiliate shall pay over to Sellers the amount of such payment or reimbursement, together with all corresponding notes, documentation and information received in connection therewith.

10.04 Confidentiality

.

(a) At the Closing, the Confidentiality Agreement, dated June 8, 2017, between CHC and Buyer (the "Confidentiality Agreement") and the Clean Team Agreement, dated January 3, 2018, between CHC and Buyer (the "Clean Team Agreement") shall terminate solely with respect to that portion of the Confidential Information (as defined in the Confidentiality Agreement) that is included in the Seller Contributed Assets in accordance with the terms set forth therein, and Buyer's confidentiality obligations thereunder will continue in effect in accordance with their respective terms with respect to (and only with respect to) that portion of the Confidential Information that is not included in the Seller Contributed Assets; provided, that nothing contained herein or in the Confidentiality Agreement or the Clean Team Agreement will prohibit Buyer or its Affiliates from disclosing any information to the extent required for Buyer or its Affiliates to comply with their Tax and reporting obligations or prosecute or defend an action or other Proceeding with respect to this Agreement or any Ancillary Agreement.

(b) Following the Closing, except (i) to the extent required by applicable Law or legal process or in order for Buyer or its Affiliates to comply with their legal, Tax and reporting obligations or (ii) in order for Buyer or its Affiliates to prosecute or defend an action with respect to this Agreement or any Ancillary Agreement, Buyer and its Affiliates shall not (x) disclose, disseminate or divulge to any third party (except to their respective representatives in connection with the items listed in (i) and (ii) above, provided that Buyer and its Affiliates will be responsible for any breaches by their respective representatives of this Section 10.04(b)), any Seller Additional Confidential Information that would constitute a trade secret in a manner that is detrimental to Sellers' rights thereto. Following the Closing, in the event that Buyer or its Affiliates or their respective representatives are requested pursuant to, or required by, applicable Law or legal process to disclose (other than to their respective representatives in connection with the items listed in (i) and (ii) above) any such Seller Additional Confidential Information, Buyer shall, to the extent permitted by applicable Law, provide Sellers prompt written notice of such request or requirement. Sellers may seek an appropriate protective order or other remedy (and if Sellers seek such an order, Buyer and its Affiliates will provide such cooperation as Sellers shall reasonably requires at

Sellers' expense) and, to the extent permitted by applicable Law, Buyer agrees to consult with Sellers with respect to taking steps to resist or narrow the scope of such disclosure upon Sellers' reasonable request. For purposes of this Agreement "Seller Additional Confidential Information" means all documentation, data and other information to the extent relating to Sellers or their Affiliates that has been obtained from Sellers or their Affiliates in connection with the performance or receipt of services under the Transition Services Agreement; provided, however, that Seller Additional Confidential Information will not include (A) any documentation, data or other information that is or becomes available to any member of the public other than as a result of a breach of this Section 10.04(b), (B) any documentation, data or other information that is included in the Seller Contributed Assets, (C) was (prior to being obtained from the Sellers or their Affiliates) or becomes available to Buyer or its Affiliates on a non-confidential basis, or (D) is independently developed by Buyer or its Affiliates without the use of or reference to Seller Additional Confidential Information.

10.05 Notification

. Between the date of this Agreement and the Closing Date, Buyer or Sellers, as the case may be, shall promptly notify the other party in writing if such party becomes aware of (i) any fact or condition that causes or constitutes a breach of any of the representations and warranties of such party made as of the date of this Agreement, or (ii) the occurrence after the date of this Agreement of any fact or condition that would or be reasonably likely to cause or constitute a breach of any such representation or warranty had that representation or warranty been made as of the time of the occurrence of, or such party's discovery of, such fact or condition. If any such fact or condition requires any change to the Schedules delivered by Sellers, Sellers shall promptly deliver to Buyer a supplement to the Schedules specifying such change. In addition, between the date of this Agreement and the Closing Date, Buyer or Sellers, as the case may be, shall promptly notify the other party of the occurrence of any breach of any covenant of such party in this Agreement or of the occurrence of any event that may make the satisfaction of any conditions in Sections 2.01, 2.02 or 2.03 impossible or unlikely. No disclosure pursuant to this Section 10.05 or any supplement to the Schedules will prevent or cure any breach of any representation or warranty or covenant set forth herein (including, without limitation, for purposes of indemnification pursuant to Article 8 or the closing conditions in Section 2.02.

10.06 HSR Filing.

(a) Each of Buyer and Sellers shall: (i) as promptly as practicable, but in no event later than fifteen (15) Business Days from the date hereof, take all actions necessary to file or cause to be filed any filings required of it or any of its Affiliates under the HSR Act or other applicable Antitrust Law in connection with this Agreement and the transactions contemplated hereby, including the Notification and Report Forms required pursuant to the HSR Act with respect to the transactions contemplated hereby (it being agreed that the Buyer and Sellers shall request early termination in connection therewith); (ii) use commercially reasonable efforts to obtain the required consents from the applicable Governmental Bodies; and (iii) at the earliest practicable date, comply with any formal or informal written request for additional information or documentary material received by it or any of its Affiliates from any Governmental Body. Each of Buyer and Sellers will (A) subject to applicable Law, promptly notify the other party of any substantive written communication made to or received by Buyer or Sellers, as the case may be, from any Governmental Body regarding any of the transactions contemplated hereby, (B) subject to applicable Law, permit the other party to review in advance any proposed substantive written

communication to any such Governmental Body and incorporate the other party's reasonable comments thereto, (C) not agree to participate in any substantive meeting or discussion with any such Governmental Body in respect of any filing, investigation or inquiry concerning this Agreement or the transactions contemplated hereby unless, to the extent reasonably practicable, it consults with the other party in advance and, to the extent permitted by such Governmental Body, gives the other party the opportunity to attend, and furnish the other party with copies of all correspondence, filings and written communications between them and their Affiliates and their respective representatives on one hand and any such Governmental Body or its staff on the other hand, in each case with respect to this Agreement and the transactions contemplated hereby. Actions under (A), (B) and (C) of this Section may be limited to an outside counsel only basis to the extent reasonably deemed necessary by the parties. All filing fees under the HSR Act shall be borne by the Buyer.

(b) In addition, in furtherance and not in limitation of the other provisions of Section 10.06(a), Buyer shall take all actions (A) necessary to defend, including through pursuing litigation on the merits, any administrative or judicial Proceeding asserted or threatened by any Governmental Body or other Person under Antitrust Laws (including pursuing all available avenues of administrative and/or judicial appeal) that seeks, or would reasonably be expected to seek, to prevent, restrain, impede, delay, enjoin or otherwise prohibit the consummation of the transactions contemplated hereby, and (B) necessary in order to avoid entry of, or to have vacated, lifted, reversed, overturned or terminated, any Order (whether temporary, preliminary or permanent) entered, issued or threatened under Antitrust Laws that would prevent, impede, delay, enjoin or otherwise prohibit the consummation of the transactions contemplated hereby, prior to the Outside Date (including any extension thereof pursuant to Section 9.01(d))).

(c) Notwithstanding anything herein to the contrary, the Buyer shall not be required by this Section 10.06 to take or agree to undertake any action, including entering into any consent decree, hold separate order or other arrangement, that would (A) require the divestiture of any assets of the Buyer, the Company, or any of their respective Affiliates, (B) limit the Buyer's freedom of action with respect to the Company or any of its assets or businesses or any of the Buyer's or its Affiliates' other assets or businesses or (C) limit the Buyer's ability to acquire or hold, or exercise full rights of ownership with respect to, the Company.

10.07 Further Assurances

. From time to time, as and when requested by any party and at such requesting party's expense, any other party will execute and deliver, or cause to be executed and delivered, all such documents and instruments and will take, or cause to be taken, all such further or other actions as the requesting party may reasonably deem necessary to evidence and effectuate the transactions contemplated by this Agreement.

ARTICLE 11

DEFINITIONS

11.01 Definitions

. For purposes hereof, the following terms, when used herein with initial capital letters, will have the respective meanings set forth herein:

"Accounting Firm" has the meaning set forth in Section 1.03(d).

"Acquisition Transaction" means, in one or more transactions, any sale, exclusive license or transfer (whether by asset sale, stock sale, merger, consolidation or otherwise) of the Business or, other than in the Ordinary Course, any asset or group of assets that, individually or collectively, are material to the Business; provided, however, that, for the avoidance of doubt, a sale of CHC or any securities of any Seller that does not, and would not reasonably be expected to, materially prohibit, delay or hinder the transactions contemplated by this Agreement or any Ancillary Agreement shall not be deemed an Acquisition Transaction.

"Affiliate" of any particular Person means any other Person controlling, controlled by or under common control with such particular Person. For the purposes of this definition, "controlling," "controlled" and "control" means the possession, directly or indirectly, of the power to direct the management and policies of a Person whether through the ownership of voting securities, Contract or otherwise.

"Agreed Accounting Principles" means those accounting principles and practices set forth on Annex B.

"Agreed Tax Treatment" has the meaning set forth in Section 10.02(a).

"Agreement" has the meaning set forth in the Preamble.

"Allocation" has the meaning set forth in Section 10.02(a).

"Ancillary Agreements" means the Escrow Agreement, the Transition Services Agreement, the Contribution Agreement and the Non-Competition Agreement and all the other agreements, certificates, instruments and other documents to be executed or delivered in connection with the transactions contemplated by this Agreement.

"Anti-Bribery Laws" has the meaning set forth in Section 3.14(a).

"Antitrust Laws" shall mean the Sherman Act of 1890, as amended; the Clayton Act of 1914, as amended; the Federal Trade Commission Act of 1914, as amended; the HSR Act, and all other federal, state, foreign or supranational Laws or Orders in effect from time to time that are designed or intended to prohibit, restrict or regulate actions having the purpose or effect of monopolization or restraint of trade or lessening of competition through merger or acquisition.

"Assignable Right" has the meaning set forth in Section 7.05.

"Bargaining Representative" has the meaning set forth in Section 3.17(a).

"Balance Sheet" has the meaning set forth in Section 1.03(c).

"Business" has the meaning set forth in the Recitals.

"Business Day" means any day ending at 11:59 p.m. (New York City time) other than a Saturday or Sunday or a day on which the Federal Reserve Bank of New York is closed.

"Business Employee" has the meaning set forth in Section 3.05(g).

“Business Permits” has the meaning set forth in Section 3.14(a).

“Buyer” has the meaning set forth in the Preamble.

“Buyer Closing Certificate” has the meaning set forth in Section 1.04(b)(ii).

“Buyer Indemnified Parties” has the meaning set forth in Section 8.02.

“Buyer 401(k) Plan” has the meaning set forth in Section 7.04(f).

“Buyer’s Representatives” has the meaning set forth in Section 6.02.

“Calculation Time” means 11:59 p.m. local time in Nashville, Tennessee on the day immediately prior to the Closing Date.

“Cap Amount” means an amount equal to $12,500,000.

“CERCLA” means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended.

“CHC” has the meaning set forth in the Preamble.

“CHT” has the meaning set forth in Preamble.

“Clean Team Agreement” has the meaning set forth in Section 10.04(a).

“Closing” has the meaning set forth in Section 1.01.

“Closing Date” has the meaning set forth in Section 1.01.

“Closing Indebtedness Amount” means the aggregate amount of Indebtedness of the Company as of immediately prior to the Closing.

“Closing Payment Amount” means an amount equal to (i) the Purchase Price (as adjusted pursuant to Section 1.03(a)(i) but for the avoidance of doubt disregarding any adjustment pursuant to Section 1.03(a)(ii)), minus (ii) the Escrow Amount.

“Closing Statement” has the meaning set forth in Section 1.03(c).

“Code” means the U.S. Internal Revenue Code of 1986, as amended.

“Commitment Letter” means an executed debt financing commitment letter from the financial institutions identified therein as amended, restated, amended and restated, supplemented or replaced in compliance with this Agreement (including when following a Financing Failure Event), pursuant to which the financial institutions party thereto have agreed to provide or cause to be provided the debt financing set forth therein for the purposes of financing the transactions contemplated hereby. For the purposes of this Agreement, the term “Commitment Letter” shall be deemed to include any commitment letter (or similar agreement) with respect to any alternative

financing arranged in compliance herewith (and any Commitment Letter remaining in effect at the time in question).

"Company" has the meaning set forth in the Recitals.

"Company Assumed Liabilities" has the meaning set forth in the Contribution Agreement.

"Company Proprietary Software" means the Software developed by or on behalf of and owned by Sellers and their Subsidiaries (or any previous Persons who owned the Business, or any portions thereof) and marketed, distributed, or licensed (including through a software as a service model) by Sellers and their Subsidiaries and included in the Seller Contributed Assets.

"Company IP" means all Intellectual Property owned or purported to be owned by the Company immediately following the consummation of the Restructuring.

"Confidentiality Agreement" has the meaning set forth in Section 10.04(a).

"Contracts" means all legally binding contracts, agreements, licenses, indentures, notes, bonds, instruments, leases, mortgages, sales orders, purchase orders, arrangements, commitments, obligations and other understandings or undertakings of any nature, in any case whether written or oral, and all amendments, restatements, supplements or other modifications thereto or waivers thereunder.

"Contribution Agreement" means that certain Contribution Agreement, in the form attached hereto as Exhibit B, entered into by Sellers and the Company.

"Covered Matters" has the meaning set forth in Schedule 11.01.

"Data Site" means the electronic data site maintained by Sellers in connection with the transactions contemplated by this Agreement.

"Debt Financing" means the debt financing contemplated by the Commitment Letter.

"Deductible" means $837,500.

"Disallowed Tax Benefit" has the meaning set forth in Section 8.04(c).

"Disputed Items" has the meaning set forth in Section 1.03(d).

"Effective Time" has the meaning set forth in Section 1.01.

"EMR" means electronic medical record.

"Electronic Delivery" has the meaning set forth in Section 12.20.

"Environmental Laws" means all federal, state, local and foreign statutes, regulations, and ordinances, and all Orders and determinations that are binding upon Sellers and their Subsidiaries and Affiliates (in each case, solely to the extent related to the Business, the Seller Contributed

Assets or the Company Assumed Liabilities) and the Company, concerning pollution or protection of the environment, including all those relating to the generation, handling, transportation, treatment, storage, disposal, distribution, labeling, discharge, release, threatened release, control, or cleanup of any Hazardous Substances, as such of the foregoing are promulgated and in effect on or prior to the Closing Date.

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

"ERISA Plan" has the meaning set forth in Section 3.12(a).

"Escrow Agent" has the meaning set forth in Section 1.04(c).

"Escrow Agreement" has the meaning set forth in Section 1.04(c).

"Escrow Amount" has the meaning set forth in Section 1.04(c).

"Escrow Funds" has the meaning set forth in Section 1.04(c).

"Estimated Closing Indebtedness Amount" has the meaning set forth in Section 1.03(b).

"Estimated Net Working Capital" has the meaning set forth in Section 1.03(b).

"Estimated Transaction Expenses" has the meaning set forth in Section 1.03(b).

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Final Closing Adjustment Excess" has the meaning set forth in Section 1.03(g).

"Final Closing Adjustment Shortfall" has the meaning set forth in Section 1.03(g).

"Final Closing Indebtedness Amount" has the meaning set forth in Section 1.03(e).

"Final Net Working Capital" has the meaning set forth in Section 1.03(e).

"Final Transaction Expenses" has the meaning set forth in Section 1.03(e).

"Financial Statements" has the meaning set forth in Section 3.04(a).

"Financing Failure Event" means any of the following (a) the commitments with respect to the Debt Financing in an amount equal to the Required Amount expiring or being terminated, (b) for any reason the Debt Financing in an amount equal to the Required Amount becoming unavailable, (c) a breach or repudiation by any Financing Source of such obligations to fund commitments under the Commitment Letter, or (d) any party to a Commitment Letter or any Affiliate or agent of such Person shall allege (in writing) that any of the events set forth in clauses (a) through (c) has occurred.

"Financing Sources" means the Persons that have committed to provide or otherwise entered into agreements in connection with the Debt Financing in connection with the transactions contemplated by this Agreement, including the parties named in the Commitment Letter and any

joinder agreements thereto together with their Affiliates, officers, directors, employees and representatives involved in the Debt Financing.

"Fraud" means the actual and intentional common law fraud (and not negligent misrepresentation or negligent omission, or any form of fraud based on recklessness or negligence or constructive fraud) solely with respect to the making of a representation or warranty set forth in this Agreement, any Ancillary Agreement or any certificate, document or other instrument delivered pursuant to this Agreement.

"Fundamental Representations" has the meaning set forth in Section 8.04(a).

"GAAP" means United States generally accepted accounting principles as in effect from time to time.

"General Expiration Time" has the meaning set forth in Section 8.01.

"Governmental Body" means any federal, state, local, municipal, foreign, international, multinational or other government or quasi-governmental authority or any department, agency, commission, board, subdivision, bureau, agency, instrumentality, court or other tribunal of any of the foregoing.

"Government Payment Program" means any federal, state, or local government health care plan or program, including, without limit, Medicare, Medicaid, TriCare, or CHAMPUS.

"Hazardous Substance" means petroleum or any hazardous substance as defined in CERCLA.

"Healthcare Laws" means (a) all Laws relating to the regulation, provision or administration of, or payment for, healthcare products or services, including, but not limited to (i) the federal Anti-Kickback Statute (42 U.S.C. §1320a-7b(b)), the Physician Self-Referral Law, commonly known as the "Stark Law" (42 U.S.C. §1395nn), the civil False Claims Act (31 U.S.C. §3729 et seq.), TRICARE (10 U.S.C. Section 1071 et seq.), Sections 1320a-7 and 1320a-7a of Title 42 of the United States Code and the regulations promulgated pursuant to such statutes; (ii) HIPAA; (iii) Medicare (Title XVIII of the Social Security Act) and the regulations promulgated thereunder; and (iv) Medicaid (Title XIX of the Social Security Act) and the regulations promulgated thereunder; (b) quality and safety Laws relating to the provision of healthcare products or services; (c) rules governing the provision of services to employees with workers compensation coverage or licensure or certification as a healthcare organization to provide such services; and (d) licensure Laws relating to provision or sale of healthcare products or services.

"HIPAA" means the Health Insurance Portability and Accountability Act of 1996 (Pub. L. No. 104-191), the Health Information Technology for Economic and Clinical Health Act (passed as part of the American Recovery and Reinvestment Act of 2009) and the regulations promulgated thereunder.

"HSR Act" means the Hart Scott Rodino Antitrust Improvements Act of 1976.

“Indebtedness” means, with respect to any Person at any date, without duplication: (a) all obligations of such Person for borrowed money, (b) all obligations of such Person for the deferred purchase price of property or services, all conditional sale obligations of such Person and all obligations of such Person under any title retention agreement (but excluding ordinary course trade accounts payable incurred in the Ordinary Course that do not involve the purchase of equipment, fixed assets or other capital expenditures or obsolete inventory), including all obligations resulting from any holdback, earn-out, performance bonus or other contingent payment arrangement relating to or arising out of any prior acquisition, business combination or similar transaction, (c) all non-contingent reimbursement or payment obligations with respect to surety instruments, (d) all obligations evidenced by notes, bonds, debentures or similar instruments, (e) all capitalized lease obligations as determined under GAAP and any off-balance sheet financing, (f) all obligations with respect to any interest rate swap or other hedging contracts or derivative contracts or arrangements, (g) all obligations under any performance bond or letter of credit, but only to the extent drawn or called prior to the Closing, (h) all liabilities for any outstanding compensation, severance or consulting amounts or other benefits or payment obligations owed (whether currently or for services to be provided in the future) to any former (as of the Closing) employee, service provider, director, manager or officer (including any amounts paid in settlement of any Proceeding claiming or demanding any such amounts) and any Taxes payable in connection therewith, (i) all liabilities relating to any deferred compensation, commissions, bonuses or phantom stock or phantom equity arrangements (in each case whether accrued or not) in respect of any current or former employee, service provider, director, manager or officer solely to the extent attributable to the pre-Closing period and any Taxes payable in connection therewith, and any liabilities relating to any non-competition obligations, (j) any unfunded pension, defined benefit or retirement plan liabilities, (k) any indebtedness or other amounts owing or due to any Seller or any owner or holder of any Ownership Interest, customers, directors, managers officers or employees of the Company or Affiliate of the Company (other than for salary accruals and vacation accruals owed to employees arising in the Ordinary Course), including any amounts owed with respect to any dividends or distributions with respect to, or any repurchases or purchases of, any Ownership Interests of the Company or Affiliate of the Company (l) any amounts payable or other Liabilities relating to the Seller Business, (m) all indebtedness referred to in clauses (a) through (l) above secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien upon or in any asset or property owned or held by such Person or the Seller Contributed Assets (whether or not such indebtedness secured thereby shall have been assumed by such Person or is nonrecourse to the credit of such Person), (n) all guaranty obligations in respect of indebtedness or obligations of any other Person (other than the Company) of a type described in clauses (a) through (m) above, and (p) for clauses (a) through (n) above, all accrued interest thereon, if any, and any termination fees, prepayment penalties, premiums, breakage costs, make-whole, expense reimbursement or other fees, costs, expenses or other payment obligations related thereto or associated with the repayment of such Indebtedness on the Closing Date. For the avoidance of doubt, Indebtedness shall not include any amounts taken into account in the calculation of Net Working Capital, any Transaction Expenses or any indebtedness incurred by Buyer or any of its Affiliates (other than the Company) in connection with the consummation of the transactions contemplated hereby or any indebtedness incurred by the Company at the direction of Buyer at the Closing.

Indebtedness Pay-Off Letter” means, with respect to any Indebtedness of a Person owed to any third party, a payoff letter which sets forth (a) the amount required to repay in full all

Indebtedness owed to such holder, (b) the wire transfer instructions for the repayment of such Indebtedness to such holder, (c) a release of all Liens granted by such Person (and its Affiliates (as applicable)) to such holder or otherwise arising with respect to such Indebtedness, effective upon repayment of such Indebtedness, and (d) authorization to file all UCC termination statements and releases necessary to evidence satisfaction and termination of such Indebtedness and to enable release of all Liens relating thereto.

"Indemnitee" has the meaning set forth in Section 8.06(a).

"Indemnitor" has the meaning set forth in Section 8.06(a).

"Indemnitor Acknowledgment" has the meaning set forth in Section 8.06(b).

"Information Security Incident" means any theft, unauthorized or illegal use or disclosure of, or unauthorized access to, Personally Identifiable Information, including any "breach" as defined in 45 C.F.R. § 164.402.

"Intellectual Property Rights" means all intellectual property rights, existing under the laws of any jurisdiction in the world, arising from or in respect of the following: (i) all patents and applications therefor, including continuations, divisionals, continuations-in-part, reexaminations, or reissues of patent applications and patents issuing thereon and other industrial property rights, (ii) all trademarks, service marks, trade names, service names, brand names, trade dress rights, logos, corporate names, and other source designators, together with the goodwill associated with any of the foregoing, and all applications, registrations and renewals thereof, (iii) copyrights and registrations and applications therefor, works of authorship and mask work rights, (iv) all Internet domain names and social media accounts, and (v) all rights in trade secrets, know-how, inventions, designs, Software, and registration and regulatory data and information.

"Interim Financial Statements" has the meaning set forth in Section 3.04(a).

"IRS" means the Internal Revenue Service.

"IT Systems" has the meaning set forth in Section 3.10(k).

"Law" or "Laws" shall mean any applicable foreign, federal, state, county, or local statute, law, ordinance, code, common law, rule or regulation issued by any Governmental Body.

"Lead Arranger" means Golub Capital Markets LLC.

"Lease" shall mean that certain Lease, dated May 1, 1996, as amended by that certain First Modification of Lease dated June 13, 2002, as further amended by that certain Second Modification of Lease dated September 1, 2009, and as supplemented by that letter agreement dated November 26, 2013, by and between Robertson Building, LLC, a Missouri limited liability company and successor-in-interest to MSIHQ LLC, as landlord, and CHT, successor-in-interest to Management Software, Inc., as tenant.

"Lease Assignment" means an assignment to the Company of CHT's leasehold interest in the Leased Real Property located at 1550 E. Republic Rd., Springfield, Missouri 65804, in the form attached hereto as Exhibit C (subject to the footnotes included therein).

"Leased Real Property" has the meaning set forth in Section 3.06(a).

"Liabilities" means any Indebtedness, liabilities, demands, commitments or obligations of any nature whatsoever, whether accrued or unaccrued, absolute or contingent, direct or indirect, asserted or unasserted, fixed or unfixed, known or unknown, choate or inchoate, perfected or unperfected, liquidated or unliquidated, secured or unsecured, or otherwise, whether due or to become due, whether arising out of any Contract or tort based on negligence or strict liability and whether or not the same would be required by GAAP to be stated in financial statements or disclosed in the notes thereto, and however arising and including all fees, costs and expenses related thereto.

"Liens" means any lien, mortgage, security interest, claim, deed of trust, preemptive right, charge, option, right of first refusal, easement, proxy, voting trust or agreement, transfer restriction, assessment, covenant, burden, hypothecation, pledge deposit, encumbrance, or other similar restriction.

"Losses" means all damages, injuries, judgments, royalties, awards, settlements, penalties, fines, costs (including reasonable costs of investigation or defense of any matter indemnified against hereunder, such as demands and Proceedings), Taxes, losses, liabilities, expenses and fees, including court costs and reasonable attorneys', accountants' and experts fees and expenses; provided, however, Losses do not include, and the Buyer Indemnified Parties shall not be entitled to seek or recover under any theory of liability with respect to, (i) any Losses to the extent they are in the nature of consequential (to the extent such Losses are not foreseeable), or (ii) any exemplary or punitive damages, except in the case of (i) and (ii) of this definition, to the extent paid or payable in connection with a Third Party Claim.

"Material Adverse Effect" means an event, change, effect, occurrence, or development that (individually or considered together with all other events, changes, effects, occurrences and developments) has, had or would reasonably be expected to have, a material adverse effect upon the business, operations, financial condition, assets or operating results of the Company or the Business taken as a whole, provided, however, that none of the following shall be taken into accounting in determining whether there is a Material Adverse Effect: (i) changes in general business or economic conditions affecting the industry in which the Business operates, (ii) national or international political or social conditions, including the engagement by the United States in hostilities or the escalation thereof, whether or not pursuant to the declaration of a national emergency or war, or the occurrence or the escalation of any military or terrorist attack upon the United States or any foreign jurisdiction in which the Business operates, or any of their respective territories, possessions, or diplomatic or consular offices or upon any military installation, equipment or personnel of the United States or any foreign jurisdiction in which the Business operates, (iii) any acts of God, including any earthquakes, floods, hurricanes, tropic storms, fires or other natural disasters or any national, international or regional calamity or any man-made disaster, (iv) changes in financial, banking, securities, commodities or foreign exchange markets (including any disruption thereof and any decline in the price of any security or any market index),

(v) changes in GAAP, (vi) changes in Laws, Orders or other binding directives issued by any Governmental Body after the date hereof, (vii) the taking of any action expressly required by this Agreement or the Ancillary Agreements or taken with Buyer's express written consent, or the announcement of this Agreement, the Ancillary Agreements or the transactions contemplated hereby or thereby, or (viii) any failure of the Business or the Company to meet any projections, forecasts, budgets or estimates for any period ending after the date of this Agreement, including with respect to revenue, earnings, cash flow or cash position; provided, that this clause (viii) shall not prevent a determination that any event, change, effect, occurrence, or development underlying such failure to meet projections, forecasts, budgets or estimates has resulted in a Material Adverse Effect (to the extent such event, change, effect, occurrence, or development is not otherwise excluded from this definition of Material Adverse Effect), provided, however, except that if any matter described in any of clauses (i), (ii), (iii), (iv), (v) or (vi) of this paragraph has had a disproportionate effect on the business, operations, financial condition, assets or operating results of the Business taken as a whole relative to other participants in the industries in which the Business operates, then the impact of such event on the Business only to the extent it has disproportionately affected the Business shall be taken into account for purposes of determining whether a Material Adverse Effect has occurred.

"Material Clients" has the meaning set forth in Section 3.21.

"Material Contract" or "Material Contracts" has the meaning set forth in Section 3.09(c).

"Material Suppliers" has the meaning set forth in Section 3.22.

"Membership Interests" has the meaning set forth in the Recitals.

"Mini-Basket" has the meaning set forth in Section 8.04(a).

"Multiemployer Plan" means a multiemployer plan within the meaning of section 3(37) or 4001(a)(3) of ERISA.

"Net Working Capital" means, as of the Calculation Time, (a) the current assets of the Company, minus (b) the current liabilities of the Company; provided that Net Working Capital shall be calculated in accordance with the Agreed Accounting Principles and as further adjusted in accordance with the example calculation on Annex C. An example of the calculation of Net Working Capital, as of December 31, 2017, calculated in accordance with this definition and the Agreed Accounting Principles, is provided in Annex C hereto for illustrative purposes (and for purposes of reflecting certain adjustments thereto) in connection with how the parties intend to determine Estimated Net Working Capital and Final Net Working Capital pursuant to Section 1.03.

"Net Working Capital Target" means negative $8,000,000.

"Non-Income Statement Omitted Service" shall have the meaning set forth in the Transition Services Agreement.

"Nine-Month Financial Statements" has the meaning set forth in Section 3.04(a).

"Nine-Month Financial Statements Period" has the meaning set forth in Section 3.04(a).

"Non-Competition Agreement" has the meaning set forth in the Recitals.

"Objection Period" has the meaning set forth in Section 1.03(d).

"Objections Statement" has the meaning set forth in Section 1.03(d).

"OIG" has the meaning set forth in Section 3.23(b).

"Ordinary Course" means the ordinary course of business, consistent with past practice.

"Order" means any order, judgment, ruling, injunction, award, stipulation, assessment, decree or writ, whether preliminary or final, of any Governmental Body.

"Organizational Documents" means, with respect to any entity, as applicable, the certificate of incorporation, articles of incorporation, bylaws, articles of organization, partnership agreement, limited liability company agreement, formation agreement, joint venture agreement and other similar organizational documents of such entity, and any amendment or restatement of any of the foregoing.

"Outside Date" has the meaning set forth in Section 9.01(d).

"Ownership Interests" means, with respect to any entity, any of the following: (i) any shares of capital stock or any other securities or equity or ownership interests of such entity (in the case of the Company, including the Membership Interests), or (ii) any options or warrants or purchase, subscription, conversion or exchange rights, or securities convertible into or exchangeable for, or other Contracts or commitments that could require any Person to issue, sell or otherwise cause to become outstanding, any shares of capital stock or any other securities or equity or ownership interests of such entity.

"Permitted Liens" means (i) statutory Liens for current Taxes or other governmental charges not yet due and payable, in each case for which adequate reserves have been made with respect thereto to the extent required by GAAP, (ii) mechanics', carriers', workers', repairers' and similar statutory Liens arising or incurred in the Ordinary Course for amounts which are not yet due and payable, in each case for which adequate reserves have been made with respect thereto to the extent required by GAAP and which are not, individually or in the aggregate, material, (iii) zoning, entitlement, building and other land use regulations imposed by governmental agencies having jurisdiction over the Leased Real Property which are not violated by the current use and operation of the Leased Real Property, (iv) covenants, conditions, restrictions, easements, rights-of-way, defects or imperfections in title and other similar matters of record affecting the landlord's underlying title to the Leased Real Property which do not materially impair the occupancy or use of the Leased Real Property for the purposes for which it is currently used in connection with the Business, and (v) Liens incurred in the Ordinary Course under the Assumed Contracts.

"Person" means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof.

"Personally Identifiable Information" means any information that identifies or locates, or in combination with other reasonably available data, can be used to identify or locate, a specific natural person, including but not limited to: (a) a natural person's first and last name, in combination with a (i) social security number or tax identification number, or (ii) credit card number, bank account information and other financial account information, or financial customer or account numbers, account access codes and passwords; and (b) Protected Health Information as defined at 45 CFR §160.103.

"Plans" has the meaning set forth in Section 3.12(a).

"Preamble" means the preamble of this Agreement.

"Pre-Closing Representation" has the meaning set forth in Section 12.16.

"Privacy Laws" means (i) all United States federal, state, provincial or local government laws, treaties, statutes, regulations, ordinances, directives and other provisions having the force or effect of law, and all Orders and determinations that are binding upon Sellers (solely with respect to the Business) and the Company, concerning the Processing of Personally Identifiable Information, including but not limited to HIPAA; and (ii) the Payment Card Industry Data Security Standards.

"Proceeding" means any legal, administrative, arbitral or other proceeding, suit, litigation (in law or equity), mediation, hearing, inquiry, request for information that is outside of the Ordinary Course, prosecution, investigation, examination, charge, audit or action by or before any Governmental Body or any arbitrator or arbitration panel.

"Process" or "Processing" shall mean the collection, use, storage, processing, recording, distribution, transfer, import, export, protection (including security measures), disposal or disclosure or other activity regarding data (whether electronically or in any other form or medium) regulated by Privacy Laws.

"Purchase Price" has the meaning set forth in Section 1.03(a).

"Real Property Leases" has the meaning set forth in Section 3.06(a).

"Recitals" means the recitals of this Agreement.

"Recovery Costs" has the meaning set forth in Section 8.04(d).

"Registered IP" has the meaning set forth in Section 3.10(a).

"Related Party" means any (i) current or former equityholder, officer, manager, partner or director of any Seller or any of its Subsidiaries, (ii) Affiliate of any Seller or any of its Subsidiaries, (iii) Affiliate or immediate family member of any of the Persons referred to in clauses (i) or (ii) above and (iv) trust or other Person (other than the Sellers and their Subsidiaries) in which any one of the individuals referred to in clauses (i), (ii) and (iii) above holds (or in which more than one of such individuals collectively hold), beneficially or otherwise, a voting, proprietary or equity interest.

"Release" means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into the environment (including the abandonment or discarding of barrels, containers, and other closed receptacles containing any hazardous substance or pollutant or contaminant).

"Representatives" has the meaning set forth in Section 6.04.

"Required Amount" means the portion of the Purchase Price payable on the Closing Date.

"Required Financial Information" means the financial statements required under paragraph 5 of Exhibit C to the Commitment Letter (as in effect on the date of this Agreement).

"Restructuring" has the meaning set forth in the Recitals.

"Retained Liabilities" has the meaning set forth in the Contribution Agreement.

"SEC" means the Securities and Exchange Commission.

"Securities Act" means the Securities Act of 1933, as amended.

"Sellers" has the meaning set forth in the Preamble.

"Seller Additional Confidential Information" has the meaning set forth in Section 10.04(b).

"Seller Business" has the meaning set forth in the recitals.

"Seller Closing Certificate" has the meaning set forth in Section 1.04(a)(ii).

"Seller Contributed Assets" has the meaning set forth in the Contribution Agreement.

"Seller Indemnified Parties" has the meaning set forth in Section 8.03.

"Seller Taxes" means any Taxes (i) imposed on any Seller for any taxable period, (ii) imposed with respect to the Company or its assets or operations for any taxable period (or portion of any period) ending on or before the Closing Date, (iii) imposed in connection with the transactions contemplated by this Agreement (including any Transfer Taxes (iv) of any Person other than the Company imposed on the Company as a result of being a member of any "affiliated group" (as that term is defined in Section 1504(a) of the Code) on or before the Closing Date pursuant to Treasury Regulation Section 1.1502-6 or any similar state, local, or foreign Law, (v) imposed on Buyer as a transferee or successor of any Seller or (vi) resulting from any Disallowed Tax Benefit.

"Seller 401(k) Plan" has the meaning set forth in Section 7.04(f).

"Shared Contract Activities" has the meaning set forth in Section 7.05.

"Software" means all computer programs, including any and all software implementations of algorithms, models and methodologies whether in source code or object code form, software

databases and compilations, software development toolkits, APIs, and all documentation, user manuals, and other training documentation related to the foregoing.

"Special Claim" has the meaning set forth in Section 8.06(d).

"Specified Pre-Closing Period" means the period commencing on the date of this Agreement and ending on the date that is ten (10) Business Days after the date of this Agreement.

"Straddle Period" means any taxable period beginning on or prior to and ending after the Closing Date.

"Subsidiary" means, with respect to any Person, any corporation, partnership, association, limited liability company, or other business entity of which (i) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof, or (ii) if a partnership, association, limited liability company, or other business entity, a majority of the partnership or other similar ownership interests thereof is at the time owned or controlled, directly or indirectly, by any Person or one or more Subsidiaries of that Person or a combination thereof. For purposes hereof, a Person or Persons will be deemed to have a majority ownership interest in a partnership, association, limited liability company, or other business entity if such Person or Persons are allocated a majority of partnership, association, limited liability company, or other business entity gains or losses or otherwise control the managing director, managing member, general partner or other managing Person of such partnership, association, limited liability company, or other business entity. Notwithstanding the foregoing, for purposes of this Agreement, the Company shall be excluded from the definition of a Subsidiary of Sellers.

"Targeted Employees" has the meaning set forth in Section 7.04(a).

"Tax" or "Taxes" means, with respect to any Person, (a) all U.S. federal, provincial, territorial, state, municipal, local, domestic, foreign or other taxes, imposts, assessments, levy or other governmental charge including ad valorem, alternative or add-on minimum, built-in-gains, capital, capital stock, customs and import duties, disability, documentary stamp, employment, environmental (including taxes under Section 59A of the Code), estimated, excise, franchise, gains, goods and services, gross income, gross receipts, income, intangible, inventory, license, mortgage recording, net income, occupation, payroll, personal premium, property, production, profits, property, real property, recording, registration, rent, sales, severance, social security, stamp, transfer, transfer gains, unemployment, use, value added, windfall profits, withholding, natural resources, entertainment, amusement, composite, healthcare, escheat or unclaimed property (whether or not considered a tax under applicable Law) or other tax of any kind whatsoever, together with any interest, additions, fines or penalties with respect thereto or in respect of any failure to comply with any requirement regarding Tax Returns and any interest in respect of such additions, fines or penalties; (b) liability of any Person for the payment of any amounts of the type described in clause (a) arising as a result of being (or ceasing to be) a member of any "affiliated group" (as that term is defined in Section 1504(a) of the Code) or any combined, consolidated or unitary group under any similar provision of foreign, state or local Law (or being

included in any Tax Return relating thereto); and (c) liability for the payment of any amounts of the type described in clause (a) or (b) as a result of being a transferee or successor of any Person or as a result of any express or implied obligation to indemnify or otherwise assume or succeed to the liability of any other Person or otherwise.

"Taxing Authority" means any Governmental Body responsible for the administration or the imposition of any Tax.

"Tax Benefit" has the meaning set forth in Section 8.04(d).

"Tax Representations" has the meaning set forth in Section 8.01.

"Tax Returns" means any return, declaration, report, notice, form, claim for refund, information return, statement or other documents (including Treasury Form TD F 90-22.1 and FinCEN Form 114) relating to, filed with or submitted to, or required to be filed with or submitted to, any Governmental Body, or maintained by any Person, or required to be maintained by any Person, in connection with the determination, assessment, collection or payment of Tax of any party or the administration of any Laws, regulations or administrative requirements relating to any Tax, including any schedule or attachment thereto, and including any amendment thereof.

"Third Party Claim" has the meaning set forth in Section 8.06(a).

"Transaction Expenses" means any of the following incurred by or on behalf of the Company, on or prior to the Closing Date (or incurred on or prior to the Closing Date by any other Person that are required to be paid or reimbursed by the Company): (a) all fees, commissions, costs or expenses incurred in connection with the preparation, negotiation, execution and/or consummation of this Agreement and/or any of the Ancillary Agreements and/or the consummation or performance of any of the transactions contemplated hereby or thereby, including the fees and expenses of any broker, investment banker or financial advisor, and any legal, accounting and/or consulting fees and expenses, (b) all compensation, benefits or other amounts paid or required to be paid to any current or former director, manager, officer, employee, contractor, consultant or other service provider or agent arising or resulting from, triggered by or otherwise in connection with this Agreement or the transactions contemplated by this Agreement (including any change of control bonuses or payments, stay or retention bonuses or payments, sale bonuses or payments, severance payments, transaction bonuses or similar arrangements, bonuses or payments paid, owing, payable, arising from, triggered by, as a result of or otherwise in connection with the transactions contemplated by this Agreement, whether or not such bonuses or payments do not become payable until the occurrence of a termination of employment or the occurrence of any other event or circumstance that may occur after the consummation of the transactions contemplated by this Agreement) but solely to the extent attributable to the pre-Closing period, (c) the employer's portion of Social Security, Medicare, FUTA, and other payroll Taxes attributable to or associated with the exercise, payout or cancellation of any options, profits interests or other equity interests, or any compensation, benefits or payments to any Person described in clause (b) above, (d) any Transfer Taxes, and (e) one-half of the fees, costs and expenses, if any, payable to the Escrow Agent under the Escrow Agreement. For the avoidance of doubt, Transaction Expenses shall not include any amounts included in the calculation of Net Working Capital.

“Transaction Matters” has the meaning set forth in Section 12.16.

“Transfer Taxes” has the meaning set forth in Section 10.02(d).

“Transfer Tax Returns” has the meaning set forth in Section 10.02(d).

“Transition Services Agreement” means that certain Transition Services Agreement, in the form attached hereto as Exhibit D (subject to the finalization of the schedules thereto prior to Closing with respect to matters that are noted in Exhibit D that are subject to finalization) to be entered into by CHC (or one of its Subsidiaries) and the Company.

“Unpaid Transaction Expenses” means the amount of all Transaction Expenses that have not been paid as of immediately prior to the Closing.

“U.S.” or “United States” means the United States of America.

11.02 Other Definitional Provisions

.

(a) All references in this Agreement to Exhibits, disclosure schedules, Articles, Sections, subsections and other subdivisions refer to the corresponding Exhibits, disclosure schedules, Articles, Sections, subsections and other subdivisions of or to this Agreement unless expressly provided otherwise. Titles appearing at the beginning of any Articles, Sections, subsections or other subdivisions of this Agreement are for convenience only, do not constitute any part of this Agreement, and will be disregarded in construing the language hereof. All references in this Agreement to “days” refers to “calendar days” unless otherwise specified.

(b) Exhibits and disclosure schedules to this Agreement are attached hereto and by this reference incorporated herein for all purposes.

(c) The words “this Agreement,” “herein,” “hereby,” “hereunder” and “hereof,” and words of similar import, refer to this Agreement as a whole and not to any particular subdivision unless expressly so limited. The words “this Article,” “this Section” and “this subsection,” and words of similar import, refer only to the Article, Section or subsection hereof in which such words occur. The words “either,” “or,” “neither,” “nor” and “any” are not exclusive. The word “including” (in its various forms) means including without limitation. All references to “$” and dollars will be deemed to refer to United States currency unless otherwise specifically provided.

(d) Pronouns in masculine, feminine or neuter genders will be construed to state and include any other gender, and words, terms and titles (including terms defined herein) in the singular form will be construed to include the plural and vice versa, unless the context otherwise requires.

(e) Unless the context requires otherwise, “party” and “parties” refers to the parties hereto.

ARTICLE 12

MISCELLANEOUS

12.01 Press Releases and Communications

. No press release or public announcement related to this Agreement or the transactions contemplated herein, or prior to the Closing, any other announcement or communication to the employees, clients or suppliers of Sellers, their Subsidiaries or the Company related to this Agreement or the transactions contemplated herein, will be issued or made by any party hereto without the joint written approval of Buyer and Sellers, unless required by Law or by the rules of any securities exchange or self-regulatory organization applicable to any party hereto or any of their direct or indirect Affiliates (in the reasonable opinion of counsel) in which case Buyer and Sellers will have the right to review and provide comments on (which such comments shall be considered by the disclosing party in good faith) such press release, announcement or communication, to the extent permitted by Law and reasonably practicable, prior to its issuance, distribution or publication; provided, however, that nothing contained herein limits any party from making any disclosures of the terms and existence of this Agreement or the transactions contemplated herein (a) to their respective Affiliates in order that such Person may provide information about the subject matter of this Agreement and the transactions contemplated herein to their respective actual and prospective limited partners and investors in connection with their fundraising and reporting activities, (b) as necessary to implement the provisions of this Agreement or to comply with the accounting and the U.S. Securities and Exchange Commission disclosure obligations and (c) to public stockholders of its Affiliates and/or analysts in the Ordinary Course for a transaction of the type contemplated by this Agreement.

12.02 Expenses

. Except as otherwise expressly provided herein (including Sections 1.03(d), 8.06(b), 10.02(c) and 10.06), Buyer and Sellers will each pay their own expenses (including attorneys' and accountants' fees and expenses) in connection with the negotiation of this Agreement, the performance of its obligations hereunder and the consummation of the transactions contemplated by this Agreement (whether consummated or not).

12.03 Prevailing Party

. In the event of a dispute between any of the parties with respect to obligations under this Agreement, the prevailing party in any action or Proceeding in any court or arbitration in connection therewith will be entitled to recover from such other party its costs and expenses, including, without limitation, reasonable legal fees and associated court costs.

12.04 Knowledge Defined

. For purposes of this Agreement, the phrase "Sellers' knowledge" (and similar phrases) as used herein means (a) the actual knowledge of the following officers and/or employees of CHC: Dan Monahan, Billie Whitehurst, David Aug, and Abby Bilyeu and (b) the knowledge that any such Person referenced in the immediately preceding clause (a) above would reasonably be expected to have obtained in the performance of their duties (taking into consideration such Person's position as an officer and/or employee) with the Sellers, their Subsidiaries and the Company. For purposes of this Agreement, the phrase "Buyer's knowledge" (and similar phrases) as used herein means (x) the actual knowledge of the following executive officers of Buyer: Kevin Scalia and Tony Ritz and (y) the knowledge that any such Person referenced in the immediately preceding clause (x) above would reasonably be expected to have obtained in the performance of their duties (taking into consideration such Person's position as an

executive officer) with Buyer. For purposes of clarification, it is understood and agreed that any individuals listed above shall have no personal liability in any manner whatsoever hereunder or otherwise related to the transactions contemplated hereby solely by virtue of being named in the above referenced definition.

12.05 Notices

. All notices, requests, demands, claims and other communications required or permitted hereunder will be in writing and will be sent by nationally recognized overnight courier, registered mail, certified mail, facsimile or pdf. Any notice, request, demand, claim or other communication required or permitted hereunder will be deemed duly given, as applicable, (a) one Business Day following the date sent when sent by overnight delivery, (b) upon delivery when sent by facsimile or e-mail (as a pdf), in each case with confirmation of receipt, or (c) upon personal delivery, addressed as follows (unless another address has been previously specified in writing):

Notices to Buyer:

ECS Acquisition Co. LLC
c/o Netsmart Technologies, Inc.
4950 College Boulevard
Overland Park, KS 66211
Attention: Anthony Ritz, Chief Financial Officer
E-mail: ARitz@ntst.com

with a copy to:

Paul Hastings LLP
695 Town Center Drive
Seventeenth Floor
Costa Mesa, CA 92626
Facsimile: (714) 979-1921
Attention: Brandon Howald
Email: brandonhowald@paulhastings.com

Notices to Sellers:

Change Healthcare Solutions, LLC
3055 Lebanon Pike, Suite 1000
Nashville, Tennessee 37214
Attention: Denise Ceule, Corporate Secretary
Email: dceule@changehealthcare.com
Facsimile No: (615) 238-9730

with a copy to:

Bass, Berry & Sims PLC
150 Third Avenue South, Suite 2800
Nashville, TN 37201
Facsimile: (615) 742-2709

Attention: Howard H. Lamar III
Electronic Mail: hlamar@bassberry.com
Facsimile: (615) 742-0458
Attention: Scott W. Bell
Electronic Mail: sbell@bassberry.com

12.06 Assignment

. This Agreement and any rights and obligations hereunder may not be assigned, hypothecated or otherwise transferred by any party hereto (by operation of Law or otherwise) without the prior written agreement of Buyer and Sellers; provided, however, notwithstanding the foregoing, Buyer (and, after the Closing, the Company) may, without obtaining the consent of any party hereto, assign any of its rights and/or obligations under this Agreement or any related agreement to any of its Affiliates, to its lenders, or any representative agent on behalf thereof (including any Financing Source or any representative or agent of any Financing Source) as collateral security or to any Person that acquires (whether by merger, purchase of stock, purchase of assets or otherwise), or is the successor or surviving entity in any such acquisition, merger or other transaction involving, Buyer (or, after the Closing, the Company) (provided, however, that if Buyer (or, after the Closing, the Company), as applicable, so assigns its rights and/or obligations without the consent of the Sellers, Buyer (or, after the Closing, the Company), as applicable, shall not be relieved of its obligations hereunder in respect of any such assignment). Any purported assignment in breach of this Section 12.06 shall be null and void.

12.07 Severability

. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable Law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable Law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement, and the parties will amend or otherwise modify this Agreement to replace any prohibited or invalid provision with an effective and valid provision that gives effect to the intent of the parties to the maximum extent permitted by applicable Law.

12.08 No Strict Construction

. The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rule of strict construction will be applied against any Person. The disclosure schedules attached to this Agreement have been arranged for purposes of convenience in separately titled sections corresponding to sections and subsections of this Agreement; provided, however, that each section and subsections of the disclosure schedules will be deemed to incorporate by reference all information disclosed in any other section of the disclosure schedules and will be deemed disclosure for all Sections of this Agreement, in each case if, and only to the extent, the relevance of such item is reasonably apparent on the face of the disclosure. Capitalized terms used in the disclosure schedules and not otherwise defined therein have the meanings given to them in this Agreement. The parties hereto intend that each representation, warranty, covenant and agreement contained herein shall have independent significance. If any party hereto has breached any representation, warranty, covenant or agreement contained herein in any respect, the fact that there exists another representation, warranty, covenant or agreement relating to the same or similar subject matter that the party has not breached shall not detract from or mitigate the fact that the party is in breach of the first representation, warranty, covenant or agreement. The specification of any dollar amount or the inclusion of any item in the

representations and warranties contained in this Agreement or the disclosure schedules or Exhibits is not intended to imply that the amounts, or higher or lower amounts, or the items so included, or other items, are or are not required to be disclosed (including, without limitation, whether such amounts or items are required to be disclosed as material or threatened) or are within or outside of the Ordinary Course, and no party will use the fact of the setting of the amounts or the fact of the inclusion of any item in this Agreement or the disclosure schedules or Exhibits in any dispute or controversy between the parties as to whether any obligation, item or matter not described or included in this Agreement or in any disclosure schedule or Exhibit is or is not required to be disclosed (including whether the amount or items are required to be disclosed as material or threatened) or is within or outside of the Ordinary Course for purposes of this Agreement. The information contained in this Agreement and in the disclosure schedules and Exhibits is disclosed solely for purposes of this Agreement, and no information contained herein or therein will be deemed to be an admission by any party to any third party of any matter whatsoever (including, without limitation, any violation of Law or breach of contract).

12.09 Amendment and Waiver

. Any provision of this Agreement or the disclosure schedules or Exhibits may be amended or waived only in a writing signed by Buyer and Sellers. No failure on the part of any Person to exercise any power, right, privilege or remedy under this Agreement, and no delay on the part of any Person in exercising any power, right, privilege or remedy under this Agreement, shall operate as a waiver of such power, right, privilege or remedy; and no waiver of any provision hereunder or any breach or default thereof will extend to or affect in any way any other provision or prior or subsequent breach or default. Notwithstanding anything to the contrary in this Agreement, Section 12.06 (Assignment), this Section 12.09 (Amendment and Waiver), Section 12.12(b) (Governing Law), Section 12.13(b) (Consent to Jurisdiction and Service of Process), Section 12.14 (Waiver of Jury Trial), Section 12.15(d) (No Third Party Beneficiaries), Section 12.19(b) (Specific Performance; Other Remedies), and Section 12.21 (Limitation on Recourse) may not be amended, modified, waived or terminated in a manner that is adverse in any respect to the Lead Arranger without the prior written consent of the Lead Arranger, such consent not to be unreasonably withheld, delayed or conditioned.

12.10 Complete Agreement

. This Agreement and the documents referred to herein (including the Ancillary Agreements, the Confidentiality Agreement and the Clean Team Agreement) contain the complete agreement between the parties and supersede any prior understandings, agreements or representations by or between the parties, written or oral, with respect to the subject matter hereof and thereof.

12.11 Counterparts

. This Agreement may be executed in multiple counterparts (including by means of telecopied signature pages or electronic transmission in portable document format (pdf)), any one of which need not contain the signatures of more than one party, but all such counterparts taken together will constitute one and the same instrument.

12.12 Governing Law

.

(a) Except as set forth in clause (b) of this Section 12.12, all matters relating to the interpretation, construction, validity and enforcement of this Agreement will be governed by and construed in accordance with the domestic Laws of the State of Delaware without giving effect to any choice or conflict of Law provision or rule (whether of the State of Delaware or any other

jurisdiction) that would cause the application of Laws of any jurisdiction other than the State of Delaware.

(b) Notwithstanding anything herein to the contrary, the parties hereto agree that any claim, controversy or dispute any kind or nature (whether based upon contract, tort or otherwise) involving a Financing Source that is in any way related to this Agreement or any of the transactions contemplated by this Agreement, including but not limited to any dispute arising out of or relating in any way to the Commitment Letter, the performance thereof or the financings contemplated thereby, shall be governed by, and construed in accordance with, the laws of the State of New York.

12.13 Consent to Jurisdiction and Service of Process

.

(a) Subject to Sections 1.03, 10.02 (which will govern any dispute arising thereunder), and clause (b) of this Section 12.13, the parties to this Agreement submit to the exclusive jurisdiction of the Delaware Chancery Court (or, if the Delaware Chancery Court shall be unavailable, any other court of the State of Delaware or, in the case of claims to which the federal courts have exclusive subject matter jurisdiction, any federal court of the United States of America sitting in the State of Delaware) in respect of the interpretation and enforcement of the provisions of this Agreement and any related agreement, certificate or other document delivered in connection herewith and by this Agreement waive, and agree not to assert, any defense in any action for the interpretation or enforcement of this Agreement and any related agreement, certificate or other document delivered in connection herewith that they are not subject thereto or that such action may not be brought or is not maintainable in such courts or that this Agreement may not be enforced in or by such courts or that their property is exempt or immune from execution, that the action is brought in an inconvenient forum, or that the venue of the action is improper. Service of process with respect thereto may be made upon any party to this Agreement by mailing a copy thereof by registered or certified mail, postage prepaid, to such party at its address as provided in Section 12.05.

(b) Notwithstanding the foregoing, each of the parties hereto hereby agrees that it will not bring or support any action, cause of action, claim, cross-claim or third-party claim of any kind or description, whether in law or in equity, whether in contract or in tort or otherwise, against the Financing Sources in connection with the Closing in any way relating to this Agreement, the Commitment Letter, or any of the transactions contemplated hereby or thereby, including, without limitation, any dispute arising out of or relating in any way to the Commitment Letter or the performance thereof, in any forum other than any United States Federal or New York State court sitting in the Borough of Manhattan, in the City of New York (or any appellate court therefrom), and that the provisions of Section 12.13(b) relating to the waiver of jury trial shall apply to any such action, cause of action, claim, cross-claim or third-party claim.

12.14 Waiver of Jury Trial

. Each party hereby acknowledges and agrees that any controversy which may arise under this Agreement or the Commitment Letter is likely to involve complicated and difficult issues, and therefore each such party hereby irrevocably and unconditionally waives any right such party may have to a trial by jury in respect of any litigation directly or indirectly arising out of or relating to (1) this Agreement or the transactions contemplated by this Agreement or (2) the Commitment Letter or any of the transactions

contemplated by the Commitment Letter, including any action, proceeding or counterclaim against any Financing Source, in each case, whether now existing or hereafter arising, and whether in contract, tort, equity or otherwise. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (I) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (II) EACH SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (III) EACH SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (IV) EACH SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 0.

12.15 No Third Party Beneficiaries

. This Agreement is for the sole benefit of the parties hereto and no Person other than the parties will have any rights, remedies or benefits under any provision of this Agreement, other than (a) the Buyer Indemnified Parties and the Seller Indemnified Parties with respect to Article 8, (b) Bass, Berry & Sims PLC with respect to Sections 12.16, (c) the Non-Recourse Parties with respect to Section 12.21 (to the extent expressly provided therein), and (d) the Financing Sources which the parties hereto specifically acknowledge and agree are hereby made express third party beneficiaries of Section 12.06 (Assignment), Section 12.09 (Amendment and Waiver), Section 12.12(b) (Governing Law), Section 12.13(b) (Consent to Jurisdiction and Service of Process), Section 12.14 (Waiver of Jury Trial), Section 12.15(d) (No Third Party Beneficiaries), Section 12.19(b) (Specific Performance; Other Remedies) and Section 12.21 (Limitation on Recourse).

12.16 Representation of Sellers and their Affiliates

. Buyer agrees that, following the Closing, Bass, Berry & Sims PLC may serve as counsel to Sellers and their Affiliates (for the avoidance of doubt, other than the Company) in connection with any matters related to this Agreement or any related agreement, certificate or other document delivered in connection herewith and the transactions contemplated hereby and thereby (the "Transaction Matters"), including any litigation, claim or obligation arising out of or relating to this Agreement or any related agreement, certificate or other document delivered in connection herewith or the transactions contemplated hereby or thereby notwithstanding any representation by Bass, Berry & Sims PLC prior to the Closing Date of the Company (the "Pre-Closing Representation"). Buyer (on behalf of itself and its Subsidiaries, including, following the Closing, the Company) hereby (i) waives any claim they have or may have that Bass, Berry & Sims PLC has a conflict of interest or is otherwise prohibited from engaging in such representation by virtue of the Pre-Closing Representation and (ii) agrees that, in the event that a dispute arises after the Closing with respect to the Transaction Matters between Buyer, the Company and Sellers or any of their Affiliates, Bass, Berry & Sims PLC may represent Sellers or any of their Affiliates in such dispute even though the interests of such Person(s) may be directly adverse to Buyer or the Company and even though Bass, Berry & Sims PLC may have represented the Company in Transaction Matters prior to the Closing. Buyer (on behalf of itself and its Subsidiaries, including, following the Closing, the Company) also further agrees that, as to all communications among Bass, Berry & Sims PLC and the Company and Sellers or their Affiliates and representatives, that relate in any way to the Transaction Matters, the attorney-client privilege and the expectation of client confidence belongs to Sellers and may be controlled by Sellers and will not pass to or be claimed by Buyer or the Company. Notwithstanding the foregoing, in the event that a dispute arises between Buyer, the

Company and a third party other than a party to this Agreement after the Closing, the Company may assert the attorney-client privilege to prevent disclosure of confidential communications by Bass, Berry & Sims PLC to such third party; provided, however, that the Company may not waive such privilege without the prior written consent of Sellers.

12.17 Deliveries to Buyer; Disclaimer

. Buyer agrees and acknowledges that all documents or other items included in the Data Site and accessible by Buyer and its representatives (including, without limitation, Buyer's accountants and any of Buyer's legal counsel) at least three (3) Business Days prior to the date hereof will be deemed to be delivered to Buyer for all purposes hereunder. Buyer acknowledges and agrees that Sellers have not made any representation or warranty, express or implied, as to the Business or the Company or as to the accuracy or completeness of any information regarding the Business or the Company furnished or made available to Buyer or its representatives, except as expressly set forth in this Agreement or the Ancillary Agreements and, except as set forth in this Agreement or the Ancillary Agreements, Sellers and their Affiliates will not have or be subject to any liability to Buyer or any other Person resulting from the distribution to Buyer or Buyer's use of or reliance on, any such information or any information, documents or material made available to Buyer. Buyer further agrees that none of Sellers nor any of their past, present or future direct or indirect Affiliates, directors, officers, members, employees or representatives will have or be subject to any liability or indemnification obligation (whether in contract or in tort) to Buyer or any other Person resulting from the distribution to Buyer, or Buyer's use of, any such information, including any information, document or material made available to Buyer or its Affiliates or representatives in the Data Site, management presentations or any other form in expectation of the transactions contemplated by this Agreement or otherwise, other than to the extent covered by a representation or warranty set forth in Article 3, Article 4 or any Ancillary Agreement. In connection with Buyer's investigation of the Business and the Company, Buyer has received from or on behalf of Sellers certain projections, including projected statements of operating revenues and income from operations of the Business and the Company and certain business plan information of the Business and the Company. Buyer acknowledges that there are uncertainties inherent in attempting to make such estimates, projections and other forecasts and plans, that Buyer is familiar with such uncertainties, that Buyer is taking full responsibility for making its own evaluation of the adequacy and accuracy of all estimates, projections and other forecasts and plans so furnished to it (including the reasonableness of the assumptions underlying such estimates, projections and forecasts), and that Buyer will have no claim against Sellers or any other Person with respect thereto, other than to the extent covered by a representation or warranty set forth in Article 3, Article 4 or any Ancillary Agreement. Accordingly, Sellers make no representations or warranties whatsoever with respect to such estimates, projections and other forecasts and plans (including the reasonableness of the assumptions underlying such estimates, projections and forecasts), other than to the extent a covered by a representation or warranty set forth in Article 3, Article 4 or any Ancillary Agreement. Notwithstanding the foregoing or anything to the contrary in this Agreement, nothing in this Section 12.17 shall in any way limit any of the representations or warranties set forth in Article 3, Article 4 or any Ancillary Agreement.

12.18 Conflict Between Transaction Documents

. The parties agree and acknowledge that to the extent any terms and provisions of this Agreement are in any way inconsistent with or in conflict with any term, condition or provision of any other agreement, document or instrument contemplated hereby, this Agreement will govern and control.

12.19 Specific Performance; Other Remedies

.

(a) The parties agree that irreparable damage for which monetary damages, even if available, would not be an adequate remedy, would occur in the event that the parties do not perform their obligations under the provisions of this Agreement (including failing to take such actions as are required of them hereunder to consummate this Agreement) in accordance with its terms. The parties acknowledge and agree that (i) the parties shall be entitled to an injunction, specific performance, or other equitable relief, to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof, without proof of damages and without posting a bond, this being in addition to any other remedy to which they are entitled at Law or equity, and (ii) the right of specific enforcement is an integral part of the transactions contemplated by this Agreement and without that right, none of the parties would have entered into this Agreement. Each party agrees that it will not oppose the granting of specific performance and other equitable relief on the basis that the other parties have an adequate remedy at Law. The parties acknowledge and agree that any party seeking an injunction to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in accordance with this Section shall not be required to provide any bond or other security in connection with any such injunction.

(b) Notwithstanding anything to the contrary contained in this Agreement, (i) the Sellers and their respective subsidiaries, affiliates, directors, officers, employees, agents, partners, managers, members or stockholders shall not have any rights or claims against any Financing Source, in any way relating to this Agreement or any of the transactions contemplated by this Agreement, or in respect of any oral representations made or alleged to have been made in connection herewith or therewith, including any dispute arising out of or relating in any way to the Commitment Letter or the performance thereof or the financings contemplated thereby, whether at law or equity, in contract, in tort or otherwise and (ii) no Financing Source shall have any liability (whether in contract, in tort or otherwise) to any of the Sellers and their respective subsidiaries, affiliates, directors, officers, employees, agents, partners, managers, members or stockholders for any obligations or liabilities of any party hereto under this Agreement or for any claim based on, in respect of, or by reason of, the transactions contemplated hereby and thereby or in respect of any oral representations made or alleged to have been made in connection herewith or therewith, including any dispute arising out of or relating in any way to the Commitment Letter or the performance thereof or the financings contemplated thereby, whether at law or equity, in contract, in tort or otherwise. In addition, without modifying or qualifying in any way the preceding sentence or implying any intent contrary thereto, the Sellers for themselves and on behalf of their respective subsidiaries, affiliates, directors, officers, employees, agents, partners, managers, members or stockholders hereby waive any rights or claims against the Financing Sources and hereby agree that in no event shall the Financing Sources have any liability or obligation to any such Person and in no event shall any such Person seek or obtain any other damages of any kind against any Financing Source (including consequential, special, indirect or punitive damages), in each case, relating to or arising out of this Agreement or the Debt Financing.

12.20 Electronic Delivery

. This Agreement and any signed agreement or instrument entered into in connection with this Agreement, and any amendments hereto or thereto, to the extent delivered by means of a facsimile machine or electronic mail (any such delivery, an "Electronic Delivery"), will be treated in all manner and respects as an original agreement or instrument and will be considered to have the same binding legal effect as if it were the original

signed version thereof delivered in person. At the request of any party hereto or to any such agreement or instrument, each other party hereto or thereto will re-execute original forms thereof and deliver them to all other parties. No party hereto or to any such agreement or instrument will raise the use of Electronic Delivery to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of Electronic Delivery as a defense to the formation of a contract, and each such party forever waives any such defense, except to the extent such defense related to lack of authenticity.

12.21 Limitation on Recourse

. No claim shall be brought or maintained by any party hereto or any of its Subsidiaries or their respective Affiliates or their respective successors or permitted assigns against any officer, director, employee (present or former) or Affiliate of Buyer, the Company or Sellers, as applicable (who shall be third party beneficiaries of this Section 12.21) (collectively, the "Non-Recourse Parties"), which is not otherwise expressly identified as a party hereto, and no recourse shall be brought or granted against any of the Non-Recourse Parties, by virtue of or based upon any alleged misrepresentation or inaccuracy in or breach of any of the representations, warranties or covenants of any party hereto set forth or contained in this Agreement or any exhibit or schedule hereto or any certificate delivered hereunder. Notwithstanding anything to the contrary contained in this Agreement, subject to the rights of the parties to the Commitment Letter under the terms thereof, the parties hereby agree that none of the Financing Sources shall have any liability to the Sellers or any of their Affiliates or any other Person (other than Buyer and its permitted assigns in respect of the Debt Financing) relating to or arising out of this Agreement or the Debt Financing), whether at law or equity, in contract or in tort or otherwise, and neither the Sellers nor any of their Affiliates or any other Person (other than Buyer and its permitted assigns in respect of the Debt Financing) shall have any rights or claims against any of the Financing Sources under this Agreement or the Debt Financing, whether at law or equity, in contract or in tort, or otherwise.

* * * *

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written.

BUYER:

ECS ACQUISITION CO. LLC

By: /s/ Michael Valentine
Name: Michael Valentine
Its: President

SELLERS:

CHANGE HEALTHCARE HOLDINGS, LLC

By /s/ Denise Ceule
Name: Denise Ceule
Its: Assistant Secretary

CHANGE HEALTHCARE TECHNOLOGIES, LLC

By: /s/ Denise Ceule
Name: Denise Ceule
Its: Assistant Secretary

EXHIBIT 2.2

EXECUTION VERSION

AGREEMENT AND PLAN OF MERGER

by and among

Health Grid Holding Company,

The Persons listed on Schedule 1.1 who execute a Joinder to this Agreement,

The Representative,

Allscripts Healthcare, LLC

and

FollowMyHealth Merger Sub, Inc.

Dated April 27, 2018

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AGREEMENT AND PLAN OF MERGER

This Agreement and Plan of Merger (this "**Agreement**") is entered into on April 27, 2018 by and among **Allscripts Healthcare, LLC**, a North Carolina limited liability company ("**Buyer**"), **FollowMyHealth Merger Sub, Inc.**, a Delaware corporation ("**Merger Sub**"), **Health Grid Holding Company**, a Delaware corporation (the "**Company**"), the Persons listed on Schedule 1.1 who execute a Joinder to this Agreement (each individually a "**Stockholder**" and collectively, the "**Stockholders**"), and **Raj Toleti**, in his capacity as the representative of Stockholders (the "**Representative**"). Buyer, Merger Sub, the Company, Stockholders and the Representative are referred to collectively herein as the "**Parties**" and individually as a "**Party**."

PRELIMINARY STATEMENTS

A. Buyer desires to acquire the Company by causing Merger Sub to merge into the Company, with the Company being the Surviving Corporation and becoming a wholly-owned subsidiary of Buyer (the "**Merger**") on the terms and conditions set forth in this Agreement.

B. The board of directors of the Company has approved this Agreement in accordance with the General Corporation Law of the State of Delaware (the "**DGCL**") and determined that this Agreement and the Merger are advisable and in the best interests of the Stockholders.

C. The board of directors of Merger Sub has approved this Agreement in accordance with the DGCL and determined that this Agreement and the Merger are advisable and in the best interest of the sole stockholder of Merger Sub.

AGREEMENT

Now, therefore, in consideration of the premises and the mutual promises herein made, and in consideration of the representations, warranties, covenants and other valuable consideration herein contained, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE 1

THE MERGER

1.1 Basic Transaction. In accordance with the terms and upon the conditions of this Agreement, at the Effective Time, Merger Sub shall be merged with and into the Company, whereupon the separate existence of Merger Sub shall cease, and the Company shall continue as the surviving corporation. The Company, as the surviving corporation in the Merger, is hereinafter sometimes referred to as the "**Surviving Corporation**."

1.2 Effective Time. At the Closing, Buyer, Merger Sub and the Company shall cause the certificate of merger, in form and substance substantially similar to Exhibit A attached hereto (the "**Certificate of Merger**") to be executed, acknowledged and filed with the Secretary of State of the State of Delaware, and shall make all other filings or recordings required by the DGCL to complete the Merger. The Merger shall become effective at such time as the Certificate of Merger

is duly filed with the Secretary of State of the State of Delaware or at such other time as Buyer and the Company shall agree and shall specify in the Certificate of Merger (the "**Effective Time**").

1.3 Effect of the Merger. At the Effective Time, the effect of the Merger shall be as provided in this Agreement and the applicable provisions of the DGCL. Without limiting the generality of the foregoing, and subject thereto, from and after the Effective Time, all of the property, rights, privileges, immunities, powers and purposes of the Company and Merger Sub shall vest in the Surviving Corporation, and all debts, obligations and other liabilities of the Company and Merger Sub shall become the debts, obligations and other liabilities of the Surviving Corporation.

1.4 Certificate of Incorporation; Bylaws. The certificate of incorporation and bylaws of the Merger Sub in effect at the Effective Time shall be the certificate of incorporation and bylaws of the Surviving Corporation until changed or amended as provided by the certificate of incorporation or the bylaws of the Surviving Corporation or in accordance with applicable Law.

1.5 Directors and Officers. From and after the Effective Time, until successors are duly elected or appointed in accordance with applicable Law, the directors and officers of the Merger Sub at the Effective Time shall be the directors and officers, as applicable, of the Surviving Corporation.

1.6 Effect on Stock, Warrants and Options. On the terms and subject to the conditions of this Agreement, at the Effective Time, by virtue of the Merger and without any action on the part of the Parties or any of the Stockholders, the following shall occur:

(a) Company Securities. Each share of Common Stock issued and outstanding including all shares of Common Stock required to be issued upon the exercise of any Options or Warrants prior to the Effective Time, shall, by virtue of the Merger, be cancelled and extinguished, and each such share of Common Stock shall be converted into the right to receive (i) the Per Share Common Merger Consideration, plus (ii) the Per Share Earn-Out Payments (if any), to the extent payable to the Participating Equityholders in accordance with Section 1.8(c), plus (iii) the Per Share Special Holdback (if any). The estimated Per Share Common Merger Consideration and the Fully-Diluted Pro Rata Percentage for each Participating Equityholder is set forth on Schedule 1.1, which will be updated at least three (3) Business Days prior to Closing, in accordance with this Agreement and as approved by the Board of Directors of the Company and by the Stockholders.

(b) Treasury Stock. Each Company Security that is owned by the Company immediately prior to the Effective Time (if any) shall automatically be cancelled and shall cease to exist and no consideration shall be delivered in exchange therefor.

(c) Warrants. Each Warrant that is unexpired, unexercised and outstanding immediately prior to the Effective Time and that has an exercise price less than the Net Warrant Amount shall, on the terms and subject to the conditions set forth in this Agreement, by virtue of the Merger and without any action on the part of Buyer, Merger Sub, the Company or the Stockholders, thereafter no longer be exercisable but shall entitle the holder of such Warrant, in cancellation and settlement therefor, to receive for each share

of Common Stock subject to such Warrant immediately prior to the Effective Time, (i) the Net Warrant Merger Consideration, plus (ii) the Per Share Earn-Out Payment (if any), to the extent payable to the Participating Equityholders in accordance with Section 1.8(c), plus (iii) the Per Share Special Holdback (if any) (the "**In the Money Warrants**"). Each Warrant that is unexpired, unexercised and outstanding immediately prior to the Effective Time and that has a per share exercise price equal to or greater than the Net Warrant Amount shall, on the terms and subject to the conditions set forth in this Agreement, by virtue of the Merger and without any action on the part of Buyer, Merger Sub, the Company or the Stockholders, be cancelled without any payment of consideration.

(d) Company Options.

(i) *In the Money Options*. Prior to the Closing, the board of directors of the Company shall have adopted appropriate resolutions and taken all other actions necessary and appropriate to provide that each Company Option outstanding and unexercised immediately prior to the Effective Time under any stock option plan of the Company shall automatically and without any required action on the part of the holder thereof, be cancelled and retired and cease to exist effective as of the Effective Time, and, in exchange therefor, each former holder of any such cancelled Company Option that has vested as of immediately prior to the Effective Time (including Company Options receiving accelerated vesting as of the Effective Time) and that has an exercise price per share of Company Common Stock subject thereto less than the Per Share Common Merger Consideration, which are listed on Schedule 1.6(d)(i) (an "**In the Money Option**") shall be entitled to receive, subject to the execution of an "**In the Money Option Cancellation Agreement**", in consideration of the cancellation of such Company Option and in settlement therefor, an amount in cash (without interest and subject to any applicable withholding or other Taxes required by applicable Law to be withheld or otherwise paid by the Company) equal to (w) the product of (A) the total number of shares of vested Company Common Stock subject to such Company Option (the "**Option Shares**"), and (B) the excess of the Per Share Common Merger Consideration over the exercise price per share of such Company Option, plus (x) the Per Share Earn-Out Payment (if any), to the extent payable to the Participating Equityholders in accordance with Section 1.8(c), plus (y) the Per Share Special Holdback (if any).

(ii) *Out of the Money Options*. Each Company Option outstanding and unexercised immediately prior to the Effective Time under any stock option plan of the Company which is not an In the Money Option are listed on Schedule 1.6(d)(ii) (an "**Out of the Money Option**") and shall be entitled to receive subject to execution of an "**Out of the Money Option Cancellation Agreement**", in consideration of the cancellation of such Company Option and in settlement therefor, an amount in cash (without interest and subject to any applicable withholding or other Taxes required by applicable Law to be withheld or otherwise paid by the Company) equal to the applicable Bonus Consideration amount set forth in such Out of the Money Option Cancellation Agreement and Schedule 1.8(a)(iv).

(e) Merger Sub Securities. Each share of common stock of Merger Sub issued and outstanding immediately prior to the Effective Time shall be converted into and exchanged for one validly issued, fully-paid and nonassessable share of common stock of the Surviving Corporation.

(f) Dissenting Shares. Notwithstanding anything in this Agreement to the contrary, shares of Common Stock that are issued and outstanding immediately prior to the Effective Time and that are held by a Stockholder who is entitled to demand and properly demands payment for such Stockholder's shares pursuant to, and who has complied in all material respects with Sections 262 of the DGCL, including without limitation, making a written demand on the Company for appraisal within twenty (20) days after the mailing of the solicitation statement contemplated by Section 4.1(b) in accordance with Section 262(d)(2) of the DGCL ("**Dissenting Shares**") shall not be converted into or be exchangeable for the right to receive the Per Share Common Merger Consideration or Per Share Earn-Out Payments, but instead shall be only entitled to such rights as are provided by the DGCL with respect to such Dissenting Shares, unless and until such Stockholder shall have failed to perfect or shall have effectively withdrawn, waived or lost such Stockholder's right under the DGCL. If any such Stockholder shall have failed to perfect or shall have effectively withdrawn or lost such right, each Dissenting Share held by such Stockholder shall be treated, at the Company's sole discretion, as a share of Common Stock that had been converted as of the Effective Time into the right to receive, and become exchangeable for, the applicable (i) Per Share Common Merger Consideration, plus (ii) the Per Share Earn-Out Payments (if any), plus (iii) the Per Share Holdback, if any. Any payments made in respect of Dissenting Shares shall be made by the Surviving Corporation. The Company shall give prompt notice to Buyer of any demands received by the Company for appraisal of shares of the Common Stock and of attempted withdrawals of such notice and any other instruments provided pursuant to applicable Law. The Company shall not, except with the prior written consent of Buyer make any payment with respect to, or settle or offer to settle, any such demands or approve any withdrawal of any such demands. The Buyer Indemnitees shall be entitled to recover any payment or payments in respect of any Dissenting Shares in excess of the consideration that otherwise would have been payable in respect of such Dissenting Shares pursuant to Article 8 hereof.

1.7 Estimated Cash Payment. Not less than five (5) Business Days prior to the Closing Date, the Representative shall deliver to Buyer a certificate signed by the Representative setting forth the Representative's best estimate of the Cash Amount, Debt Amount, Transaction Expenses Amount, and Working Capital Surplus, if any, or Working Capital Deficit, if any, in each case as of the Closing Date and, based on such estimates, the Cash Payment (the "**Estimated Cash Payment**"), together with reasonable supporting calculations for such estimates.

1.8 Payment and Delivery of the Aggregate Merger Consideration.

(a) Closing Payments. At the Closing, Buyer shall:

(i) pay the amounts to be paid pursuant to Section 1.6 based on the Estimated Cash Payment by wire transfer of immediately available funds to (x) the Paying Agent for the benefit of the Stockholders, and (y) to the Company or its

current payroll provider for distribution to the holders of In the Money Options, all in accordance with Schedule 1.1;

(ii) pay the Pre-Paid Amount to (x) the Paying Agent for the benefit of the Stockholders, and (y) to the Company or its current payroll provider for distribution to the holders of In the Money Options, all in accordance with Schedule 1.1;

(iii) pay the Debt Amount, if any, pursuant to the payoff letters delivered by the Representative to Buyer pursuant to Section 7.1(i);

(iv) payment to the Company or its current payroll provider by wire transfer of immediately available funds an amount equal to the Bonus Consideration for distribution to the Persons set forth on Schedule 1.8(a)(iv) (the "**Bonus Recipients**"); and

(v) pay all other Transaction Expenses Amounts pursuant to the direction of the Representative.

(b) Cash Payment Adjustment. Within five (5) Business Days after the Cash Payment becomes final and binding in accordance with Section 1.9:

(i) if the Cash Payment exceeds the Estimated Cash Payment, then such excess shall be paid by Buyer to the Paying Agent for the benefit of the Participating Equityholders, which amount shall be distributed to the Participating Equityholders in accordance with their Fully-Diluted Pro Rata Percentages; or

(ii) if the Estimated Cash Payment exceeds the Cash Payment, then such excess shall be paid by the Representative, on behalf of the Participating Equityholders, to Buyer in cash.

(c) Earn-Out Payments. Within five (5) Business Days after an Earn-Out Payment becomes final and binding in accordance with Section 1.11, Buyer shall pay the Paying Agent the Earn-Out Payments, if any, for the benefit of the Participating Equityholders, which amount shall be paid to the Participating Equityholders in accordance with their Fully-Diluted Pro Rata Percentage.

(d) Special Holdback Payment. In the event that prior to the Closing Date the Company has not satisfied the conditions set forth on Schedule 1.8(d) (the "**Special Holdback Conditions**"), then Buyer shall not pay, and shall deduct from the Estimated Cash Payment, the Special Holdback at Closing. The amount of the Special Holdback shall be reduced to the extent Buyer or the Company incurs any Adverse Consequences with respect to the matter set forth on Schedule 1.8(d), which reduction shall be netted against any amount paid to the Company by a third party with respect to such matter. To the extent the Company receives any payments in connection with the claims described on Schedule 1.8(d), in excess of the Adverse Consequences, Buyer shall or shall cause the Company to pay to the Paying Agent for the benefit of the Participating Equityholders such amount, which amount shall be distributed to the Participating Equityholders in accordance with

their Fully-Diluted Pro Rata Percentages. The remaining portion of the Special Holdback, if any, shall be paid by Buyer to the Paying Agent for the benefit of the Participating Equityholders, which amount shall be paid to the Participating Equityholders in accordance with their Fully-Diluted Pro Rata Percentage, on the earlier of (a) November 30, 2018 and (b) satisfaction of the Special Holdback Conditions; provided, however, that to the extent there is a pending claim by a third-party against the Company or Buyer with respect to the matter set forth on Schedule 1.8(d), no portion of the Special Holdback shall be paid by Buyer until such claim is resolved.

(e) Payments. All payments to the Paying Agent pursuant to this Section 1.8 shall be made by wire transfer of immediately available funds to an account or accounts designated by the Representative in writing. All payments to Buyer pursuant to Section 1.8(b)(ii) shall be made by wire transfer of immediately available funds to an account designated by Buyer in writing. All payments to the Participating Equityholders pursuant to this Section 1.8 shall be made by wire transfer of immediately available funds to an account designated by such Participating Equityholder in writing.

(f) Withholding. The Parties and any other applicable withholding agent will be entitled to deduct and withhold from any amounts payable pursuant to or as contemplated by this Agreement any Taxes or other amounts required under the Code or any Law to be deducted and withheld, and, to the extent that any amounts are so deducted or withheld, such amounts will be treated for all purposes of this Agreement as having been paid to the Person in respect of which such deduction and withholding was made; provided, however, that Buyer shall notify the Representative in writing no fewer than two (2) Business Days prior to the Closing Date of the amount and basis of such withholding and the withholding party shall cooperate in good faith with the Representative to use commercially reasonable efforts identified by the Representative to mitigate any such requirement to deduct or withhold to the extent permitted by applicable Law. Notwithstanding anything to the contrary herein, any compensatory amounts subject to payroll reporting and withholding that are payable pursuant to or as contemplated by this Agreement shall be payable in accordance with the applicable payroll procedures of the Company.

1.9 Cash Payment Determination.

(a) Within sixty (60) days after the Closing Date, Buyer shall prepare and deliver to the Representative a statement setting forth Buyer's calculation of the Cash Amount, Debt Amount, Transaction Expenses Amount, Working Capital, Working Capital Surplus, if any, and Working Capital Deficit, if any, in each case as of the Closing Date and, based on such calculations, the Cash Payment (the "**Closing Statement**"). If Buyer does not deliver a Closing Statement within such sixty (60)-day period, then following written notice by the Representative of such failure and a failure by Buyer to cure within ten (10) days following such notice, then at the election of the Representative in its sole discretion, either (i) the adjustment to the Estimated Cash Payment pursuant to Section 1.8(b) shall be deemed to equal zero or (ii) the Representative shall make any adjustments necessary to the calculation of the Estimated Cash Payment consistent with the provisions of this Article 1 and such determination of the adjustments to the Estimated Cash Payment

pursuant to Section 1.8(b) shall, absent manifest error, be conclusive and binding on the parties hereto..

(b) During the thirty (30) day period following the Representative's receipt of the Closing Statement, Buyer shall cause the Company to afford the Representative and its representatives reasonable opportunity to review the necessary books and records of the Company relating to the preparation of the Closing Statement and discuss the same with appropriate Company employees, in each case as reasonably requested by the Representative in connection with its review of the Closing Statement; provided that any such access will be at reasonable times, upon reasonable notice and will not unduly interfere with the Company's normal business operations. If the Representative has any objections to the Closing Statement prepared by Buyer, then the Representative will deliver a detailed written statement (the "**Objections Statement**") describing (i) the items on the Closing Statement to which the Representative objects, (ii) the basis for the Representative's disagreement with the calculation of such items and (iii) the Representative's proposed dollar amount for each item in dispute, to Buyer within thirty (30) days after delivery of the Closing Statement; provided that the Representative may not make any objection the basis for which is inconsistent with the terms of this Agreement. If the Representative fails to deliver an Objections Statement within such thirty (30) day period, then the Closing Statement shall become final and binding on all Parties. The Representative shall be deemed to have agreed with all amounts and items contained or reflected in the Closing Statement to the extent such amounts or items are not disputed in the Objections Statement.

(c) If the Representative delivers an Objections Statement within such thirty (30) day period, then the Representative and Buyer will use commercially reasonable efforts to resolve any such disputes, but if a final resolution is not obtained within thirty (30) days after the Representative has submitted any Objections Statements, any remaining matters which are in dispute will be resolved by BDO USA, LLP (the "**Accountants**"). The Accountants will prepare and deliver a written report to Buyer and the Representative and will submit a proposed resolution of such unresolved disputes promptly, but in any event within thirty (30) days after the dispute is submitted to the Accountants. The Accountants' determination of such unresolved disputes will be final and binding upon all Parties and not subject to review by a court or other tribunal; provided, however, that no such determination shall be any more favorable to Buyer than is set forth in the Closing Statement or any more favorable to the Representative than is proposed in the Objections Statement. The costs, expenses and fees of the Accountants shall be borne by the Party whose calculation of the Cash Payment has the greatest difference from the final Cash Payment as determined by the Accountants under this Section 1.9. The final Closing Statement, however determined pursuant to this Section 1.9, will produce the Working Capital Surplus, if any, the Working Capital Deficit, if any, the Cash Amount, the Debt Amount and the Transaction Expenses Amount to be used to determine the final Cash Payment (the "**Final Cash Payment**").

1.10 Calculation of Earn-Out Payments.

(a) Subject to Sections 1.10(b) through 1.10(g) below, the Earn-Out Payments shall be calculated as follows:

(i) $20,000,000 (the "**First Earn-Out Payment**") if the Company's Recurring Revenue for the First Year is equal to or exceeds $24,000,000 (the "**First Year Revenue Target**"), $10,000,000 of which will be paid in advance on the Closing Date (the "**Pre-Paid Amount**") and the remaining $10,000,000 to be paid within 90 days after the end of the First Year;

(ii) $20,000,000 (the "**Second Earn-Out Payment**") to be paid within 90 days of the end of the Second Year if the Company's Recurring Revenue for the Second Year is equal to or exceeds $42,500,000 (the "**Second Year Revenue Target**"); and

(iii) $10,000,000 (the "**Third Earn-Out Payment**") to be paid within 90 days of the end of the Third Year if the Company's Recurring Revenue for the Third Year is equal to or exceeds $62,500,000 (the "**Third Year Revenue Target**").

(b) Subject to Sections 1.10(c) and 1.10(d), the First Earn-Out Payment will not be paid if less than 75% of the First Year Revenue Target is met in the First Year, and (b) to the extent at least 75% but less than 100% of the First Year Revenue Target is met in the First Year, the amount of the First Earn-Out Payment will be calculated as follows: (i) achievement of 75% of the First Year Revenue Target will result in 7.5% of the First Earn-Out Payment being earned; with (ii) the amount of the First Earn-Out Payment increasing ratably from a 7.5% payout up to a 100% payout of the Second Earn-Out Payment to the extent First Year Recurring Revenue exceeds 75% of the First Year Revenue Target. For example, if 80% of the First Year Revenue Target is met in the First Year (i.e., if Recurring Revenue is $19.2 million), the amount of the First Earn-Out Payment will be $5,200,000.

(c) In the event the Company's First Year Recurring Revenue is finally determined pursuant to Section 1.11 to be less than $18,000,000, Buyer will be entitled to clawback from the Participating Equityholders the entire amount of the Pre-Paid Amount by delivery of written notice to the Representative no later than ten (10) days following the final determination of the First Year Recurring Revenue pursuant to Section 1.11. If such notice is not timely delivered, Buyer's right to clawback the Pre-Paid Amount shall terminate. In the event Buyer provides notice of the exercise of its right to clawback the Pre-Paid Amount, and subject to Article 8, the Participating Equityholders shall pay to Buyer in immediately available funds each of their respective share (based on their Fully-Diluted Pro Rata Percentage) of the Pre-Paid Amount to be clawed back within five (5) Business Days of the date of the final determination of First Year Recurring Revenue pursuant to Section 1.11.

(d) To the extent the full amount of the First Earn-Out Payment is not achieved but the aggregate Recurring Revenue in the Second Year or Third Year exceeds the First Year Revenue Target, Buyer shall pay the portion of the First Earn-Out Payment which has not been paid no later than ten (10) days following the end of the quarter in the Second Year or Third Year in which the Recurring Revenue in the Second Year or Third Year exceeds the First Year Revenue Target and not clawback any of the Pre-Paid Amount or repay to the Participating Equityholders any portion of the Pre-Paid Amount that was clawed back.

(e) The Second Earn-Out Payment will not be paid if less than 70% of the Second Year Revenue Target is met for the Second Year, and (b) to the extent at least 70% but less than 100% of the Second Year Revenue Target is met for the Second Year, the amount of the Second Earn-Out Payment to be paid will be calculated as follows: (i) achievement of 70% of the Second Year Revenue Target will result in 15% of the Second Earn-Out Payment being earned; with (ii) the amount of the Second Earn-Out Payment increasing ratably from a 15% payout up to a 100% payout of the Second Earn-Out Payment to the extent Second Year Recurring Revenue exceeds 70% of the Second Year Revenue Target. For example, if 80% of the Second Year Revenue Target is met in the Second Year (i.e., if Recurring Revenue is $34 million), the amount of the Second Earn-Out Payment will be $8,666,666.67.

(f) The Third Earn-Out Payment will not be paid if less than 69.6% of the Third Year Revenue Target is met for the Third Year, and (b) to the extent at least 69.6% but less than 100% of the Third Year Revenue Target is met for the Third Year, the amount of the Third Earn-Out Payment to be paid will be calculated as follows: (i) achievement of 69.6% of the Third Year Revenue Target will result in 5% of the Third Earn-Out Payment being earned; with (ii) the amount of the Third Earn-Out Payment increasing ratably from a 5% payout up to a 100% payout of the Third Earn-Out Payment to the extent Third Year Recurring Revenue exceeds 69.6% of the Third Year Revenue Target. For example, if 74.6% of the Third Year Revenue Target is met in the Third Year (i.e., if Recurring Revenue is $46,625,000), the amount of the Third Earn-Out Payment will be $2,062,500.

(g) To the extent the full amount of the Second Earn-Out Payment is not earned but the aggregate Recurring Revenue in the Third Year exceeds the Second Year Revenue Target, Buyer shall pay the portion of the Second Earn-Out Payment which has not been paid no later than ten (10) days following the end of the quarter in the Third Year in which Recurring Revenue in the Third Year exceeds the Second Year Revenue Target.

1.11 Determination of Earn-Out Payments. During the First Year, the Second Year and the Third Year, Buyer shall deliver to the Representative within thirty (30) days after the end of each quarter of each applicable year a report setting forth Buyer's preliminary and non-binding calculation of Recurring Revenue for such quarter. Within sixty (60) days after the end of each of the First Year, the Second Year and the Third Year, Buyer shall prepare and deliver to the Representative a report (the "**Earn-Out Report**") setting forth Buyer's calculation of Recurring Revenue and the resulting Earn-Out Payments, if any. Buyer's calculations of Recurring Revenue shall be made in accordance with the definition of Recurring Revenue. If the Representative has any objections to the calculation of Recurring Revenue and the resulting Earn-Out Payment calculation(s) prepared by Buyer, then the Representative will deliver a detailed written statement (the "**Earn-Out Objections Statement**") describing its objections to Buyer within thirty (30) days after delivery of the Earn-Out Report. If the Representative fails to deliver an Earn-Out Objections Statement within such thirty (30) day period, then the calculation of Recurring Revenue and the resulting Earn-Out Payment set forth in the Earn-Out Report shall become final and binding on all Parties. If the Representative delivers an Earn-Out Objections Statement within such thirty (30) day period, then the Representative and Buyer will use commercially reasonable efforts to resolve any such disputes, but if a final resolution is not obtained within thirty (30) days after the Representative has submitted the Earn-Out Objections Statement, any remaining matters which

are in dispute will be resolved by the Accountants. The Accountants will prepare and deliver a written report to Buyer and the Representative and will submit a resolution of such unresolved disputes promptly, but in any event within thirty (30) days after the dispute is submitted to the Accountants. The Accountants' determination of such unresolved disputes will be final and binding upon all Parties; provided, however, that no such determination shall be any more favorable to Buyer than is set forth in the Earn-Out Report or any more favorable to the Representative than is proposed in the Earn-Out Objections Statement. The costs, expenses and fees of the Accountants shall be borne by the Party whose calculation of the Earn-Out Payments has the greatest difference from the final Earn-Out Payments as determined by the Accountants under this Section 1.11. If each of the Party's calculation differs equally from the calculation as finally determined by the Accountants, then such cost will be borne equally by Buyer, on the one hand, and the Representative (on behalf of the Participating Equityholders), on the other hand. Upon the Earn-Out Payment becoming final and binding in accordance with this Section 1.11, Buyer shall pay such Earn-Out Payment, if any, to the Participating Equityholders in accordance with Section 1.8(c).

1.12 Management of the Post-Closing Company Business.

(a) From the Closing Date through the end of the Second Year, Buyer shall operate the Company in (i) good faith and in the long-term best interests of the Company's business not taking into account the impact of the Earn-Out Payments and (ii) accordance in all material respects with the Business Plan attached hereto as Schedule 1.12(a) (the "**Business Plan**").

(b) The Stockholders acknowledge and agree that the management team and employees of the Company will provide FMH branding of the Business' product, sales support, sales demo environments, development environments, implementation, hosting, technical support, and integration services. To the extent that Buyer requires other activities from the management team and employees of the Company, the management team and employees of the Company will work with Buyer on achieving the implementation and integration milestones to be agreed upon by the parties.

(c) Notwithstanding anything to the contrary in this Agreement, upon the occurrence of any of the following, all Earn-Out Payments not yet paid will be deemed to be immediately due and payable and the Pre-Paid Amount shall cease to be subject to clawback (or shall be repaid to the extent previously clawed back), regardless of the Recurring Revenue for any period:

(i) (1) a sale of all or substantially all assets of the Company or its Subsidiaries to an unaffiliated third party, (2) a sale or other transfer, in a single transaction or multiple related transactions, however structured, of fifty percent (50%) or more of the equity securities of the Company or its Subsidiaries to an unaffiliated third party, (3) a merger of the Company or any of its Subsidiaries into an unaffiliated third party in which the Company or such Subsidiary is not the surviving corporation or after which the Company or such Subsidiary ceases to have substantially the same business as prior to such merger, or (4) a combination of business operations of the Company or a Subsidiary with any other unaffiliated third party, whether or not conducted through a merger; or

(ii) the Company ceasing to operate the Business.

1.13 Calculations. All calculations of Working Capital under this Agreement, whether estimates or otherwise, shall be determined in accordance with GAAP, as modified as set forth in the example of the Working Capital calculation attached hereto as Exhibit E.

1.14 Stockholder Payments. The Paying Agent shall act as paying agent in effecting payments to the Participating Equityholders of the Aggregate Merger Consideration based on Schedule 1.1. Notwithstanding anything to the contrary contained in this Agreement, none of Buyer, Merger Sub or the Surviving Corporation shall have any liability to the Participating Equityholders or any other Person if there are any inaccuracies in the payments made in accordance with Schedule 1.1 or the payment instructions provided to the Company by the Representative or any Participating Equityholder. Representative, on behalf of the Participating Equityholders, shall be responsible for payment of the fees, costs and expenses of the Paying Agent, which fees, costs and expenses may be netted against payments made by the Paying Agent to the Participating Equityholders.

1.15 Closing. Subject to the terms and conditions of this Agreement, the closing of the transactions contemplated by this Agreement (the "**Closing**") shall take place electronically by the mutual exchange of facsimile or portable document format (.PDF) signatures not later than five (5) Business Days after the last of the conditions to Closing set forth in Article 5 has been satisfied or waived (other than conditions, which, by their nature, are to be satisfied on the Closing Date, or at such other time as Representative and Buyer may mutually agree upon in writing) (the day on which the Closing takes place being the "**Closing Date**"). All transactions contemplated herein to occur on and as of the Closing Date shall be deemed to have occurred simultaneously and to be effective as of 12:01 a.m. Central time on such date.

ARTICLE 2

REPRESENTATIONS AND WARRANTIES CONCERNING TRANSACTION

2.1 Representations and Warranties of Stockholders. Each Stockholder, severally and not jointly, represents and warrants to Buyer and Merger Sub that the statements contained in this Section 2.1 are correct and complete as of the date of this Agreement and the Closing Date, except as set forth in the corresponding section of the Disclosure Schedule.

(a) Authorization of Transaction. Such Stockholder, if an entity, is duly formed, validly existing and in good standing under the Laws of the State of its formation set forth on Section 2.1(a)(i) of the Disclosure Schedule. Such Stockholder has full power, authority and legal capacity to execute and deliver this Agreement and the Ancillary Agreements to which such Stockholder is a party and to perform such Stockholder's obligations hereunder and thereunder. If such Stockholder is an entity, then the execution and delivery by such Stockholder of this Agreement and the Ancillary Agreements to which such Stockholder is a party and the performance by such Stockholder of the transactions contemplated hereby and thereby have been duly approved by all requisite action of such Stockholder. Assuming the due authorization, execution and delivery of this Agreement and the Ancillary Agreements by the other parties thereto, this Agreement and each Ancillary Agreement to which such Stockholder is a party constitute the valid and legally binding obligation of such Stockholder, enforceable against such Stockholder in accordance with their terms, except as such enforceability may be limited by bankruptcy,

insolvency, reorganization, moratorium and similar laws affecting creditors generally and by the availability of equitable remedies. Except as set forth on Section 2.1(a)(ii) of the Disclosure Schedule, such Stockholder is not required to give any notice to, make any filing with, or obtain any Consent of any Governmental Body or any other Person in order to consummate the transactions contemplated by this Agreement or the Ancillary Agreements to which such Stockholder is a party.

(b) Non-contravention. Neither the execution and the delivery of this Agreement nor the Ancillary Agreements to which such Stockholder is a party, nor the consummation of the transactions contemplated hereby and thereby, will (i) violate or conflict with any Law or Order to which such Stockholder is subject, (ii) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under any Contract to which such Stockholder is a party or by which such Stockholder is bound or to which any of such Stockholder's assets is subject, which would reasonably be expected to adversely affect the ability of such Stockholder to fulfill and comply with the terms and conditions of this Agreement and any Ancillary Agreements, (iii) result in the imposition or creation of a Lien upon or with respect to the Company Securities or (iv) violate any provision of the Organizational Documents of such Stockholder, if an entity.

(c) Brokers' Fees. Such Stockholder has no liability or obligation to pay any fees or commissions to any broker, finder, or agent with respect to the transactions contemplated by this Agreement or any Ancillary Agreement.

(d) Company Securities. Such Stockholder holds of record and owns beneficially the number of Company Securities set forth next to such Stockholder's name in Schedule 1.1, free and clear of any Liens. Such Stockholder is not a party to, and such Stockholder's Company Securities are not subject to, any option, warrant, purchase right or other Contract that could require such Stockholder to sell, transfer, or otherwise dispose of any Company Securities (other than this Agreement). Except for the Stockholders' Agreement of the Company, such Stockholder is not a party to any voting trust, proxy or other Contract with respect to the voting of any Company Securities.

(e) Litigation. Such Stockholder is not engaged in or a party to or, to the Knowledge of such Stockholder, threatened with any complaint, charge, Proceeding, Order or other process or procedure for settling disputes or disagreements with respect to the Company or any of its Subsidiaries or the transactions contemplated by this Agreement, and such Stockholder has not received written or, to the Knowledge of such Stockholder, oral notice of a claim or dispute that is reasonably likely to result in any such complaint, charge, Proceeding, Order or other process or procedure for settling disputes or disagreements with respect to the Company or any of its Subsidiaries or the transactions contemplated by this Agreement.

2.2 Representations and Warranties of Buyer and Merger Sub. Buyer and Merger Sub represent and warrant to Stockholders that the statements contained in this Section 2.2 are correct and complete as of the date of this Agreement and the Closing Date.

(a) Organization of Buyer. Buyer is a limited liability company duly formed, validly existing and in good standing under the Laws of the State of North Carolina. Merger Sub is a corporation duly formed, validly existing and in good standing under the Laws of the State of Delaware.

(b) Authorization of Transaction. Buyer and Merger Sub each have full power and authority to execute and deliver this Agreement and the Ancillary Agreements to which each is a party and to perform their obligations hereunder and thereunder. The execution and delivery by Buyer of this Agreement and the Ancillary Agreements to which Buyer is a party and the performance by Buyer and Merger Sub of the transactions contemplated hereby and thereby have been duly approved by all requisite action of Buyer and Merger Sub. Assuming the due authorization, execution and delivery of this Agreement and the Ancillary Agreements by the other parties thereto, this Agreement and each Ancillary Agreement to which Buyer and Merger Sub is a party constitute the valid and legally binding obligation of Buyer or Merger Sub, as applicable, enforceable against Buyer or Merger Sub, as applicable, in accordance with their terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and similar Laws affecting creditors generally and by the availability of equitable remedies. Except as required to comply with applicable federal and state securities Laws and filings under the HSR Act, Buyer is not required to give any notice to, make any filing with, or obtain any Consent of any Governmental Body or any other Person in order to consummate the transactions contemplated by this Agreement or the Ancillary Agreements to which Buyer is a party.

(c) Non-contravention. Neither the execution and the delivery of this Agreement nor the Ancillary Agreements to which Buyer or Merger Sub is a party, nor the consummation of the transactions contemplated hereby and thereby, will (i) violate or conflict with any Law or Order to which Buyer or Merger Sub is subject, (ii) violate any provision of the Organizational Documents of Buyer or Merger Sub or (iii) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under any Contract to which Buyer or Merger Sub is a party or by which it is bound or to which any of its assets is subject.

(d) Brokers' Fees. Buyer and Merger Sub do not have any liability or obligation to pay any fees or commissions to any broker, finder or agent with respect to the transactions contemplated by this Agreement for which any Stockholder could become liable or obligated.

(e) Investment. Buyer is not acquiring the Company Securities with a view to or for sale in connection with any distribution thereof within the meaning of the Securities Act.

(f) Litigation. Buyer and Merger Sub are not engaged in or a party to or, to the Knowledge of Buyer, threatened with any complaint, charge, Proceeding, Order or other process or procedure for settling disputes or disagreements, and neither Buyer nor Merger Sub has received written or, to the Knowledge of Buyer, oral notice of a claim or dispute

that is reasonably likely to result in any such complaint, charge, Proceeding, Order or other process or procedure for settling disputes or disagreements.

(g) Sufficiency of Funds. Buyer has sufficient cash on hand or other sources of immediately available funds to enable Buyer to pay the Aggregate Merger Consideration and consummate the transactions contemplated by this Agreement on the Closing Date.

(h) No Prior Merger Sub Operations. Merger Sub was formed solely for the purpose of effecting the Merger and has not engaged in any business activities or conducted any operations other than in connection with the transactions contemplated hereby.

(i) No Additional Representations; No Reliance.

(i) Buyer acknowledges that neither the Company nor any other Person has made any representation or warranty, express or implied, as to the accuracy or completeness of any information regarding the Company or other matters that is not specifically included in this Agreement or the Disclosure Schedule.

(ii) In furtherance of the foregoing, Buyer acknowledges that it is not relying on any representation or warranty of the Company or the Participating Equityholders, other than those representations and warranties specifically set forth in Section 2.1 and Article 3 of this Agreement. Buyer acknowledges that it has conducted to its satisfaction an independent investigation of the financial condition, liabilities, results of operations and projected operations of the Company and the nature and condition of its properties, assets and businesses and, in making the determination to proceed with the transactions contemplated hereby, has relied solely on the results of its own independent investigation and the representations and warranties set forth in Section 2.1 and Article 3.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES CONCERNING THE COMPANY

The Company and Stockholders, severally and not jointly, represent and warrant to Buyer and Merger Sub that the statements contained in this Article 3 are correct and complete as of the date of this Agreement and the Closing Date, except as set forth in the corresponding section of the Disclosure Schedule.

3.1 Organization, Qualification, and Power. Section 3.1(a) of the Disclosure Schedule sets forth the jurisdiction of incorporation or formation of the Company and each of its Subsidiaries and each state or other jurisdiction in which the Company and each of its Subsidiaries is licensed or qualified to do business. The Company and each of its Subsidiaries are duly organized, validly existing and in good standing under the Laws of their respective jurisdiction of incorporation or formation. The Company and each of its Subsidiaries are duly authorized to conduct their business and are in good standing under the Laws of each jurisdiction where such qualification is required, except in such jurisdictions when lack of qualification would not reasonably be expected to have a material impact, individually or in the aggregate, on the Company or any Subsidiary. The Company and each of its Subsidiaries have full corporate power and authority and all Permits

necessary to carry on the businesses in which they are engaged and to own, lease and use the properties owned, leased and used by them. The Company has delivered to Buyer copies of the Organizational Documents and stock records for the Company and each of its Subsidiaries, each of which is correct and complete, and copies of the minute books of the Company and each of its Subsidiaries, which reflect all material corporate actions taken by the Company and its Subsidiaries to the extent such actions were required to be approved by the Company's or a Subsidiary's board of directors or stockholders. Neither the Company nor any of its Subsidiaries is in default under or in violation of any provision of their Organizational Documents.

3.2 Authorization of Transaction. The Company has full corporate power, authority and legal capacity to execute and deliver the Agreement and the Ancillary Agreements to which it is a party and to perform its obligations hereunder and thereunder. The execution and delivery by the Company of the Agreement and the Ancillary Agreements to which it is a party and the performance by the Company and, to the extent applicable, its Subsidiaries of the transactions contemplated hereby and thereby have been duly approved by all requisite corporate action of the Company and its Subsidiaries. Assuming the due authorization, execution and delivery of this Agreement and the Ancillary Agreements by the other parties thereto, this Agreement and each Ancillary Agreement to which the Company is a party constitute the valid and legally binding obligation of the Company, enforceable against the Company in accordance with their terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and similar Laws affecting creditors generally and by the availability of equitable remedies. Except as set forth on Section 3.2 of the Disclosure Schedule, neither the Company nor any of its Subsidiaries is required to give any notice to, make any filing with, or obtain any Consent of any Governmental Body or any other Person in order to consummate the transactions contemplated by this Agreement or the Ancillary Agreements to which the Company is a party, except where the failure to obtain such consent from a Person (other than a Governmental Body or customer of the Business or any licensor of Intellectual Property to the Company or any Subsidiary) would not reasonably be expected to be material, individually or in the aggregate, to the Company and its Subsidiaries or the ability of the Company to fulfill and comply with the terms and conditions of this Agreement and the Ancillary Agreements.

3.3 Capitalization and Subsidiaries.

(a) All of the Company Securities are owned beneficially and of record by the Stockholders. The Company Securities represent 100% of the outstanding stock or other ownership interests in the Company. All of the Company Securities have been duly authorized, are validly issued, fully paid, and non-assessable and have been issued without violation of any preemptive right or other right to purchase. Section 3.3(a) of the Disclosure Schedule lists the Company's authorized stock and the record and beneficial owner of such stock, and each such owner has good and indefeasible title to all of the stock listed next to such holder's name on Schedule 1.1 free and clear of all Liens. Except as set forth on Section 3.3(a) of the Disclosure Schedule, there are no other stock or other ownership interests in the Company or outstanding securities convertible or exchangeable into stock or other ownership interests of the Company, and there are no options, warrants, purchase rights, subscription rights, conversion rights, exchange rights, calls, puts, rights of first refusal or other Contracts that could require the Company to issue, sell or otherwise cause to become outstanding or to acquire, repurchase or redeem stock or other ownership

interests in the Company. There are no outstanding or authorized equity appreciation, phantom equity, profit participation or similar rights with respect to the Company. There are no voting trusts, proxies or other Contracts with respect to the voting of the stock or other ownership interests of the Company. Upon the Closing, the Company Securities will be delivered to Buyer free and clear of all Liens (other than any Liens which may result from any actions taken by Buyer), and Buyer will have good and marketable title to the Company Securities.

(b) All of the Subsidiaries, direct and indirect, of the Company are listed in Section 3.3(b)(i) of the Disclosure Schedule. Section 3.3(b)(i) of the Disclosure Schedule lists the entire authorized stock or other ownership interests of each such Subsidiary and the record and beneficial owner of such stock or other ownership interests, all of which have been duly authorized, are validly issued, fully paid and non-assessable and have been issued without violation of any preemptive right or other right to purchase. Except as set forth on Section 3.3(b)(ii) of the Disclosure Schedule, the Company owns, directly or indirectly, all of the stock or other ownership interests of the Subsidiaries listed in Section 3.3(b)(i) of the Disclosure Schedule, free and clear of all Liens. There are no other stock or other ownership interests in any Subsidiary required to be listed on Section 3.3(b)(i) of the Disclosure Schedule or outstanding securities convertible or exchangeable into stock or other ownership interests of any such Subsidiary, and there are no options, warrants, purchase rights, subscription rights, conversion rights, exchange rights, calls, puts, rights of first refusal or other Contracts that could require any such Subsidiary to issue, sell or otherwise cause to become outstanding or to acquire, repurchase or redeem stock or other ownership interests in any such Subsidiary. There are no outstanding or authorized equity appreciation, phantom appreciation, profit participation or similar rights with respect to any Subsidiary listed on Section 3.3(b)(i) of the Disclosure Schedule. There are no voting trusts, proxies or other Contracts with respect to the voting of the stock or other ownership interests of any such Subsidiary.

3.4 Non-contravention. Neither the execution and the delivery of this Agreement nor the Ancillary Agreements to which the Company is a party, nor the consummation of the transactions contemplated hereby or thereby, will (i) violate or conflict with any Law or Order to which the Company or any of its Subsidiaries is subject, (ii) violate or conflict with any provision of the Organizational Documents of the Company or any of its Subsidiaries, or (iii) except as listed in Section 3.4 of the Disclosure Schedule, conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice or payment under any Contract or Permit to which the Company or any of its Subsidiaries is a party or by which it is bound or to which any of its assets is subject (or result in the imposition of any Lien upon any of its assets), excluding from the foregoing clause (iii) (other than with respect to any Contract or Permit with or from a customer of the Business, a licensor of Intellectual Property to the Company or any Subsidiary or a Governmental Body), any violation, breach, default, acceleration or creation of a right which would not reasonably be expected to be material, individually or in the aggregate, to the Company and its Subsidiaries.

3.5 Brokers' Fees. Except as set forth on Section 3.5 of the Disclosure Schedule, neither the Company nor any of its Subsidiaries has any liability or obligation to pay any fees or

commissions to any broker, finder, or agent with respect to the transactions contemplated by this Agreement.

3.6 Assets. The Company and its Subsidiaries have good and marketable title to, or a valid leasehold interest or license in, the properties and assets (tangible and intangible) used by them, located on their premises or shown on the Most Recent Balance Sheet or acquired after the date thereof (other than inventory sold in the Ordinary Course of Business), free and clear of all Liens, except as set forth on Section 3.6 of the Disclosure Schedule and for Permitted Liens. The assets, properties and rights owned, leased or licensed by the Company and its Subsidiaries are all the assets, properties and rights used by the Company and its Subsidiaries in the operation of the Business or necessary to operate the business of the Company and its Subsidiaries, consistent with past practice.

3.7 Financial Statements; Interim Conduct.

(a) The Company has provided to Buyer correct and complete copies of the following financial statements of the Company and its Subsidiaries (collectively, the "**Financial Statements**"): (i) audited consolidated balance sheets, statements of income, stockholders' equity and cash flows as of and for the fiscal years ended December 31, 2016 and December 31, 2017 (the "**Most Recent Fiscal Year End**"); and (ii) unaudited consolidated balance sheets, statements of income, stockholders' equity and cash flows (the "**Most Recent Financial Statements**") as of and for the two (2) month period ended February 28, 2018 (the "**Most Recent Fiscal Month End**"). The Financial Statements are correct and complete and consistent with the books and records of the Company and its Subsidiaries, have been prepared in accordance with GAAP consistently applied, and present fairly in all material respects the financial condition, results of operation, changes in equity and cash flow of the Company and its Subsidiaries as of and for their respective dates and for the periods then ending; provided, however, that the Most Recent Financial Statements are subject to normal, recurring year-end adjustments and lack notes (none of which will be material individually or in the aggregate).

(b) Since the Most Recent Fiscal Year End, the business of the Company and its Subsidiaries has been conducted in the Ordinary Course of Business, and there has not been any Material Adverse Change and, to the Knowledge of the Company, no event has occurred which could reasonably be expected to result in a Material Adverse Change. Without limiting the generality of the foregoing, except as set forth on Section 3.7(b) of the Disclosure Schedule, since the Most Recent Fiscal Year End the Company and its Subsidiaries have not:

(i) sold, leased, transferred or assigned any assets or property (tangible or intangible) with a value in excess of $100,000, other than sales of inventory in the Ordinary Course of Business;

(ii) experienced any damage, destruction or loss (whether or not covered by insurance) to its assets or property (tangible or intangible) in excess of $100,000;

(iii) received notice from any Person regarding the acceleration, termination, modification or cancelation of a Contract, which, if in existence on the

date hereof, would be required to be listed on Section 3.14 of the Disclosure Schedule;

(iv) issued, created, incurred or assumed any Debt involving more than $100,000;

(v) forgave, canceled, compromised, waived or released any Debt owed to it or any right or claim;

(vi) issued, sold or otherwise disposed of any of its stock or other ownership interests, or granted any options, warrants or other rights to acquire (including upon conversion, exchange or exercise) any of its stock or other ownership interests or declared, set aside, made or paid any dividend or distribution with respect to its stock or other ownership interests or redeemed, purchased or otherwise acquired any stock or other ownership interest or amended or made any change to any of its Organizational Documents or made any other payment to its members or stockholders (or any Affiliates of such members or stockholders);

(vii) granted any increase in salary or bonus or otherwise increased the compensation or benefits payable or provided to any director, officer, employee or consultant with an annual base compensation of $50,000 or above, except wage or salary increases set forth on Section 3.7(b)(vii) of the Disclosure Schedule;

(viii) engaged in any promotional, sales or discount or other activity that has or could reasonably be expected to have the effect of accelerating sales prior to the Closing that would otherwise be expected to occur subsequent to the Closing;

(ix) made any commitment outside of the Ordinary Course of Business or in excess of $100,000 in the aggregate for capital expenditures to be paid after the Closing or failed to incur capital expenditures in accordance with its capital expense budget;

(x) instituted any material change in the conduct of its business or any material change in its accounting practices or methods, cash management practices or method of purchase, sale, lease, management, marketing, or operation;

(xi) made, changed or rescinded any Tax election, settled or compromised any Tax liability, amended any Tax Return or took any position on any Tax Return, took any action, omitted to take any action or entered into any other transaction that would have the effect of materially increasing the Tax liability or materially reducing any Tax assets of Buyer in respect of any taxable period ending after the Closing Date;

(xii) collected its accounts receivable or paid any accrued liabilities or accounts payable or prepaid any expenses or other items, in each case other than in the Ordinary Course of Business;

(xiii) entered into any transaction with any Affiliate; and

(xiv) agreed or committed to any of the foregoing.

(c) All notes and accounts receivable reflected on the Most Recent Financial Statements, and all accounts receivable of the Company and its Subsidiaries generated since the Most Recent Fiscal Month End (the "**Receivables**"), constitute bona fide receivables resulting from the sale of inventory, services or other obligations in favor of the Company and its Subsidiaries as to which full performance has been rendered (except for revenue characterized as deferred revenue in the Financial Statements). To the Company's Knowledge, the Receivables are not subject to any pending or threatened defense, counterclaim, right of offset, returns, allowances or credits, except to the extent reserved against the accounts receivable. Subject to the bad debt reserve reflected on the Most Recent Financial Statements, the receivables, taken in the aggregate are collectible in full. The reserves against the accounts receivables for returns, allowances, chargebacks and bad debts are, in the Company's good faith business judgment, commercially reasonable and have been determined in accordance with GAAP, consistently applied in accordance with past custom and practice.

(d) The accounts payable of the Company and its Subsidiaries reflected on the Most Recent Financial Statements arose from bona fide transactions in the Ordinary Course of Business, and all such accounts payable have either been paid, are not yet due and payable in the Ordinary Course of Business, or are being contested by the Company and its Subsidiaries in good faith.

(e) The Company currently operates the Business in accordance with the Business Plan.

3.8 Undisclosed Liabilities. The Company and its Subsidiaries do not have any liability (whether known or unknown, whether asserted or unasserted, whether absolute or contingent, whether accrued or unaccrued, whether liquidated or unliquidated, and whether due or to become due), except for liabilities that (a) are accrued or reserved against in the Most Recent Financial Statements, (b) were incurred subsequent to the Most Recent Fiscal Month End in the Ordinary Course of Business, (c) result from the obligations of the Company under this Agreement or the Ancillary Agreements, (d) liabilities and obligations pursuant to any Contract listed on Section 3.14 of the Disclosure Schedule or not required by the terms of Section 3.14 to be listed on Section 3.14 of the Disclosure Schedule, in either case which did not result from any default, tort, breach of contract or breach of warranty.

3.9 Legal Compliance.

(a) The Company and each of its Subsidiaries is and has been at all times during the past three (3) years in compliance with all Laws and Orders in all material respects, and no Proceeding has been filed or commenced or, to the Knowledge of the Company, threatened alleging any failure so to comply. Since January 1, 2016, the Company and its Subsidiaries have not received any notice or communication alleging any non-compliance of the foregoing.

(b) Section 3.9(b) of the Disclosure Schedule sets forth a correct and complete list of all Permits held by the Company and its Subsidiaries. Such Permits (i) constitute all

Permits necessary for the operation of the business of the Company and its Subsidiaries and (ii) are in full force and effect. No Proceeding is pending or, to the Knowledge of the Company, threatened to revoke or limit any Permit.

(c) Neither the Company, nor any of its Subsidiaries, nor, to the Knowledge of the Company, any of their officers, managers, members, directors, agents, employees or any other Persons acting on behalf of the Company or any of its Subsidiaries, has (i) made any illegal payment or provided any unlawful compensation or gifts to any officer or employee of any Governmental Body, or any customer or supplier of the Company and its Subsidiaries or any employee thereof or (ii) accepted or received any unlawful contributions, payments, expenditures or gifts; and, to the Knowledge of the Company, no Proceeding has been filed or commenced alleging any such payments, contributions or gifts.

3.10 Tax Matters.

(a) The Company and its Subsidiaries have timely filed with the appropriate taxing authorities all income Tax Returns and all other material Tax Returns that they were required to file. All such Tax Returns are correct and complete in all material respects. All Taxes due and owing by the Company and its Subsidiaries (whether or not shown on any Tax Return) have been paid. The Company and its Subsidiaries are not currently the beneficiary of any extension of time within which to file any Tax Return or pay any Tax. There are no Liens for Taxes, other than Permitted Liens, upon the Company Securities or any of the assets of the Company or any of its Subsidiaries.

(b) Adequate reserves and accruals have been established to provide for the payment of all Taxes which are not yet due and payable with respect to the Company and its Subsidiaries.

(c) No deficiency or proposed adjustment for any amount of Tax has been proposed, asserted or assessed by any taxing authority against the Company and its Subsidiaries that has not been paid, settled or otherwise resolved. There is no Proceeding or audit now pending, proposed or, to the Knowledge of the Company, threatened against the Company or any of its Subsidiaries in respect of any Taxes. The Company and its Subsidiaries have not been notified in writing by any taxing authority that any issues have been raised with respect to any Tax Return. There has not been, within the past three (3) calendar years, an examination or written notice of potential examination of the Tax Returns filed with respect to the Company or any of its Subsidiaries by any taxing authority.

(d) All Taxes that are required to be withheld or collected by the Company and its Subsidiaries, including, but not limited to, Taxes arising as a result of payments (or amounts allocable) to foreign persons or to employees, agents, contractors or stockholders of the Company or any of its Subsidiaries, have been duly withheld and collected and, to the extent required, have been properly paid or deposited as required by Law.

(e) No written claim has ever been made by any taxing authority in a jurisdiction where the Company or any of its Subsidiaries do not file Tax Returns that they are or may be subject to taxation by that jurisdiction.

(f) The Company and its Subsidiaries are not a party to any Tax allocation, sharing, indemnity, or reimbursement agreement or arrangement, and are not liable for the Taxes of any other Person as a transferee or successor, by Contract or otherwise, other than Contracts entered into in the Ordinary Course of Business and the primary purpose of which does not relate to Taxes.

(g) Neither the Company nor any of its Subsidiaries will be required as a result of (i) a change in method of accounting or use of an improper method of accounting for a taxable period ending on or prior to the Closing Date, (ii) any "closing agreement," as described in Section 7121 of the Code (or any corresponding provision of state, local or foreign Law) executed on or prior to the Closing Date, (iii) intercompany transaction or excess loss account described in Treasury Regulations under Section 1502 of the Code (or any corresponding or similar provision of state, local, or non-U.S. income Tax law), (iv) any installment sale or open transaction disposition made on or prior to the Closing Date, (v) the receipt of any prepaid revenue on or prior to the Closing Date, or (vi) election under Section 108(i) of the Code, to include any item of income or exclude any item of deduction for any taxable period (or portion thereof) beginning after the Closing Date that would not have otherwise so been included or excluded as the case may be.

(h) Neither the Company nor any of its Subsidiaries is a "United States real property holding corporation" within the meaning of Section 897(c)(2) of the Code.

(i) Section 3.10(i) of the Disclosure Schedule lists all Tax Returns filed by the Company and its Subsidiaries for Tax periods after January 1, 2014, indicates those Tax Returns that have been audited, and indicates those Tax Returns that currently are the subject of audit. Neither the Company nor any of its Subsidiaries has waived any statute of limitations in respect of Taxes or agreed to any extension of time with respect to the payment of any Tax or any Tax assessment or deficiency. Each of the Company and its Subsidiaries have disclosed on its federal income Tax Returns all positions taken therein that could give rise to a substantial understatement of federal income Tax within the meaning of Section 6662 of the Code.

(j) There is no Contract to which the Company or any of its Subsidiaries is a party that will, individually or collectively, result in the payment of any amount that would not be deductible by reason of Section 280G (as determined without regard to Section 280G(b)(4)), 162 or 404 of the Code.

(k) Neither the Company nor any of its Subsidiaries (i) has been a member of an Affiliated Group filing a consolidated federal income Tax Return (other than a group the common parent of which was the Company) or (ii) has any Liability for the Taxes of any Person (other than the Company or any of its Subsidiaries) under Treasury Regulations Section 1.1502-6 (or any similar provision of state, local, or non-U.S. law).

(l) Neither the Company nor any of its Subsidiaries has distributed the stock of another Person, or has had its stock distributed by another Person, in a transaction that was purported or intended to be governed in whole or in part by Section 355 of the Code.

(m) Neither the Company nor any of its Subsidiaries is or has been a party to any "reportable transaction," as defined in Section 6707A(c)(1) of the Code and Treasury Regulations Section 1.6011-4(b).

(n) Neither the Company nor any of its Subsidiaries has a permanent establishment (within the meaning of an applicable Tax treaty) or otherwise has an office or fixed place of business in a country other than the country in which it is organized. None of the Company's current or former Subsidiaries is or was a foreign corporation within the meaning of Section 7701 of the Code.

3.11 Real Property.

(a) None of the Company or its Subsidiaries owns any real property.

(b) Section 3.11 of the Disclosure Schedule sets forth the address of each parcel of Leased Real Property, and a true and complete list of all Leases to which the Company or any of its Subsidiaries is a party for each parcel of Leased Real Property. The Company has made available to Buyer a true and complete copy of each Lease, and in the case of any oral Lease, a written summary of the material terms of such Lease.

(c) Subject to the respective terms and conditions in the Leases, the Company or one of its Subsidiaries is the sole legal and equitable owner of the leasehold interest in the Leased Real Property and possesses good and marketable, indefeasible title thereto, free and clear of all Liens (other than Permitted Liens).

(d) With respect to each parcel of Leased Real Property: (i) there are no pending or, to the Knowledge of the Company, threatened condemnation Proceedings, suits or administrative actions relating to any such parcel or other matters affecting adversely the current use, occupancy or value thereof; (ii) all Improvements on any such Leased Real Property are in good operating condition, ordinary wear and tear excepted; (iii) neither the Company, nor any of its Subsidiaries has received any written notice of any special Tax, levy or assessment for benefits or betterments that affect any parcel of Leased Real Property and, to the Knowledge of the Company, no such special Taxes, levies or assessments are pending or contemplated; (iv) there are no Contracts with the Company or any of its Subsidiaries granting to any third party or parties the right of use or occupancy of any such parcel, and there are no third parties (other than the Company and its Subsidiaries) in possession of any such parcel; and (v) each such parcel abuts on and has adequate direct vehicular access to a public road. The Leased Real Property comprises all of the real property used in the business of the Company and its Subsidiaries, and neither the Company nor any of its Subsidiaries is a party to any Contract or option to purchase any real property or any portion thereof or interest therein.

3.12 Intellectual Property.

(a) Company Intellectual Property. Section 3.12(a) of the Disclosure Schedule sets forth a true, correct and complete list of the following Company-Owned IP Rights: (i) issued Patents and pending applications for Patents; (ii) registered Trademarks, pending applications for Trademarks, and material unregistered Trademarks; (iii) registered Copyrights and material unregistered Copyrights; and (iv) Company Software. The Company has paid all necessary registration, maintenance and renewal fees to maintain the registered Company-Owned IP Rights. The Company has made all necessary filings currently required to be filed have been filed with the relevant patent, copyright, trademark or other authorities in the United States or foreign jurisdictions, as the case may be, for the purposes of prosecuting, maintaining and perfecting such Company-Owned IP Rights and recording the ownership interests of the Company or any Subsidiary therein. All Company-Owned IP Rights described in clauses (i), (ii) and (iii) above are subsisting, valid, and enforceable. Except as set forth on Section 3.12(a) of the Disclosure Schedule, there are no outstanding deadlines of any patent, copyright or trademark office (or any analogous office or registry anywhere in the world) in relation to such listed registrations or applications that will expire within sixty (60) days of the Closing Date.

(b) Title; Right to Use. The Company and its Subsidiaries own and have all right, title and interest in and to each item of Company-Owned IP Rights, except as set forth in Section 3.12(a) of the Disclosure Schedule, free and clear of any Liens, and to the Company's Knowledge, have valid right to use all other Company IP Rights. Except as set forth in Section 3.12(a) of the Disclosure Schedule, the Company and its Subsidiaries are not a party to or otherwise bound by any settlement or consent agreement, covenant not to sue, non-assertion assurance, release or other similar agreement that could reasonably be expected, individually or in the aggregate, to materially and adversely affect the Company's or any Subsidiary's rights to own, use, make, transfer, encumber, assign, license, distribute, convey, sell or otherwise exploit any Company IP Rights.

(c) Non-Infringement of Thirty-Party Intellectual Property Rights. The operation of the business of the Company and its Subsidiaries as such business is currently conducted, does not infringe, misappropriate or otherwise violate, nor since January 1, 2013, has not infringed, misappropriated or otherwise violated, any Third-Party IP Rights. There are no pending, and to the Company's Knowledge, no threatened Proceedings against the Company or any of its Subsidiaries, and since January 1, 2013, none of the Company or any of its Subsidiaries has received any written notice it is infringing, misappropriating, or otherwise violating of any Third-Party IP Rights.

(d) Non-Infringement By Third Parties. To the Knowledge of the Company, there is no unauthorized use, unauthorized disclosure, infringement, misappropriation or other violation of any Company-Owned IP Rights, by any third party. As of the date hereof, none of the Company and its Subsidiaries has instituted any Proceedings for infringement, misappropriation or other violation of any Company-Owned IP Rights.

(e) Founders. All rights in, to and under all Intellectual Property created by the Company's founders for or on behalf or in contemplation of the Company (i) prior to the inception of the Company or (ii) prior to their commencement of employment with the Company have been duly and validly assigned to the Company.

(f) Contributors. All Company-Owned IP Rights were developed by (i) employees of the Company or a Subsidiary within the scope of their employment; or (ii) independent contractors who have entered into written agreements with the Company or a Subsidiary that assigned all right, title and interest in and to any Intellectual Property developed to the Company. No employee or independent contractor has retained any rights, licenses, claims or interest whatsoever with respect to any Company-Owned IP Rights developed by the author for the Company or any Subsidiary that restricts or limits in any way the scope of the Company-Owned IP Rights or requires the author to transfer, assign or disclose information concerning the Company-Owned IP Rights to anyone other than the Company or a Subsidiary. Without limiting the foregoing, the Company and its Subsidiaries have obtained written and enforceable proprietary information and invention disclosure and Intellectual Property rights assignments from all current and former authors materially in the form made available to Buyer. The Company has provided to Buyer copies of such forms currently and historically used by the Company and its Subsidiaries.

(g) Government or University Funding. No funding, facilities or personnel of any Governmental body or any university, college, other educational institution or research center were used, directly or indirectly, in the development of any Company-Owned IP Rights.

(h) No Impact on Company-Owned IP Rights. Neither the execution and delivery or effectiveness of this Agreement (or any Ancillary Agreement), nor the performance of the Company's obligations under this Agreement, consummation by the Company of the transactions contemplated hereby (or any Ancillary Agreement) will, with or without notice or lapse of time, result in, or give any Person the right or option to declare or cause: (i) a loss of, Lien on or the forfeiture or termination of, or give rise to a right of forfeiture or termination of any Company-Owned IP Right (including any grant, assignment or transfer to any other Person of any license or other right or interest under, to or in); (ii) additional payment obligations by the Company and any Subsidiary, nor require the consent of any other Person, in order for Company and its Subsidiaries to use or exploit the Company-Owned IP Rights to the same extent as the Company and its Subsidiaries were permitted before the date hereof; or (iii) the grant, assignment or transfer to any other Person of any license or other right or interest under, to or in any Intellectual Property of Buyer or any Affiliate of Buyer (other than the Company and its Subsidiaries post-Closing).

(i) Proprietary Information. The Company and its Subsidiaries have taken reasonable steps necessary to protect and preserve the confidentiality of all Proprietary Information is included in the Company IP Rights. To the Knowledge of the Company, all use and/or disclosure of Confidential Information by or to a third party has been pursuant to the terms of a written Contract between the Company or its Subsidiaries and such third party. The Company and its Subsidiaries have not breached any Contracts of non-disclosure or confidentiality regarding the Intellectual Property of any Person.

(j) No Harmful Code. All of the Company Software complies with the applicable warranty and other contractual commitments relating to its use, functionality, performance. The Company Software does not and will not contain any undisclosed feature, including, without limitation, a time bomb, virus, software lock, drop-dead device,

malicious logic, worm, Trojan horse, or spyware, that is designed to (or that allow untrusted party to be capable of) (i) accessing, modifying or deleting in an unauthorized manner, or (ii) damaging, disabling, deactivating, interfering with or otherwise harming any computers, networks, data, other electronically stored information, or computer programs or systems.

(k) Source Code. The Company and its Subsidiaries have not disclosed, delivered, licensed or made available to any escrow agent or other Person, agreed to disclose, deliver, license or make available to any escrow agent or other Person, any source code for any Company Software, except for disclosures to employees under written agreements that prohibit use or disclosure except in the performance of services to Company and its Subsidiaries.

(l) Open Source Materials. Section 3.12(l) of the Disclosure Schedule provides a complete list of third party components in the Company Software, in each case identifying (i) the applicable Contract with respect thereto, and (ii) for each item of Open Source Materials, (A) the name of each of the Open Source Materials and any modification thereof; and (B) the name and version number of the applicable license therefor. With respect to any Open Source Materials that are or have been used by the Company in any way in connection with any Company Software (including but not limited to Open Source Materials), the Company is and has been in compliance with all applicable licenses and other agreements. The Company and its Subsidiaries have not used any Open Source Materials in such a way that would obligate the Company or its Subsidiaries under the terms of such licenses to distribute, license or make available to any third party the source code of any of the products of Company and its Subsidiaries (other than the applicable Open Source Material itself).

(m) Policies for Third Party Intellectual Property. The Company and its Subsidiaries have adopted policies and procedures to control the use of Third-Party IP Rights, including but not limited to Software available for download without charge on the internet or any other Software not introduced into the development environment, through a formal procurement process and pursuant to a license agreement determined to be appropriate for establishing Company's and any Subsidiary's rights and obligations with respect to such Third Party IP Rights.

(n) Other Restrictions. None of the Company or its Subsidiaries are bound by, and no Company-Owned IP Rights are subject to, any Contract containing any covenant or other provision that in any material way limits or restricts the ability of the Company and its Subsidiaries to use, exploit, make available, assert or enforce any Company-Owned IP Right or any Company Software in which Company owns the Intellectual Property rights anywhere in the world in the manner in which the business is currently being conducted.

3.13 Privacy and Data Security.

(a) The Company and each of its Subsidiaries is and has been at all times during the past three (3) years (i) in compliance with the applicable provisions of the Privacy Laws in all material respects, (ii) in compliance in all material respects with all contractual obligations regarding the Processing, privacy, security, confidentiality, or breach of

Personal Information, including, without limitation, any "Business Associate Contract", as described by 45 C.F.R. §§ 164.502(e) and 164.504(e), with any "Covered Entity", "Business Associate", or "Subcontractor", as such terms are defined at 45 C.F.R. § 160.103 (collectively, the "**Privacy Obligations**"), (iii) in compliance in all material respects with all policies, procedures, notices, and practices regarding the Processing, privacy, security, confidentiality, or breach of Personal Information established by the Company or the Subsidiary (collectively, the "**Privacy Policies**"). None of the disclosures or statements prepared by the Company or its Subsidiaries regarding information privacy or information security has been inaccurate, misleading, or deceptive in any material respect.

(b) The Company and each of its Subsidiaries has entered into a Business Associate Contract with each upstream Covered Entity, Business Associate, or Subcontractor of the Company or Subsidiary to the extent required by applicable Law. To the Knowledge of the Company, no such upstream Covered Entity, Business Associate, or Subcontractor of the Company or any of its Subsidiaries has breached any Business Associate Contract to which the Company or Subsidiary is a party.

(c) The transactions contemplated hereby and related data transfers will not violate any Privacy Law or Privacy Obligation.

(d) The Company and each of its Subsidiaries has, and at all times during the past three (3) years has, adopted written privacy and security compliance policies and procedures and conducted a comprehensive information security risk assessment as required by HIPAA and has made available to Buyer true, complete and correct copies of the most recent of such policies, procedures and risk assessments. The Company and its Subsidiaries have obtained, or confirmed that other Persons have obtained, all approvals, consents, licenses, or other legal permissions, or permitted waivers of the same, necessary under Privacy Laws and Privacy Obligations for the Company or Subsidiary to Process Personal Information in the manner so Processed by the Company or Subsidiary. No Protected Health Information collected by the Company and its Subsidiaries is used by the Company or its Subsidiaries for secondary purposes, such as data analytics or data aggregation, without first being de-identified in accordance with 45 C.F.R. § 164.514(b).

(e) None of the Company or its Subsidiaries has experienced, or reported to a Governmental Body, affected individual, Covered Entity, credit reporting agency, media outlet, or other Person (i) a "Breach" of "Unsecured Protected Health Information," as such terms are defined at 45 C.F.R. § 164.402; (ii) a use or disclosure of Protected Health Information in violation of HIPAA or Privacy Obligations; (iii) a breach, breach of security, breach of security of a system, or unauthorized acquisition, access, use, or disclosure of any Personal Information maintained by the Company or its Subsidiaries with respect to which notification of any Person is required under any Privacy Law; or (iv) any material "Security Incident," as defined by 45 C.F.R. § 164.304 (which excludes routine "pings" and probes of the Company's systems that do not result in a threat to the security of information maintained by the Company).

(f) The Company and each of its Subsidiaries has implemented commercially reasonable measures, including, without limitation, implementing reasonable and appropriate administrative, physical, and technical safeguards and monitoring compliance

with the same, to ensure that Personal Information is protected against loss, unauthorized access, use, modification, disclosure, or other misuse. The Company and its Subsidiaries have implemented commercially reasonable disaster recovery and security plans, procedures and facilities.

(g) No investigation or Proceeding exists or is pending or to the Knowledge of the Company, threatened against Company or its Subsidiaries by any Governmental Body or other Person (x) regarding the Company's and its Subsidiaries' Processing of Personal Information or (y) alleging a violation of such Person's, or any other Person's, privacy, security, publicity, personal or confidentiality rights under Laws or noncompliance with or a violation of any Privacy Policies, Privacy Laws, or Privacy Obligations. None of the Company or its Subsidiaries has received any written notice or complaint of violation of any Privacy Policies, Privacy Laws, or Privacy Obligations from any Governmental Body or other Person, including, without limitation, the Office for Civil Rights of HHS, the HHS Office of Inspector General, the U.S. Department of Justice or any state attorneys general.

(h) With respect to all of the information technology and computer systems (including information technology and telecommunication hardware, communications networks and data centers) relating to the transmission, storage, maintenance, organization, presentation, generation, processing or analysis of data and information whether or not in electronic format, used by the Company and its Subsidiaries: (i) to the Company's Knowledge, there have been no material successful unauthorized intrusions or breaches of the security thereof, (ii) there has not been any material malfunction, unplanned downtime, or service interruption thereof that has not been remedied or replaced in all material respects, (iii) the Company and its Subsidiaries each have implemented commercially reasonable measures to protect the confidentiality, integrity and security of its servers, systems, sites, circuits, networks and other computer and telecommunications assets and equipment controlled by the Company (and all information and transactions stored or contained therein or transmitted thereby) against any unauthorized use, access, interruption, modification or corruption, in conformance with applicable industry practices, including without limitation security patches or security upgrades that are generally available therefor, and (iv) to the Knowledge of the Company, no third party providing technology services to Company and its Subsidiaries has failed to meet any service obligations in any material respect. Each of the Company and its Subsidiaries has implemented reasonable backup and recovery technology processes consistent with industry standard practices.

3.14 Contracts.

(a) Section 3.14(a) of the Disclosure Schedule lists the following Contracts to which the Company or any of its Subsidiaries is a party:

(i) each Contract with any customer or supplier that is required to be listed on Section 3.22 of the Disclosure Schedule;

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

(except personal property leases and installment and conditional sales agreements having aggregate payments of less than $25,000 and with terms of less than one year);

(iii) each joint venture, partnership or Contract involving a sharing of profits, losses, costs or liabilities with any other Person;

(iv) each Contract relating to the acquisition, sale, transfer or disposition by the Company or any of its Subsidiaries of any material assets or properties, or of the operating business or the capital stock of or other equity interests in any other Person that were consummated since January 1, 2016 or under which there is any surviving liability against the Company or any of its Subsidiaries;

(v) each Contract containing any covenant that purports to limit the freedom of the Company or any of its Subsidiaries to engage in any line of business or to compete with any Person, grants exclusivity to any Person or otherwise restricts the business activity of the Company or any of its Subsidiaries (excluding any confidentiality obligations entered into with customers in the Ordinary Course of Business);

(vi) each power of attorney granted by the Company or any of its Subsidiaries;

(vii) each Contract for or relating to, or evidencing or guaranteeing, Debt;

(viii) each Contract providing for the payment of any cash or other compensation or benefits upon the consummation of the transactions contemplated by this Agreement;

(ix) each Contract with any labor union or any bonus, pension, profit sharing, retirement or any other form of deferred compensation plan or practice, whether formal or informal, or any severance agreement or arrangement;

(x) each Contract under which the Company or any of its Subsidiaries has advanced or loaned to any other Person amounts in the aggregate exceeding $10,000;

(xi) each franchise, dealership, vendor, manufacturing or service center agreements;

(xii) each Contract with any Stockholder or any Affiliate of the Company, any of its Subsidiaries, or any Stockholder;

(xiii) any settlement agreement to which the Company or any Subsidiary of a Company will have outstanding obligations following the Closing;

(xiv) each employment or consulting Contract or other Contract with any of their officers, managers, partners, directors or employees;

(xv) each Intellectual Property License; and

(xvi) any other agreement that is, in the good faith judgment of the Company, material to the Company or any of its Subsidiaries whether or not entered into in the Ordinary Course of Business.

(b) The Company has delivered to Buyer a correct and complete copy of each written Material Contract, together with all amendments, exhibits, attachments, waivers or other changes thereto. Section 3.14(b) of the Disclosure Schedule contains an accurate and complete description of all material terms of all oral Material Contracts (if any).

(c) Each Material Contract is legal, valid, binding, enforceable and in full force and effect with respect to the Company and its Subsidiaries. Except as specifically disclosed and described in Section 3.14(c) of the Disclosure Schedule, (i) no Material Contract has been breached or canceled by the Company, any of its Subsidiaries or, to the Knowledge of the Company, any other party thereto, and (ii) neither the Company nor any of its Subsidiaries has assigned, delegated or otherwise transferred to any Person any of its rights, title or interest under any such Material Contract.

3.15 Insurance. Section 3.15(a) of the Disclosure Schedule sets forth the following information with respect to each insurance policy (including policies providing property, casualty, liability, director & officer, and workers' compensation coverage and bond and surety arrangements) with respect to which the Company or any of its Subsidiaries is a party, a named insured, or otherwise the beneficiary of coverage (collectively, the "**Company Insurance Agreements**"):

(a) the name of the insurer, the name of the policyholder, and the name of each covered insured; and

(b) the policy number and the period of coverage.

There is no claim by the Company or any of its Subsidiaries or, to the Knowledge of the Company, any other Person pending under any such policies and bonds as to which coverage has been questioned, denied or disputed. All premiums payable under all such policies and bonds have been paid. To the Knowledge of the Company, there are no threatened terminations of, or material premium increases with respect to, any of such policies or bonds. Section 3.15(b) of the Disclosure Schedule sets forth a list of all claims made under the Company Insurance Agreements, or under any other insurance policy, bond or agreement covering the Company or any of its Subsidiaries or their operations since January 1, 2017. Since January 1, 2017, the Company and its Subsidiaries have maintained insurance policies with coverage and policy limits that are substantially similar to the coverage and policy limits provided by the Company Insurance Agreements.

3.16 Litigation. Except as set forth in Section 3.16 of the Disclosure Schedule, there are no (and during the last two years, there have not been any), complaints, charges or Proceedings, pending or, to the Knowledge of the Company, threatened in writing relating to or affecting the Company or any of its Subsidiaries. There is no outstanding Order to which the Company or any of its Subsidiaries is subject. The Company and each of its Subsidiaries is fully insured with respect to each of the matters set forth on Section 3.16 of the Disclosure Schedule.

3.17 Employees.

(a) Section 3.17 of the Disclosure Schedule sets forth a complete and correct list of all salaried employees of the Company and its Subsidiaries, showing for each: (i) name, (ii) hire date, (iii) current job title, (iv) actual base salary, bonus, commission or other remuneration paid during 2017, and (v) 2018 base salary level and 2018 target bonus (if any).

(b) The Company has provided Buyer with complete and correct copies of (i) all existing severance, accrued vacation or other leave agreement, policies or retiree benefits of any such employee, (ii) all employee trade secret, non-compete, non-disclosure and invention assignment agreements and (iii) all manuals and handbooks applicable to any current or former employee of the Company or any of its Subsidiaries. The employment arrangement of each employee of the Company and its Subsidiaries is, subject to Laws involving the wrongful termination of employees, terminable at will (without the imposition of penalties or damages) by the Company or its Subsidiaries as the case may be, and neither the Company nor any of its Subsidiaries has any severance obligations if any such employee is terminated. To the Knowledge of the Company, no executive or key employee of the Company or any of its Subsidiaries or any group of employees of the Company or any of its Subsidiaries has any plans to terminate employment with the Company or any of its Subsidiaries.

(c) Neither the Company nor any of its Subsidiaries has experienced (nor, to the Knowledge of the Company, has it been threatened with) any strike, slow down, work stoppage or material grievance, claim of unfair labor practices, or other collective bargaining dispute within the past three years. Neither the Company nor any of its Subsidiaries has committed any material “unfair labor practice” as defined under the National Labor Relations Act. The Company has no Knowledge of any organizational effort presently being made or threatened by or on behalf of any labor union with respect to employees of the Company or its Subsidiaries. The Company and each of its Subsidiaries have paid in full to all of its employees all wages, salaries, commissions, bonuses, benefits and other compensation due and payable to such employees.

(d) All individuals who have performed services for the Company or any of its Subsidiaries or who otherwise have claims for compensation from the Company or any of its Subsidiaries have, to the Company’s Knowledge, been properly classified as an employee or an independent contractor, as the case may be, pursuant to all Laws, including, but not limited to, the Code and ERISA.

3.18 Employee Benefits.

(a) Section 3.18 of the Disclosure Schedule lists each Employee Benefit Plan that the Company or any of its Subsidiaries maintains or to which the Company or any of its Subsidiaries contributes or has any obligation to contribute or with respect to which the Company and its Subsidiaries have any liabilities.

(i) Each such Employee Benefit Plan (and each related trust, insurance Contract, or fund) has been maintained, funded and administered in accordance

with the terms of such Employee Benefit Plan and complies in form and in operation in all material respects with the applicable requirements of ERISA, the Code, and other laws.

(ii) All required reports and descriptions (including Form 5500 annual reports, summary annual reports, and summary plan descriptions) have been timely filed and/or distributed in accordance with the applicable requirements of ERISA and the Code with respect to each such Employee Benefit Plan. The requirements of COBRA have been met in all material respects with respect to each such Employee Benefit Plan and each Employee Benefit Plan maintained by an ERISA Affiliate that is an Employee Welfare Benefit Plan subject to COBRA.

(iii) All contributions (including all employer contributions and employee salary reduction contributions) that are due have been made within the time periods prescribed by ERISA and the Code to each such Employee Benefit Plan that is an Employee Pension Benefit Plan and all contributions for any period ending on or before the Closing Date which are not yet due have been made to each such Employee Pension Benefit Plan or accrued in accordance with the past custom and practice of the Company and its Subsidiaries. All premiums or other payments for all periods ending on or before the Closing Date have been paid with respect to each such Employee Benefit Plan that is an Employee Welfare Benefit Plan.

(iv) Each such Employee Benefit Plan which is intended to meet the requirements of a "qualified plan" under Code §401(a) is so qualified and has received a determination from the Internal Revenue Service that such Employee Benefit Plan is so qualified, and nothing has occurred since the date of such determination that could reasonably be expected to adversely affect the qualified status of any such Employee Benefit Plan.

(v) No Employee Benefit Plan provides medical or other welfare benefits with respect to any employee or service provider beyond their retirement or other termination of service, other than coverage mandated by applicable Law. The Company is not reasonably expected to incur or be subject to, any material Tax, penalty or other liability that may be imposed under the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010, as amended ("**PPACA**").

(vi) There have been no non-exempt Prohibited Transactions with respect to any such Employee Benefit Plan that could reasonably be expected to result in any liability to the Company. To the Company's Knowledge, no Fiduciary has any liability for material breach of fiduciary duty or any other failure to act or comply in connection with the administration or investment of the assets of any such Employee Benefit Plan. No Proceeding with respect to the administration or the investment of the assets of any such Employee Benefit Plan (other than routine claims for benefits) is pending or, to the Knowledge of the Company, threatened.

(vii) The Company has made available to Buyer correct and complete copies of the plan documents and summary plan descriptions, the most recent

determination letter received from the Internal Revenue Service, the three most recent annual report (Form 5500, with all applicable attachments), all related trust agreements, insurance Contracts, and other funding arrangements which implement each such Employee Benefit Plan and any material correspondence with the IRS, DOL or PBGC within the last three years.

(b) Neither the Company nor any ERISA Affiliate contributes to, has any obligation to contribute to, or has any liability under or with respect to any Employee Pension Benefit Plan that is a "defined benefit plan" (as defined in ERISA §3(35)) or a Multiemployer Plan.

(c) The consummation of the transactions contemplated by this Agreement will not entitle any employee of the Company or other individual to receive payment of any severance pay or change in control or other payment of any money or other property from the Company or would result in the acceleration or provision of any other rights or benefits to any individual, whether or not such payment, right or benefit would constitute a parachute payment within the meaning of Section 280G of the Code. No payments under any Employee Benefit Plan or otherwise would result in an excise tax under Section 4999 of the Code on any employee, director or independent contractor providing services to the Company. The Company has no obligation to "gross-up" any individual with respect to taxes incurred under Section 4999 or Section 409A of the Code.

(d) Each Employee Benefit Plan that is a "nonqualified deferred compensation plan" subject to Code Section 409As in all material respects with the requirements of Code Section 409A(a)(2), (3), and (4) and any Internal Revenue Service guidance issued thereunder.

3.19 Debt. Except as set forth on Section 3.19 of the Disclosure Schedule, the Company and its Subsidiaries do not have any Debt and are not liable for any Debt of any other Person.

3.20 Business Continuity. None of the Company Software, computer hardware (whether general or special purpose), telecommunications capabilities (including all voice, data and video networks) and other similar or related items of automated, computerized, and/or software systems and any other networks or systems and related services that are used by or relied on by the Company and its Subsidiaries in the conduct of the Business (collectively, the "**Systems**") have experienced bugs, failures, breakdowns, or continued substandard performance in the past twelve (12) months that has caused or reasonably could be expected to cause any substantial disruption or interruption in or to the use of any such Systems by the Company or its Subsidiaries.

3.21 Certain Business Relationships with the Company. Except as set forth on Section 3.21 of the Disclosure Schedule, none of the Stockholders, nor any officer, manager, partner or director of the Company or any of its Subsidiaries nor any of the Affiliates of any of the foregoing (other than the Company and its Subsidiaries):

(a) to the Knowledge of the Company, owns, directly or indirectly, any stock or other ownership interest or investment in any Person that is engaged in the Business or is a competitor, supplier, customer, lessor or lessee of the Company or any of its Subsidiaries; provided, however, that the foregoing representation shall be deemed not to

be made as to the ownership of not more than 1% of the capital stock of any such Person that has securities registered pursuant to Section 13 or Section 15 of the Securities Exchange Act;

(b) owes any amount to, or is owed any amount by, the Company or any of its Subsidiaries or to the Knowledge of the Company, has any claim against the Company or any of its Subsidiaries;

(c) has any interest in or owns any assets, properties or rights used in the conduct of the business of the Company or any of its Subsidiaries;

(d) is a party to any Contract to which the Company or any of its Subsidiaries is a party or which otherwise benefits the business of the Company or any of its Subsidiaries; or

(e) has received from or furnished to the Company or any of its Subsidiaries any goods or services since the Most Recent Fiscal Year End, or is involved in any business relationship with the Company or any of its Subsidiaries.

3.22 Significant Business Partners; Providers. Section 3.22 of the Disclosure Schedule sets forth a list of the Significant Business Partners as of the date hereof. Except as set forth on Section 3.22 of the Disclosure Schedule, since January 1, 2017, none of the Significant Business Partners (i) has canceled, suspended or otherwise terminated (or has provided written notice that it intends to cancel, suspend or otherwise terminate) its entire business relationship with the Company or its Subsidiaries or (ii) has provided written notice to the Company or any Subsidiary that it intends to materially reduce its entire business relationship with such Company or Subsidiary (other than reductions in the Ordinary Course of Business).

3.23 Product Warranty. Each product or service, developed, sold, leased, or delivered by the Company and its Subsidiaries is and has been developed, sold, leased, or delivered in conformity with all applicable contractual commitments and all express and implied warranties, and, to the Knowledge of the Company, neither the Company nor any of its Subsidiaries has any liability for replacement or repair thereof, other than system maintenance and upgrades in the Ordinary Course of Business, or other damages, liability or obligations in connection therewith, in excess of the reserve for warranty claims set forth on the Most Recent Balance Sheet as adjusted for the passage of time through the Closing Date in accordance with the past custom and practice of the Company and its Subsidiaries. Section 3.23 of the Disclosure Schedule includes copies of the standard terms and conditions of licenses sold by the Company and its Subsidiaries (containing applicable guaranty, warranty, and indemnity provisions). No license sold by the Company or any of its Subsidiaries is subject to any material guaranty, warranty, or other indemnity beyond the applicable standard terms and conditions of sale or lease set forth in Section 3.23 of the Disclosure Schedule, except for any guaranty, warranty or other indemnity that is imposed by Law.

3.24 No Other Representations or Warranties; Schedules. Except for the representations and warranties contained in Section 2.1 and Article 3, neither the Company nor the Participating Equityholders nor any of their respective Affiliates makes any express or implied representation or warranty with respect to the Company, the Participating Equityholders or any of their respective

Affiliates or with respect to any other information provided, or made available, to Buyer or any of its Affiliates, agents or representatives in connection with the transactions contemplated hereby.

ARTICLE 4

COVENANTS

4.1 Participating Equityholder Materials.

(a) Immediately following the execution of this Agreement, but in any event within one (1) Business Day, the Company shall deliver to Buyer (i) the written consent in accordance with the DGCL and the certificate of incorporation and bylaws of the Company and (ii) an executed joinder agreement in the form attached hereto as Exhibit C (a "**Joinder**"), in each case from the holders of Common Stock representing a Pro Rata Percentage of at least 97%.

(b) As promptly as practicable after the date hereof (and in any case within five (5) days), the Company shall mail or distribute to the holders of Common Stock a solicitation statement (i) describing this Agreement and the transactions contemplated hereby, (ii) soliciting the approval of the holders of Common Stock who did not already approve the principal terms of this Agreement and the transactions contemplated hereby pursuant to clause (a) above, and (iii) requesting that each such holder of Common Stock execute and deliver to the Company a Joinder. Prior to the delivery of such solicitation statement, the Company will give Buyer and its counsel a reasonable opportunity, but in no event less than three (3) Business Days, to review and comment on such solicitation statement. The Company will cause the solicitation statement to comply in all material respects with the applicable provisions of the DGCL. Buyer shall provide such information about Buyer as the Company shall reasonably request in connection with such solicitation statement. The Company shall use its commercially reasonable efforts to obtain an executed Joinder from each holder of Common Stock prior to the Closing Date.

(c) Promptly following the execution of this Agreement, but in no event later than ten (10) days prior to Closing, the Company shall deliver to each holder of Warrants the appropriate notice of early termination in accordance with the terms of each Warrant agreement. Prior to the delivery of such notice, the Company will give Buyer and its counsel a reasonable opportunity, but in no event less than three (3) Business Days, to review and comment on such notice.

(d) Promptly following the execution of this Agreement, but in no event later than ten (10) days prior to Closing, the Company shall deliver to each holder of Company Options the appropriate Option Cancellation Agreement. Prior to the delivery of such Option Cancellation Agreement, the Company will give Buyer and its counsel a reasonable opportunity, but in no event less than three (3) Business Days, to review and comment on such agreement.

4.2 Conduct of Business Prior to the Closing. From the date hereof until the Closing, except as otherwise provided in this Agreement or consented to in writing by Buyer (such consent not to be unreasonably withheld, conditioned or delayed), the Stockholders shall, and shall cause

the Company to: (a) operate its business in all material respects in the Ordinary Course of Business; (b) use commercially reasonable efforts to maintain and preserve in all material respects (i) its business organization, (ii) its relationship with its officers, employees and consultants and (iii) its relationship with its customers, suppliers, licensors, licensees, creditors, lessors and others having business relationships with it; (c) maintain and keep its tangible assets in as good repair and condition as at present, ordinary wear and tear excepted (consistent with the age of such items), and in all material respects maintain and protect all of the assets; (d) keep in full force and effect insurance comparable in amount and scope of coverage to that currently maintained; (e) operate its business in all material respects in compliance with all Laws; (f) pay all expenses and liabilities when due in the Ordinary Course of Business and (g) pay in a timely fashion, or accrue for, all Taxes or other public charges levied against it, or against the Company's business or its assets. From the date hereof until the Closing Date, except as consented to in writing by Buyer (such consent not to be unreasonably withheld, conditioned or delayed) or as set forth on Schedule 4.2, the Stockholders shall not cause or permit the Company to take or agree to take (x) any action that would reasonably be expected to result in a breach of any of Stockholders' representations and warranties or covenants in this Agreement or in any statement or certificate delivered in connection herewith in a manner that would result in the condition to Closing set forth in Section 5.1 not being satisfied, (y) any other action that would reasonably be expected to result in any of the conditions set forth in Article 5 not being satisfied or (z) any action that would cause any of the changes, events or conditions described in Section 3.7(b) to occur.

4.3 Notification; Schedule Updates. Prior to the Closing, if the Company becomes aware after the date of this Agreement of any fact or condition that constitutes a breach of any representation or warranty made by the Stockholders in Section 2.1 above or the Stockholders and the Company in Article 3 above, or becomes aware after the date of this Agreement of any fact or condition that requires any change in the Disclosure Schedule delivered to Buyer at the time of execution of this Agreement, the Company will have the right to deliver to Buyer at or before the Closing a supplement to the Disclosure Schedule specifying any needed change. Any such supplement to Disclosure Schedule shall not be given effect for purposes of the conditions set forth in Section 5.1; provided, however, that such supplement to the Disclosure Schedule shall be given effect for purposes of determining whether there has been a breach of a representation and warranty for purposes of the indemnification provisions under Article 8 hereof.

4.4 Adverse Developments. Representative will promptly notify Buyer, and Buyer will promptly notify Representative, in writing, of any Material Adverse Effect with respect to the Company or Buyer respectively.

4.5 Regulatory and Other Authorizations; Notices and Consents. Each party hereto shall, as promptly as possible, use its reasonable best efforts to obtain, or cause to be obtained, all consents, authorizations, orders and approvals from all Governmental Bodies that may be or become necessary for its execution and delivery of this Agreement and the performance of its obligations pursuant to this Agreement. Each party shall cooperate fully with the other party and its Affiliates in promptly seeking to obtain all such consents, authorizations, orders and approvals. The parties hereto shall not willfully take any action that will have the effect of delaying, impairing or impeding the receipt of any required consents, authorizations, orders and approvals. If required by the HSR Act and if the appropriate filing pursuant to the HSR Act has not been filed prior to the date hereof, each party hereto agrees to make an appropriate filing pursuant to the HSR Act

with respect to the transactions contemplated by this Agreement within five (5) Business Days after the date hereof and to supply as promptly as practicable to the appropriate Governmental Body any additional information and documentary material that may be requested pursuant to the HSR Act. Notwithstanding the foregoing, (x) Buyer shall not be required to: (A) (1) sell, divest, hold separate, license, cause a third party to acquire, or otherwise dispose of, any Subsidiary, operations, divisions, businesses, product lines, customers or assets of Buyer, its Affiliates, the Company or any of the Company's Subsidiaries contemporaneously with or after the Closing and regardless as to whether a third party purchaser has been identified or approved prior to the Closing, (2) accept any operational restriction or take or commit to take such other actions that may limit Buyer, its Affiliates, the Company or any of the Company's Subsidiaries' freedom of action with respect to, or its ability to retain, one or more of its operations, divisions, businesses, products lines, customers or assets, or (3) propose, negotiate, offer or enter into any Order, consent decree, hold separate order or other agreement to effectuate any of the foregoing; or (B) terminate, amend or otherwise modify any Contract or other business relationship as may be required to obtain any necessary clearance of any Governmental Body or to obtain termination of any applicable waiting period under any applicable antitrust Laws; and (y) no party hereto will extend any waiting period or enter into any agreement or understanding with any Governmental Body without the prior written consent of the other party.

4.6 Further Assurances. In case at any time after the Closing any further action is necessary to carry out the purposes of this Agreement, each of the Parties will take such further action (including the execution and delivery of such further instruments and documents) as any other Party reasonably may request, all at the sole cost and expense of the requesting Party (unless the requesting Party is entitled to indemnification therefor under Article 8 below).

4.7 Information; Post-Closing Access. Stockholders acknowledge and agree that, from and after the Closing, Buyer will be entitled to possession of all documents, books, records (including Tax records), agreements and financial data of any sort relating to the Company and its Subsidiaries. From and after the Closing, Buyer will make or cause to be made available (including by electronic means, to the extent available) to the Representative the books, records, Tax Returns and documents of the Company (and the assistance of employees responsible for such books, records and documents or whose participation is reasonably necessary in connection therewith) as may be reasonably necessary for (a) investigating, settling, preparing for the defense or prosecution of, defending or prosecuting any Third-Party Claim or (b) such other purposes (other than for purposes of bringing an indemnity claim pursuant to Article 8) for which access to such documents is reasonably necessary for the Representative to conduct his duties hereunder; provided, however, that any such access or furnishing of information shall be during the Company's normal business hours, under the supervision of Buyer's personnel and in such a manner as not to interfere with the normal operations of Buyer or the Company.

4.8 Litigation Support. During the three (3) year period following the Closing, in the event Buyer or the Company actively is contesting or defending against any Proceeding in connection with any fact, situation, circumstance, action, failure to act, or transaction on or prior to the Closing Date involving the Company or any of its Subsidiaries, the Founder will reasonably cooperate with it and its counsel in the contest or defense and provide such testimony and access to the Founder's books and records as shall be reasonably necessary in connection with the contest

or defense, all at the sole cost and expense of Buyer and the Company (except to the extent Buyer and the Company are entitled to indemnification therefor under Article 8 below).

4.9 Exclusivity.

(a) The Company and the Restricted Persons agree that, during the Exclusivity Period (as defined below), the Company will not, and will cause each of its directors, officers, employees, representatives, agents, Subsidiaries, Affiliates, or Stockholders not to, directly or indirectly: (i) solicit, initiate, knowingly encourage or knowingly facilitate any inquiries or the making of any proposals or offers from any person or entity concerning (x) any transfer or sale of assets of the Company or any Subsidiary (not in the Ordinary Course of Business), (y) the issuance of any capital stock or other equity or debt interests of the Company or any Subsidiary, other than capital stock issued upon exercise or conversion of presently outstanding exercisable or convertible securities, or (z) any acquisition, business combination, amalgamation, change of control or other similar transaction involving the Company or any Subsidiary, (ii) have any discussion with or provide any confidential information or data to any person or entity relating to any such inquiry, proposal or offer, (iii) approve or recommend, or propose to approve or recommend, whether publicly or to any director or Stockholder, any such proposal or offer, or (iv) approve or recommend, or propose to approve or recommend, or execute or enter into, any letter of intent, agreement in principal, merger agreement, acquisition agreement, option agreement or other similar agreement related to any such proposal or offer, or propose, whether publicly or to any director or Stockholder, or agree to do any of the foregoing related to any such proposal or offer. The Company will instruct its representatives to, immediately cease and terminate any existing discussion, or negotiation with any third parties conducted heretofore by the Company or any of its representatives with respect to any of the foregoing. The Company will promptly advise Buyer of, and communicate to Buyer in writing the terms and conditions of (and the identity of the person or entity making), any such inquiry, proposal or offer received subject to, and only to the extent of, applicable contractual obligations of the Company under non-disclosure or similar agreements existing as of the date of this Agreement.

(b) "**Exclusivity Period**" means the period beginning on the date of this Agreement and ending on the earlier to occur of (i) the Closing Date and (ii) the date this Agreement is terminated in accordance with Article 10.

4.10 Continuing Employee Benefits.

(a) Immediately following the Effective Time and for a period of at least twelve (12) months thereafter, Buyer shall provide, or shall cause the Surviving Corporation (or its respective direct and indirect Subsidiaries) to provide, each Continuing Employee with (i) the base salary and cash bonus opportunity at least as favorable as provided by the Company immediately prior to the Closing Date (other than with respect to certain Continuing Employees set forth on Schedule 4.10(a)) and (ii) employee benefits provided by Buyer and the Surviving Corporation that are substantially similar in the aggregate to employee benefit plans provided by Buyer to similarly-situated employees. For purposes of determining after the Effective Time the extent to which any Continuing Employee is eligible for or vested in (and, in regard to any severance or vacation entitlement only, the

level of benefits under) any Buyer employee benefit plan, program or arrangement in which a Continuing Employee may participate ("**Buyer New Plans**"), Buyer shall credit the Continuing Employee for all service with the Company (and its predecessors) before the Effective Time to the same extent such service was credited for such respective purposes by the Company as of the Effective Time under a corresponding Company Employee Benefit Plan.

(b) Buyer may hire any individuals that have provided services to the Company or its Subsidiaries through Mahathi India Pvt. Ltd. or any of its Affiliates and have primary direction and control over such employees for a period of three years after the Closing Date.

(c) For purpose of any Buyer New Plan providing medical, dental, pharmaceutical and/or vision benefits to any Continuing Employee, Buyer shall, or shall cause the Surviving Corporation (or its direct and indirect Subsidiaries) to use commercially reasonable efforts to, (i) waive for each Continuing Employee and his or her dependents, any waiting period provision, payment requirement to avoid a waiting period, pre-existing condition limitation, actively at work requirement or any other restriction that would prevent immediate or full participation under any Buyer employee benefit plan, program or arrangement covering the Continuing Employee to the extent such waiting period, pre-existing condition limitation, actively at work requirement or other restriction would not have been applicable to such Continuing Employee under the terms of the Company Employee Benefit Plans, and (ii) waive any and all evidence of insurability requirements with respect to such Continuing Employees to the extent such evidence of insurability requirements were not applicable to the Continuing Employee under the Company Employee Benefit Plans immediately prior to the Closing.

(d) All provisions contained in this Section 4.8 with respect to the Continuing Employees are included for the sole benefit of the respective parties, and shall not create any right (i) in any other Person or (ii) to continued employment with the Company, Buyer or any affiliate thereof. Nothing contained in this Section 4.8 is intended to be or shall be considered to be an amendment or adoption of any plan, program, contract, arrangement or policy of the Company or Buyer or any affiliate thereof nor shall it interfere with Buyer's or the Company's right to amend, modify or terminate any employee benefit plan in accordance with its provisions or to terminate the employment of any Continuing Employee for any reason.

4.11 Confidentiality. Each Stockholder agrees not to disclose or use any Confidential Information, except that, if and as long as a Stockholder is an employee of the Company or any of the Subsidiaries after the Closing, then such Stockholder may use the Confidential Information in the ordinary course of his or her employment on behalf of the Company or such Subsidiary so long as such use is in compliance with all policies and agreements applicable to such Stockholder. Upon termination of such employment, each Stockholder will deliver promptly to Buyer or destroy, at the request and option of Buyer, all tangible embodiments (and all copies) of the Confidential Information that are in his or her possession. If any Stockholder is requested or required pursuant to written or oral question or request for information or documents in any Proceeding, interrogatory, subpoena, civil investigation demand or similar process to disclose any Confidential Information, then such Stockholder will notify Buyer promptly of the request or requirement so

that Buyer may seek an appropriate protective order or waive compliance with the provisions of this Section 4.11. If, in the absence of a protective order or the receipt of a waiver hereunder, any Stockholder is, on the advice of counsel, compelled to disclose any Confidential Information to any tribunal or else stand liable for contempt, then such Stockholder may disclose the Confidential Information to the tribunal; provided, however, that the disclosing Stockholder shall use its, his or her commercially reasonable efforts to obtain, at the request and sole cost and expense of Buyer, an order or other assurance that confidential treatment will be accorded to such portion of the Confidential Information required to be disclosed as Buyer shall designate. The foregoing provisions shall not apply to any Confidential Information that is generally available to the public immediately prior to the time of disclosure unless such Confidential Information is so available due to the actions of a Stockholder.

4.12 Covenant Not to Compete. During the Restricted Period, each Stockholder listed on Schedule 4.12 (each, a "**Restricted Person**") will not, directly or indirectly, in any manner (whether on its, his or her own account, or as an owner, operator, manager, consultant, officer, director, employee, investor, agent or otherwise), anywhere in the Applicable Area, engage in a Competitive Business, or own any interest in, manage, control, provide financing to, participate in (whether as an owner, operator, manager, consultant, officer, director, employee, investor, agent, representative or otherwise), or consult with or render services for any Person that is engaged in a Competitive Business; provided, however, that no owner of less than 1% of the outstanding stock of any publicly-traded corporation shall be deemed to engage solely by reason thereof in its business. In the event Founder is terminated by the Company or Buyer without Cause, the obligations of Founder under this Section 4.12 shall terminate and the non-competition obligations of the Inventions and Restrictive Covenant Agreement executed by Founder at Closing shall not apply solely with respect to the Business but the non-competition obligations set forth in the Inventions and Restrictive Covenant Agreement will otherwise remain in full force and effect.

4.13 Covenant Not to Solicit. During the Restricted Period, each Restricted Person will not, directly or indirectly, in any manner (whether on its, his or her own account, or as an owner, operator, manager, consultant, officer, director, employee, investor, agent or otherwise), (a) call upon, solicit or provide services to any customer with the intent of selling or attempting to sell any products or services similar to those offered by the Business, (b) hire or engage, or recruit, solicit or otherwise attempt to employ or engage, or enter into any business relationship with, any Person who is or was, during the twelve (12) month period preceding the Closing Date, employed by, or providing consulting services to, the Company or any of its Subsidiaries, or induce or attempt to induce any Person to leave such employment or consulting arrangement, or (c) take any action that is intended to interfere with the relationship between the Company or any of its Subsidiaries and any employee, consultant, customer, sales representative, broker, supplier, licensee or other business relation (or any prospective customer, in the Company's sales pipeline) of the Company or any of its Subsidiaries (including, without limitation, by making any negative or disparaging statements or communications regarding the Company, any of its Subsidiaries or any of their operations, officers, directors or investors); provided, however, that (i) no general advertisement or general solicitation for employment not targeted to Persons employed by or providing consulting services to the Company or its Subsidiaries shall be deemed to be in violation of this Section 4.11, and (ii) clause (c) above shall not prohibit any Restricted Person from (x) providing truthful testimony in any legal proceeding or filings, or before any Governmental Body or arbitrator (including, without limitation, depositions in connection with such proceedings), (y)

engaging in communications protected under the National Labor Relations Act, or from filing a charge or providing information to any Governmental Body, or (z) reporting information to, or participating in any investigation or proceeding conducted by the U.S. Securities and Exchange Commission.

4.14 Enforcement. If the final judgment of a court of competent jurisdiction declares that any term or provision of Sections 4.12 or 4.13 is invalid or unenforceable, then the Parties agree that the court making the determination of invalidity or unenforceability shall have the power to reduce the scope, duration or area of the term or provision, to delete specific words or phrases, or to replace any invalid or unenforceable term or provision with a term or provision that is valid and enforceable and that comes closer to expressing the intention of the invalid or unenforceable term or provision, and this Agreement shall be enforceable as so modified after the expiration of the time within which the judgment may be appealed. In the event of litigation involving Sections 4.11, 4.12 or 4.13, the non-prevailing party shall reimburse the prevailing party for all costs and expenses, including reasonable attorneys' fees and expenses, incurred in connection with any such litigation, including any appeal therefrom. The existence of any claim or cause of action by any Stockholder against Buyer, the Company or any of their respective Affiliates, whether predicated on this Agreement or otherwise, will not constitute a defense to the enforcement by Buyer of the provisions of Sections 4.11, 4.12 or 4.13, which Sections will be enforceable notwithstanding the existence of any breach by Buyer or the Company. Notwithstanding the foregoing, no Stockholder will be prohibited from pursuing such claims or causes of action against Buyer or the Company.

4.15 Founder Guaranty. Raj Toleti, individually, hereby unconditionally and absolutely guarantees, as a guaranty of payment, performance and observation, and not merely as a guaranty of collection, the prompt payment, performance and observation by the Stockholders connected with or related to the clawback of any Earn-Out Payments pursuant to Section 1.10. The obligation of Raj Toleti ("**Founder**") under this Section 4.15 is a continuing guaranty and shall remain in effect and shall survive the Closing until (a) the final determination pursuant to Section 1.11 that the Company's First Year Recurring Revenue is at least $24,000,000, (b) the repayment of the Pre-Paid Amount (or any portion thereof) in satisfaction in full of the Participating Equityholders' clawback obligation as required pursuant to Section 1.10(c), or (c) the termination of Buyer's clawback right pursuant to Section 1.10.

4.16 Release. As of the Closing Date, each Stockholder, for itself, himself or herself, and its, his or her heirs, personal representatives, successors and assigns (collectively, the "**Releasors**"), hereby (a) forever fully and irrevocably releases and discharges Buyer, the Company, each of its respective Subsidiaries, and each of their respective predecessors, successors, direct or indirect subsidiaries and past and present stockholders, members, managers, directors, officers, employees, agents, and other representatives (collectively, the "**Released Parties**") from any and all actions, suits, claims, demands, debts, agreements, obligations, promises, judgments, or liabilities of any kind whatsoever in law or equity and causes of action of every kind and nature, or otherwise (including, claims for damages, costs, expense, and attorneys', brokers' and accountants fees and expenses) arising out of or related to events, facts, conditions or circumstances existing or arising prior to the Closing Date, which the Releasors can, shall or may have against the Released Parties, whether known or unknown, suspected or unsuspected, unanticipated as well as anticipated (collectively, the "**Released Claims**"), and (b) irrevocably

agree to refrain from directly or indirectly asserting any claim or demand or commencing (or causing to be commenced) any Proceeding against any Released Party based upon any Released Claim. Notwithstanding the preceding sentence of this Section 4.16, "**Released Claims**" does not include, and the provisions of this Section 4.16 shall not release or otherwise diminish, (i) the obligations of any Party set forth in or arising under any provisions of this Agreement or the Ancillary Agreements, and (ii) if such Stockholder is an employee of the Company or any of its Subsidiaries, in respect of (x) the current year's accrued but unpaid compensation, (y) such employee's outstanding or vested benefits under the Employee Benefit Plans of the Company as of the Closing Date, and (z) any claims that cannot be released by an employee as a matter of Law.

4.17 Indemnification; Directors' and Officers' Insurance.

(a) For a period of six (6) years from the Closing Date, the Surviving Corporation agrees to indemnify (including advancement of expenses) and hold harmless all past and present officers and directors of the Company to the same extent such persons are indemnified and advanced expenses by the Company as of the date of this Agreement pursuant to the Company Certificate of Incorporation, the bylaws of the Company, any applicable employment agreements or indemnification agreements or under applicable Laws for acts or omissions which occurred prior to the Effective Time and that do not arise out of or relate to the transactions contemplated by this Agreement. For a period of six (6) years from the Closing Date, the Surviving Corporation's certificate of incorporation and bylaws shall contain provisions with respect to indemnification and exculpation that are at least as favorable to the past and present officers and directors of the Company as those provisions contained in the Company Certificate of Incorporation and the bylaws of the Company in effect on the date hereof.

(b) Prior to the Effective Time, the Company shall purchase tail insurance coverage ("**D&O Tail Policy**"), the cost of which shall be deemed a Transaction Expense and included in the Transaction Expenses, which shall, for a period of six (6) years from and after the Effective Time, provide officers' and directors' liability insurance with respect to acts or omissions occurring at or prior to the Effective Time covering each past and present officer and member of the board of directors of the Company who is currently covered by the Company's officers' and directors' liability insurance policy. The terms and coverage amounts of the D&O Tail Policy shall be at least as favorable as the terms and coverage amounts of the Company's officer and director liability insurance policy in effect on the date hereof.

(c) If Buyer, the Surviving Corporation or any of its successors or assigns (i) consolidates with or merges into any other person and shall not be the continuing or surviving corporation or entity of such consolidation or merger or (ii) transfers or conveys all or substantially all of its properties and assets to any person, then, and in each such case, to the extent necessary, proper provision shall be made so that the successors and assigns of Buyer or the Surviving Corporation, as the case may be, shall assume the obligations set forth in this Section 4.15.

(d) From and after the Closing, subject to the indemnification obligations of the Stockholders and the limitations set forth in Article 8, the provisions of this Section 4.17

are intended for the benefit of, and shall be enforceable by, all past and present officers and directors of the Company and his or her heirs and representatives.

ARTICLE 5

CONDITIONS TO BUYER'S OBLIGATIONS

The obligations of Buyer to consummate this Agreement and the Closing of the transactions contemplated hereunder are subject to the satisfaction of each of the following conditions on or prior to the Closing Date:

5.1 Representations and Warranties. The representations and warranties of Stockholders to Buyer contained in this Agreement (and in any certificates delivered by Stockholders or Representative and the Company pursuant to this Agreement) that are qualified by materiality (including by a Material Adverse Effect qualifier) (other than the Excluded Representations) will be true and correct in all respects as of the date of this Agreement and as of the Closing Date; the representations and warranties of Stockholders to Buyer contained in this Agreement (and in any certificates delivered by Stockholders, the Representative and the Company pursuant to this Agreement) that are not so qualified by materiality (including a Material Adverse Effect qualifier) will be true and correct in all material respects (in each case, subject to all qualifications as to Knowledge, if any, set forth in those representations and warranties) as of the date of this Agreement and as of the Closing Date; and the Excluded Representations contained in this Agreement will be true and correct in all respects as of the date of this Agreement and the Closing Date.

5.2 Compliance with Covenants. All of the covenants to be complied with and performed by the Company, any of Stockholders on or before the Closing Date will have been duly complied with and performed.

5.3 Closing Deliverables. On the Closing Date, the Stockholders will have delivered or caused to be delivered to Buyer the duly executed Closing deliverables as specified in Section 7.1.

5.4 Absence of Litigation. As of the Closing, no Claim will be pending or threatened before any court, other Governmental Body or arbitrator, which if successful, would: (i) enjoin, restrain, or prohibit the consummation of the transactions contemplated by this Agreement or any Ancillary Agreements, or (ii) materially adversely affect the right of Buyer following the Closing to own the Company Securities or the right of Buyer to operate the Company as currently operated and as currently proposed to be operated.

5.5 No Material Adverse Effect. There will have been no Material Adverse Effect during the period from the date of this Agreement to the Closing Date.

5.6 Government Consents. The Government Consents shall have been obtained, including, but not limited to, any consents or approvals as may be required under the HSR Act or any other Antitrust Law.

5.7 Third Party Consents. Stockholders, the Company and its Subsidiaries shall have procured all of the consents or approvals set forth on Schedule 5.7 and there shall exist no other material Consent required of any Person to consummate the transactions contemplated in this Agreement.

5.8 No Order; Actions. No Governmental Body shall have enacted, issued, promulgated, enforced or entered any Law or Order that has the effect of making the transactions contemplated by this Agreement illegal or otherwise restraining or prohibiting the consummation of such transactions; and no Proceeding shall have been commenced against Buyer, Stockholders or the Company, which would prevent the Closing.

ARTICLE 6

CONDITIONS TO STOCKHOLDERS' OBLIGATIONS

The obligations of each of Stockholders to consummate this Agreement and Closing of the transactions contemplated hereunder are subject to the satisfaction of each of the following conditions on or prior to the Closing Date:

6.1 Representations and Warranties. The representations and warranties of Buyer to Stockholders contained in this Agreement (and in any certificates delivered by Buyer pursuant to this Agreement) that are qualified by materiality (including by a Material Adverse Effect qualifier) will be true and correct in all respects as of the date of this Agreement and as of the Closing Date; the representations and warranties of Buyer to Stockholders contained in this Agreement (and in any certificates delivered by Buyer pursuant to this Agreement) that are not so qualified by materiality (including by a Material Adverse Effect qualifier) will be true and correct in all material respects (in each case, subject to all qualifications as to Knowledge set forth in those representations and warranties) as of the date of this Agreement and as of the Closing Date; and the Buyer Excluded Representations will be true and correct in all respects as of the date of this Agreement and the Closing Date.

6.2 Closing Deliverables. On the Closing Date, Buyer will have delivered or caused to be delivered to Representative or other third parties duly executed Closing deliverables, as specified in Section 7.2 below.

6.3 Government Consents. The Government Consents shall have been obtained, including, but not limited to, any consents or approvals as may be required under the HSR Act or any other Antitrust Law.

6.4 Absence of Litigation. As of the Closing, no Claim will be pending or threatened before any court, other Governmental Body or arbitrator, which if successful, would: (i) enjoin, restrain, or prohibit the consummation of the transactions contemplated by this Agreement or any Ancillary Agreement, or (ii) materially adversely affect the right of Buyer following the Closing to own the Company Securities or the right of Buyer to operate the Company as currently operated and as currently proposed to be operated.

6.5 Dissenters' Rights. The Dissenting Shares shall not represent more than One Percent (1%) of the shares of Common Stock outstanding on the Closing Date on a Pro Rata Percentage basis.

ARTICLE 7

CLOSING DELIVERIES

7.1 Closing Deliveries of Stockholders. At or prior to the Closing, the Representative, on behalf of Stockholders and the Company, shall deliver to Buyer:

(a) the certificates representing all of the Company Securities, together with other appropriate instruments of transfer to convey the same to Buyer;

(b) the Certificate of Merger, executed by the Company which shall be filed by Buyer with the Delaware Secretary of State;

(c) a certificate of the Secretary of the Company and each of its Subsidiaries, dated as of the Closing Date, attaching and certifying (i) the Organizational Documents of the Company and each of its Subsidiaries, (ii) the authorizing resolutions of the Company and each of its Subsidiaries and (iii) the incumbency and signatures of the Persons signing this Agreement and the other Ancillary Agreements to which the Company or any of its Subsidiaries is a party;

(d) good standing certificates for the Company and each of its Subsidiaries from the jurisdiction of each such Person's organization and each jurisdiction in which the Company or any Subsidiary is qualified to do business;

(e) counterpart signature pages to the Allscripts Healthcare, LLC Inventions and Restrictive Covenant Agreement in the form attached hereto as Exhibit B by the Continuing Employees set forth on Schedule 7.1(e);

(f) evidence of termination of the Company's Stockholders' Agreement, in form and substance satisfactory to Buyer;

(g) resignation letters from each member of the board of directors and each officer of the Company and its Subsidiaries set forth on Schedule 7.1(g);

(h) all documentation necessary to obtain releases of all Liens (other than the Permitted Liens), including appropriate UCC termination statements;

(i) payoff and release letters from the holders of the Debt set forth on Schedule 7.1(i) that (i) reflect the amounts required in order to pay in full such Debt and (ii) provide that, upon payment in full of the amounts indicated, all Liens with respect to the assets of the Company or any of its Subsidiaries shall be terminated and of no further force and effect, together with UCC-3 termination statements with respect to the financing statements filed against the assets or equity interests of the Company or any of its Subsidiaries by the holders of such Liens;

(j) a payoff and termination letter from the Persons entitled to broker's fees listed on Section 3.5 of the Disclosure Schedule;

(k) a termination agreement from each party to the related party Contracts identified on Schedule 7.1(k);

(l) an affidavit of non-foreign status, certified by each Stockholder under penalties of perjury, meeting the requirements of Treasury Regulations Section 1.1445-2(b)(2);

(m) an amendment to that certain Agreement by and between the Company and Mahathi Software Pvt. Ltd. pursuant to which Mahathi Software Pvt. Ltd. agrees that the Company will have access to the same resources and individual employees that have historically worked and currently work with the Company and the compensation thereunder shall be reduced, in the form attached hereto as **Exhibit D**;

(n) evidence reasonably satisfactory to Buyer that the matters set forth on Schedule 7.1(n) have been resolved in the manner set forth on the Schedule; and

(o) all other instruments and documents required by this Agreement to be delivered by the Company, its Subsidiaries, the Stockholders or the Representative to Buyer, and such other instruments and documents which Buyer or its counsel may reasonably request to effectuate the transactions contemplated hereby.

All such agreements, documents and other items shall be in form and substance satisfactory to Buyer.

7.2 Closing Deliveries of Buyer. At or prior to the Closing, Buyer shall deliver to the Representative:

(a) the Certificate of Merger;

(b) a certificate from the Secretary of Buyer, dated as of the Closing Date, attaching and certifying (i) the Organizational Documents of Buyer, and (ii) the incumbency and signatures of the Persons signing this Agreement and the other Ancillary Agreements to which Buyer is a party; and

(c) all other instruments and documents required by this Agreement to be delivered by Buyer to the Company, the Stockholders or the Representative, and such other instruments and documents which the Representative or its counsel may reasonably request to effectuate the transactions contemplated hereby.

All such agreements, documents and other items shall be in form and substance satisfactory to the Representative.

ARTICLE 8

REMEDIES FOR BREACHES OF THIS AGREEMENT

8.1 Indemnification by the Participating Equityholders.

(a) Subject to the terms and conditions of this Article 8, the Participating Equityholders, severally in accordance with their Fully-Diluted Pro Rata Percentage and not jointly, will indemnify, defend and hold harmless Buyer, Merger Sub, the Company, each of their respective Subsidiaries, each of their respective Affiliates, and their respective successors and assigns (the "**Buyer Indemnitees**") from and against the entirety of any Adverse Consequences that any Buyer Indemnitee may suffer or incur (including any Adverse Consequences they may suffer or incur after the end of any applicable survival period, provided that an indemnification claim with respect to such Adverse Consequence is made pursuant to this Article 8 prior to the end of any applicable survival period) resulting from, arising out of, relating to, in the nature of, or caused by (i) any breach or inaccuracy of any representation or warranty made in Article 3, (ii) any breach of any covenant or agreement of the Company or any of its Subsidiaries in this Agreement, (iii) any inaccuracy in the allocation of payments set forth on Schedule 1.1, (iv) any claim by any Stockholder, option holder or warrantholder, or former shareholder, optionholder or warrantholder of the Company or any of its Subsidiaries, or any other Person, not set forth on Schedule 1.1, seeking to assert or based upon (A) ownership or rights to ownership of any equity securities, (B) any rights of any Stockholder or other holder of Company Securities (other than the right to receive such Stockholder's portion of the Aggregate Merger Consideration pursuant to this Agreement), including any option, warrant, preemptive rights or rights to notice or to vote, or (C) any rights under the certificate of incorporation or bylaws of the Company or any of its Subsidiaries, in effect as of immediately prior to the Closing, whether or not facts relating to any of the foregoing have been disclosed in any Schedule; and (v) any assertion or recovery by any Stockholder of the fair value, interest, and expenses or other amounts pursuant to appraisal rights exercised or purportedly exercised pursuant to the DGCL (it being understood that any Adverse Consequences relating thereto shall not include the pro rata share of the Aggregate Merger Consideration such asserting or recovering Stockholder would have received pursuant to this Agreement), including, for the avoidance of doubt, all reasonable fees and expenses of attorneys, accountants, financial advisors and other experts and other expenses of Buyer and its Affiliates in connection with the foregoing.

(b) The Participating Equityholders, severally in accordance with their Fully-Diluted Pro Rata Percentage and not jointly, agree that they shall pay and otherwise fully satisfy and discharge all Designated Excluded Liabilities, and shall indemnify, defend and hold all Buyer Indemnitees harmless from, and shall reimburse all Buyer Indemnitees for, all Adverse Consequences that any Buyer Indemnitee may suffer or incur in connection with any Designated Excluded Liabilities.

(c) Subject to the terms and conditions of this Article 8, each Stockholder, severally and not jointly and for himself, herself or itself only, will indemnify, defend and hold harmless the Buyer Indemnitees from and against the entirety of any Adverse Consequences that any Buyer Indemnitee may suffer or incur (including any Adverse

Consequences they may suffer or incur after the end of any applicable survival period, provided that an indemnification claim with respect to such Adverse Consequence is made pursuant to this Article 8 prior to the end of any applicable survival period) resulting from, arising out of, relating to, in the nature of, or caused by (i) any breach or inaccuracy of any representation or warranty made by such Stockholder in Section 2.1 or (ii) any breach of any covenant or agreement of such Stockholder in this Agreement.

8.2 Indemnification by Buyer. Subject to the terms and conditions of this Article 8, Buyer will indemnify, defend and hold harmless the Participating Equityholders, their respective Affiliates, and their respective successors and assigns (the "**Stockholder Indemnitees**") from and against the entirety of any Adverse Consequences they may suffer or incur (including any Adverse Consequences they may suffer or incur after the end of any applicable survival period, provided that an indemnification claim with respect to such Adverse Consequence is made pursuant to this Article 8 prior to the end of any applicable survival period) resulting from, arising out of, relating to, in the nature of, or caused by (a) any breach or inaccuracy of any representation or warranty made by Buyer in Section 2.2 or (b) any breach of any covenant or agreement of Buyer in this Agreement.

8.3 Survival and Time Limitations. All representations, warranties, covenants and agreements of the Parties in this Agreement or any other certificate or document delivered pursuant to this Agreement will survive the Closing indefinitely. The right to indemnification, payment of any losses or other remedy based on such representations, warranties, covenants, and obligations will not be affected by any investigation conducted with respect to, or any knowledge acquired (or capable of being acquired) at any time, whether before or after the execution and delivery of this Agreement, with respect to the accuracy or inaccuracy of or compliance with, any such representation, warranty, covenant, or obligation. Notwithstanding the foregoing, Participating Equityholders will have no liability with respect to any claim under Section 8.1(a)(i) unless Buyer notifies the Representative of such a claim on or before the date that is fourteen (14) months from the Closing Date; provided, however, that (a) any claim relating to any representation made in Section 3.10 (Tax Matters) may be made at any time until thirty (30) days after the expiration of the applicable Tax statute or period of limitations, (b) any claim relating to any representation made in Sections 2.1(a) (Authorization of Transaction), 2.1(c) (Brokers' Fees), 2.1(d) (Company Securities), 3.2 (Authorization of Transaction), 3.3 (Capitalization and Subsidiaries), and 3.5 (Brokers' Fees) and the first sentence of 3.6 (Assets) may be made at any time without limitation (collectively, the representations and warranties described in clauses (a) and (b) are referred to as the "**Company Excluded Representations**") and (c) any claim related to intentional or fraudulent breaches of the representations and warranties may be made at any time without limitation. Buyer will have no liability with respect to any claim for any breach or inaccuracy of any representation or warranty in this Agreement unless the Representative notifies Buyer of such a claim on or before the date that is fourteen (14) months from the date hereof; provided, however, that any claim relating to any representation made in Sections 2.2(b) (Authorization of Transaction), 2.2(d) (Brokers' Fees), and 2.2(g) (Sufficiency of Funds) (collectively, the "**Buyer Excluded Representations**") may be made at any time without any time limitation. Notwithstanding anything to the contrary contained herein, if Buyer or the Representative, as applicable, provides notice of a claim in accordance with the terms of this Agreement within the applicable time period set forth above, then liability for such claim will continue until such claim is fully resolved.

8.4 Limitations on Indemnification by Participating Equityholders.

(a) With respect to the matters described in Sections 8.1(a)(i), Participating Equityholders will have no liability with respect to such matters until Buyer Indemnitees have suffered aggregate Adverse Consequences by reason of all such breaches in excess of $500,000 (the "**Threshold**"), after which point Participating Equityholders will be obligated to indemnify Buyer Indemnitees from and against all Adverse Consequences exceeding the Threshold; provided, that the foregoing limitations shall not apply in respect of any Adverse Consequences relating to (i) breaches of the Company Excluded Representations or (ii) any intentional or fraudulent breach of a representation or warranty.

(b) With respect to the matters described in Sections 8.1(a)(i), the aggregate maximum liability of all Participating Equityholders shall be $7,000,000 (the "**Cap**"); provided, that the foregoing limitations shall not apply in respect of any Adverse Consequences relating to (i) breaches of the Company Excluded Representations or (ii) any intentional or fraudulent breach of representation or warranty.

(c) Notwithstanding anything in this Agreement to the contrary, the Parties acknowledge and agree that the maximum aggregate amount of Adverse Consequences for which indemnification is required to be made by the Participating Equityholders hereunder shall be the Final Cash Payment plus the Special Holdback, if any, plus the Earn-Out Payments, if any; provided, that the foregoing limitations shall not apply in respect of any Adverse Consequences relating to any intentional or fraudulent breach of representation or warranty.

(d) Notwithstanding anything in this Agreement to the contrary, no Buyer Indemnitee shall be entitled to make any claim for indemnification hereunder with respect to the failure of the Company or any Stockholder to satisfy any condition to Closing set forth in Article 5 if such condition has not been satisfied prior to the Closing Date and Buyer specifically waives such condition and closes the transactions contemplated hereby.

8.5 Limitations on Indemnification by Buyer.

(a) With respect to the matters described in Section 8.2(a), Buyer will have no liability with respect to such matters until Stockholder Indemnitees have suffered Adverse Consequences by reason of all such breaches in excess of the Threshold, after which point Buyer will be obligated to indemnify Stockholder Indemnitees from and against all Adverse Consequences exceeding the Threshold; provided, that the foregoing limitations shall not apply in respect of any Adverse Consequences relating to (a) breaches of any representation made in Sections 2.2(b) (Authorization of Transaction) and 2.2(d) (Brokers' Fees) or (b) any intentional or fraudulent breach of a representation or warranty.

(b) With respect to the matters described in Section 8.2(a), the aggregate maximum liability of Buyer shall be the Cap; provided, that the foregoing limitation shall not apply in respect of any Adverse Consequences relating to (i) breaches of any representation made in Sections 2.2(b) (Authorization of Transaction) and 2.2(d) (Brokers' Fees) or (b) any intentional or fraudulent breach of a representation or warranty.

8.6 Third-Party Claims.

(a) If a third party initiates a claim, demand, dispute, lawsuit or arbitration (a "**Third-Party Claim**") against any Person (the "**Indemnified Party**") with respect to any matter that the Indemnified Party might make a claim for indemnification against any Party (the "**Indemnifying Party**") under this Article 8, then the Indemnified Party must promptly notify the Indemnifying Party in writing of the existence of such Third-Party Claim and must deliver copies of any documents served on the Indemnified Party with respect to the Third-Party Claim; provided, however, that any failure on the part of an Indemnified Party to so notify an Indemnifying Party shall not limit any of the obligations of the Indemnifying Party under this Article 8 (except to the extent such failure materially prejudices the defense of such proceeding).

(b) Upon receipt of the notice described in Section 8.6(a), the Indemnifying Party will have the right to defend the Indemnified Party against the Third-Party Claim with counsel reasonably satisfactory to the Indemnified Party, provided, that (i) the Indemnifying Party notifies the Indemnified Party in writing within fifteen (15) days after the Indemnified Party has given notice of the Third-Party Claim that the Indemnifying Party will indemnify the Indemnified Party from and against the entirety of any Adverse Consequences the Indemnified Party may suffer resulting from, arising out of, relating to, in the nature of, or caused by the Third-Party Claim, (ii) the Indemnifying Party provides the Indemnified Party with evidence reasonably acceptable to the Indemnified Party that the Indemnifying Party will have the financial resources to defend against the Third-Party Claim and fulfill its indemnification obligations hereunder, (iii) the Third-Party Claim involves only money damages and does not seek an injunction or other equitable relief against the Company or Buyer or any of their Affiliates, (iv) settlement of, or an adverse judgment with respect to, the Third-Party Claim is not, in the good faith judgment of the Indemnified Party, likely to establish a precedential custom or practice adverse to the continuing business interests or the reputation of the Indemnified Party, (v) the Third-Party Claim does not involve or relate to any Intellectual Property of the Company or another Person or any Privacy Law, Privacy Policy or Privacy Procedure, and (vi) the Indemnifying Party conducts the defense of the Third-Party Claim actively and diligently. The Indemnifying Party will keep the Indemnified Party apprised of all material developments, including settlement offers, with respect to the Third-Party Claim and permit the Indemnified Party to participate in the defense of the Third-Party Claim. So long as the Indemnifying Party is conducting the defense of the Third-Party Claim in accordance with this Section 8.6(b), the Indemnifying Party will not be responsible for any attorneys' fees or other expenses incurred by the Indemnified Party regarding the defense of the Third-Party Claim.

(c) In the event that any of the conditions under Section 8.6(b) is or becomes unsatisfied, however, (i) the Indemnified Party may defend against, and consent to the entry of any judgment on or enter into any settlement with respect to, the Third-Party Claim in any manner it may reasonably deem appropriate, (ii) the Indemnifying Parties will reimburse the Indemnified Party promptly and periodically for the costs of defending against the Third-Party Claim (including reasonable attorneys' fees and expenses), and (iii) the Indemnifying Parties will remain responsible for any Adverse Consequences the

Indemnified Party may suffer resulting from, arising out of, relating to, in the nature of, or caused by the Third-Party Claim to the fullest extent provided in this Article 8.

(d) Except in circumstances described in Section 8.6(c), neither the Indemnified Party nor the Indemnifying Party will consent to the entry of any judgment or enter into any settlement with respect to the Third-Party Claim without the prior written consent of the other party, which consent will not be unreasonably withheld or delayed.

8.7 Other Indemnification Matters and Limitations.

(a) All indemnification payments under this Article 8 will be deemed adjustments to the Cash Payment for all Tax purposes, unless otherwise required by Law.

(b) For purposes of determining whether there has been any misrepresentation or breach of a representation or warranty, and for purposes of determining the amount of Adverse Consequences resulting therefrom, all qualifications or exceptions in any representation or warranty relating to or referring to the terms “material”, “materiality”, “in all material respects”, “Material Adverse Effect” or any similar term or phrase shall be disregarded, it being the understanding of the Parties that for purposes of determining liability under this Article 8, the representations and warranties of the Parties contained in this Agreement shall be read as if such terms and phrases were not included in them.

(c) Each Participating Equityholder agrees that (a) such Participating Equityholder will not make any claim for indemnification against Buyer Indemnitee by virtue of the fact that any of the Participating Equityholders or such Participating Equityholder’s equityholders, directors, managers, partners, officers, employees, representatives or other Affiliates was an equityholder, partner, trustee, director, manager, officer, employee or agent of the Company or any of its Subsidiaries or was serving as an equityholder, partner, trustee, director, manager, officer, employee or agent of any Person, regardless of the nature of the Adverse Consequences claimed, with respect to any Proceeding brought by any Buyer Indemnitee against any Participating Equityholder or any claim of any Buyer Indemnitee against any Participating Equityholder in connection with this Agreement or the transactions contemplated hereby, and (b) such Participating Equityholders has no claims or rights to contribution or indemnity from the Company or any of its Subsidiaries with respect to any amounts paid by any Participating Equityholder pursuant to this Article 8.

(d) Each Participating Equityholder agrees that such Participating Equityholder has no claims or rights to contribution or indemnity from the Company or any of its Subsidiaries with respect to any amounts paid by any Participating Equityholder pursuant to this Article 8.

(e) Notwithstanding anything to the contrary in this Article 8 or elsewhere in this Agreement, in no event shall any Indemnified Party be entitled to receive indemnification under this Article 8 for any Adverse Consequences relating to lost Recurring Revenues (for the period beginning on the Closing Date through and including July 1, 2021 only), or exemplary or punitive damages (except to the extent that any such

excluded damages are actually paid to an unaffiliated third party as part of an indemnifiable Third-Party Claim or such damages are based upon, arising out of, with respect to or by reason of Fraud, willful misconduct or intentional misrepresentation of the Stockholders or, prior to Closing, the Company or any of its Subsidiaries).

(f) Notwithstanding the fact that any Indemnified Party may have the right to assert claims for indemnification under or in respect of more than one provision of this Agreement in respect of any fact, event, condition or circumstance, no Indemnified Party shall be entitled to recover the amount of any Adverse Consequences suffered by such Indemnified Party or its Affiliates more than once, regardless of whether such Adverse Consequences may be as a result of a breach of more than one representation, warranty or covenant. Without limiting the generality of the foregoing, no Indemnified Party shall be able to recover any Adverse Consequence for which it is otherwise entitled to indemnification under this Agreement if such Adverse Consequence has already been specifically taken into account in determining the Cash Amount, Debt Amount, Transaction Expenses Amount and Working Capital Surplus or Working Capital Deficit in accordance with Section 1.9.

(g) Adverse Consequences that may be recovered shall take account of and be reduced by (i) any amounts recovered by the Indemnified Parties pursuant to any indemnification by or indemnification agreement with any third party, and (ii) the amount of any insurance proceeds, contribution payments or reimbursements actually received by the Indemnified Party in respect thereof, in each case (less any actual out-of-pocket costs incurred with respect to collection or pursuit thereof, any deductible or retention paid or incurred and any increase in insurance premiums attributable to any insurance claims) (each source identified in clauses (i) and (ii), a "**Collateral Source**"). The Indemnified Parties shall use commercially reasonable efforts to seek recovery from all Collateral Sources. If the amount to be netted hereunder from any payment required under Section 8.1 or Section 8.2 is determined and paid after payment by the Participating Equityholders or Buyer, as applicable, of any amount otherwise required to be paid to an Indemnified Party under this Article 8, the Indemnified Parties shall repay to the Indemnifying Person, promptly after such determination, any amount that Indemnifying Person would not have had to pay pursuant to this Section 8.7(g) had such determination been made and payment received at the time of such indemnification payment.

8.8 Setoff. Subject to the immediately following sentence, Buyer shall recover any amounts due from Participating Equityholders under this Agreement: (a) first by setting off such amounts against any Earn-Out Payment that at the time Claim is made is determinable or will be determinable within one (1) month of such date and which Earn-Out Payment has not been paid by Buyer; and (b) then from the Participating Equityholders. The exercise of such right of set off by Buyer, whether or not ultimately determined to be justified, will not constitute a breach of this Agreement. Neither the exercise nor the failure to exercise such right of set off will constitute an election of remedies or limit Buyer in any manner in the enforcement of any other remedies that may be available to it.

8.9 Participating Equityholder Approval. By a Stockholder executing and delivering a Joinder pursuant to Section 4.1(a) and a holder of In the Money Options executing and delivering an Option Cancellation Agreement pursuant to Section 4.1(d), each Participating Equityholder will

be deemed to have approved of and consented to the provisions of this Article 8 and the appointment of the Representative.

8.10 Time to Bring Claims. Subject to the limitations set forth in Section 8.3, pursuant to Section 8106, Title 10 of the Delaware Code, the Parties agree that this Agreement involves at least U.S. $100,000, and that any Proceeding arising out of or relating to this Agreement or the transactions contemplated by this Agreement may be brought within twenty (20) years of the date from which the underlying cause of action accrued; it being the intention of the Parties that, except as otherwise expressly provided in Section 8.3 with respect to shorter periods of time, the Parties shall have the maximum amount of time permitted under the Laws of the State of Delaware to bring a Proceeding arising out of or relating to this Agreement or the transactions contemplated herein. Except as otherwise expressly provided in Section 8.3 with respect to shorter periods of time, each Party hereby waives the right to assert any statute of limitations of less than twenty (20) years in defense of any such Proceeding; provided, however, this waiver shall not bar a defense to any Proceeding that was not commenced within the twenty (20) year time limit imposed by this Section 8.10.

8.11 Exclusive Remedy. Notwithstanding anything to the contrary in this Agreement, except: (a) as set forth in Section 1.8(d) with respect to the Special Holdback, (b) as set forth in Section 1.9 with respect to adjustments to the Aggregate Merger Consideration, (c) as set forth in Section 12.10 with respect to specific performance or injunctive relief, and (d) as set forth in Section 9.1 with respect to Taxes, after the Closing the indemnification rights set forth in this Article 8 shall be the sole and exclusive remedies of (i) the Buyer Indemnitees for any breach of or inaccuracy in any of the representations and warranties of the Company or the Stockholders contained in this Agreement, any non-fulfillment or breach of any of the covenants and agreements of the Representative contained in this Agreement or any non-fulfillment or breach of any of the covenants and agreements of the Company or the Stockholders to be performed prior to or at the Closing and contained in this Agreement and (ii) the Stockholder Indemnitees for any breach of or inaccuracy in any of the representations and warranties of Buyer or Merger Sub contained in this Agreement or any non-fulfillment or breach of any of the covenants and agreements of Buyer contained in this Agreement.

ARTICLE 9

TAX MATTERS

The following provisions will govern the allocation of responsibility as between Buyer and Participating Equityholders for certain tax matters following the Closing Date:

9.1 Tax Indemnification. In addition to and without duplication of the indemnification provisions of Article 8, except to the extent such Taxes are reflected as a liability for purposes of calculating Working Capital on the final Closing Statement, Participating Equityholders shall be liable for, and shall indemnify and hold Buyer Indemnitees harmless from, (a) all Taxes imposed on or incurred by the Company and its Subsidiaries with respect to all Tax periods ending on or prior to the Closing Date, (b) all Taxes imposed on or incurred by the Company and its Subsidiaries caused by or resulting from the sale or exchange of the Company Securities, to the extent provided for in Section 9.5, (c) for any Tax period that begins before the Closing Date and ends after the Closing Date, all Taxes imposed on or incurred by the Company and its Subsidiaries that relate to

the portion of such Tax period ending on the Closing Date as determined by Section 9.3, and (d) all Taxes of any Person imposed on the Company or any of its Subsidiaries as a transferee or successor, by contract or otherwise (other than contracts entered into in the Ordinary Course of Business and the primary purpose of which does not relate to Taxes), which Taxes relate to an event or transaction occurring before the Closing.

9.2 Tax Periods Ending on or Before the Closing Date. Buyer will prepare, or cause to be prepared, and file, or cause to be filed, all Tax Returns for the Company and its Subsidiaries for all Tax periods ending on or prior to the Closing Date that are filed after the Closing Date. Buyer will provide the Representative with copies of any such Tax Returns for the Representative's reasonable review and comment, at least sixty (60) days prior to the due date hereof (giving effect to any extensions thereto) and Buyer will make any changes reasonably requested by the Representative. The Representative, on behalf of Participating Equityholders, will pay all Taxes due with respect to such Tax Returns, but only to the extent such Taxes are not reflected as a liability for purposes of calculating Working Capital on the final Closing Statement.

9.3 Tax Periods Beginning Before and Ending After the Closing Date. Buyer will timely prepare, or cause to be prepared, and timely file, or cause to be filed, all Tax Returns for the Company and its Subsidiaries for Tax periods that begin before the Closing Date and end after the Closing Date (the "**Straddle Period Returns**"). Buyer will provide the Representative with copies of any Straddle Period Returns at least sixty (60) days prior to the due date thereof (giving effect to any extensions thereto), accompanied by a statement (the "**Straddle Statement**") setting forth and calculating in reasonable detail the Taxes that relate to the portion of such Tax period ending on the Closing Date (the "**Pre-Closing Taxes**"). If the Representative agrees with the Straddle Period Returns and Straddle Statement, the Representative shall pay to Buyer, not later than five (5) Business Days before the due date for the payment of Taxes with respect to such Straddle Period Returns, an amount equal to the Pre-Closing Taxes as shown on the Straddle Statement, but only to the extent such Taxes are not reflected as a liability for purposes of calculating Working Capital on the final Closing Statement. If, within twenty (20) days after the receipt of the Straddle Period Returns and Straddle Statement, the Representative (a) notifies Buyer that it disputes the manner of preparation of the Straddle Period Returns or the Pre-Closing Taxes calculated in the Straddle Statement and (b) provides Buyer with a statement setting forth in reasonable detail its computation of the Pre-Closing Taxes and its proposed form of the Straddle Period Returns and Straddle Statement, then Buyer and the Representative shall attempt to resolve their disagreement within five (5) days following the Representative's notification of Buyer of such disagreement. If Buyer and the Representative are not able to resolve their disagreement, the dispute shall be submitted to the Accountants. The Accountants will resolve the disagreement within thirty (30) days after the date on which they are engaged or as soon as possible thereafter. The determination of the Accountants shall be binding on the Parties. The cost of the services of the Accountants will be borne by the Party whose calculation of the matter in disagreement differs the most from the calculation as finally determined by the Accountants. If each of the Party's calculation differs equally from the calculation as finally determined by the Accountants, then such cost will be borne half by the Representative and half by Buyer. For purposes of this Section, in the case of any Taxes that are imposed on a periodic basis and are payable for a Tax period that includes (but does not end on) the Closing Date, the portion of such Tax that relates to the portion of such Tax period ending on the Closing Date (i.e., the Pre-Closing Taxes) will (a) in the case of any Taxes other than Taxes based upon or related to income or receipts, be deemed to equal the

amount of such Tax for the entire Tax period multiplied by a fraction the numerator of which is the number of days in the Tax period ending on the Closing Date and the denominator of which is the number of days in the entire Tax period, and (b) in the case of any Tax based upon or related to income or receipts, be deemed to equal the amount that would be payable if the relevant Tax period ended on the Closing Date.

9.4 Cooperation on Tax Matters. Buyer and the Representative will cooperate, as and to the extent reasonably requested by the other Party, in connection with the filing and preparation of Tax Returns pursuant to this Article and any Proceeding related thereto. Such cooperation will include the retention and (upon the other Party's request) the provision of records and information that are reasonably relevant to any such Proceeding and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. Buyer and the Representative will retain all books and records with respect to Tax matters pertinent to the Company and its Subsidiaries relating to any Tax period beginning before the Closing Date until thirty (30) days after the expiration of the statute or period of limitations of the respective Tax periods. Neither Buyer nor any of its Affiliates shall (or shall cause or permit the Surviving Corporation or any Subsidiary to) amend, refile or otherwise modify any Tax Return relating in whole or in part to the Surviving Corporation or any Subsidiary with respect to any Pre-Closing Tax Period or any Straddle Period unless required by applicable Tax Law without the written consent of the Representative, which consent shall not be unreasonably withheld, delayed or conditioned; provided, however, that Buyer shall not be obligated to obtain Representative's consent if Buyer waives its right to indemnification for any liabilities relating to any such amendment, modification, or refiling. Buyer shall not, without the prior consent of the Representative (which may, in its sole and absolute discretion, withhold such consent), make, or cause or permit to be made, any Tax election, or adopt or change any method of accounting, or undertake any extraordinary action on the Closing Date, that would affect the Stockholders or the Company for any period or portion thereof ending on or prior to the Closing Date; provided, however, that Buyer shall not be obligated to obtain the Representative's consent if Buyer waives its right to indemnification for any liabilities relating to any such election.

9.5 Certain Taxes. All transfer (including real estate transfer), documentary, sales, use, stamp, registration and other such Taxes and fees (including any penalties and interest) incurred in connection with this Agreement or the transactions contemplated hereby will be paid 50% by the Representative, on behalf of Participating Equityholders, and 50% by Buyer, when due, and Buyer will, at its own expense, file all necessary Tax Returns and other documentation with respect to all such transfer, documentary, sales, use, stamp, registration and other Taxes and fees, and, if required by Law, Stockholders and the Representative will join in the execution of any such Tax Returns and other documentation.

9.6 Tax Refunds. To the extent actually realized by Buyer or the Surviving Corporation or any Subsidiary, Buyer shall promptly pay to the Representative, for the account of the Participating Equityholders, all Tax Refunds, net of any out-of-pocket expenses, actually incurred in the collection of the same. "**Tax Refund**" shall mean any refunds or reductions of Tax of Buyer or the Surviving Corporation or any Subsidiary for any taxable period (or portion thereof) ending on or before the Closing Date resulting from any Transaction Tax Deduction. The amount of any Tax Refund paid to the Representative attributable to a Tax Refund paid by a taxing authority shall also include any interest paid with respect to such Tax Refund by such taxing authority. If

requested in writing by the Representative and at the sole cost and expense of the Participating Equityholders, Buyer shall cause the Surviving Corporation to file IRS Form 4466 (and/or analogous U.S. state or local form relating to a Tax Refund) or any state or local form required to claim a loss carryback to the extent necessary to obtain a Tax Refund. Buyer shall send a draft of such IRS Form 4466 (and/or such analogous form) or amended Tax Return to the Representative for review no later than ten (10) Business Days prior to filing, and Buyer shall consider in good faith comments made by the Representative on such IRS Form 4466 (and/or such analogous form) or amended Tax Return to the extent such form or amended Tax Return is prepared inconsistent with this Section. To the extent that Buyer or the Surviving Corporation or any Subsidiary is subsequently required to repay all or a portion of any such Tax Refund to the applicable Taxing Authority, the Representative shall promptly pay such amount to Buyer, together with any interest imposed by the applicable taxing authority.

9.7 Transaction Tax Deductions. The parties hereby acknowledge and agree that, except as otherwise required by applicable Laws, the Transaction Tax Deductions shall be allocated to, and shall be claimed in, a Pre-Closing Tax Period or the portion of the Straddle Period ending on the Closing Date. The parties hereby agree to (i) prepare and file all Tax Returns consistent with the preceding sentence and (ii) not take a position on any Tax Return or in any administrative or judicial proceeding inconsistent with such sentence.

ARTICLE 10

TERMINATION

10.1 Termination of Agreement. Certain of the Parties may terminate this Agreement as provided below:

(a) Buyer and the Representative may terminate this Agreement by mutual written consent at any time prior to the Closing.

(b) Buyer may terminate this Agreement by giving written notice to the Representative at any time prior to the Closing (i) provided that none of Buyer or Merger Sub is then in material breach of any provision of this Agreement, in the event Stockholders have breached any representation, warranty, or covenant contained in this Agreement which individually, or in the aggregate, would reasonably be expected result in a failure of the closing conditions set forth in Section 5.1 of this Agreement, and such breach remains uncured for a period of fifteen (15) Business Days following delivery of notice thereof by Buyer; provided, however, that no cure period will be required for any such breach that by its nature cannot be cured, or (ii) if the Closing shall not have occurred on or before sixty (60) days from the date of this Agreement (the "**Outside Date**") (unless the failure results primarily from Buyer itself breaching any representation, warranty, or covenant contained in this Agreement).

(c) The Representative may terminate this Agreement by giving written notice to Buyer at any time prior to the Closing (i) provided that none of the Company or Stockholders is then in material breach of any provision of this Agreement, in the event Buyer has breached any representation, warranty, or covenant contained in this Agreement which individually, or in the aggregate, would reasonably be expected to result in a failure

of the closing conditions set forth in Section 6.1 of this Agreement, and such breach remains uncured for a period of fifteen (15) Business Days following delivery of notice thereof by Buyer; provided, however, that no cure period will be required for any such breach that by its nature cannot be cured or (ii) if the Closing shall not have occurred on or before the Outside Date (unless the failure results primarily from any Stockholder breaching any representation, warranty, or covenant contained in this Agreement).

10.2 Effect of Termination.

(a) If this Agreement is terminated pursuant to Section 10.1, all further obligations of the Parties under this Agreement will terminate; provided, however, that the provisions of Article 12 will survive the termination. Nothing in this Section 10.2 will release any Party from any liability for any breach of any representation, warranty, covenant or agreement in this Agreement or any Ancillary Agreement.

ARTICLE 11

DEFINITIONS

"**Accountants**" has the meaning set forth in Section 1.9(c) above.

"**Adverse Consequences**" means all actions, suits, proceedings, hearings, investigations, charges, complaints, claims, demands, Orders, dues, penalties, fines, costs, amounts paid in settlement, liabilities, obligations, Taxes, Liens, losses, damages, deficiencies, costs of investigation, court costs, and other expenses (including interest, penalties and reasonable attorneys' fees and expenses, whether in connection with Third Party Claims or claims among the Parties related to the enforcement of the provisions of this Agreement).

"**Affiliate**" means, with respect to the Person to which it refers, (a) a Person that directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with, such Person, (b) any officer, director or stockholder of such Person, (c) any parent, sibling, descendant or spouse of such Person or of any of the Persons referred to in clauses (a) and (b), and (d) any corporation, limited liability company, general or limited partnership, trust, association or other business or investment entity that directly or indirectly, through one or more intermediaries controls, is controlled by or is under common control with any of the foregoing individuals. For purposes of this definition, the term "control" of a Person shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies, whether through the ownership of voting securities, by contract or otherwise.

"**Affiliated Group**" means any affiliated group within the meaning of Section 1504(a) of the Code or any similar group defined under a similar provision of state, local, or non-U.S. law.

"**Aggregate Merger Consideration**" means an amount equal to (i) the Cash Payment, as adjusted pursuant to Article 1, plus (ii) the Special Holdback (to the extent paid to the Participating Equityholders), plus (iii) the Earn-Out Payments (if any).

"**Agreement**" has the meaning set forth in the preface above.

"**Ancillary Agreements**" means all of the agreements being executed and delivered pursuant to this Agreement.

"**Antitrust Laws**" means the HSR Act, the Sherman Antitrust Act of 1890, as amended, and the rules and regulations promulgated thereunder, the Clayton Act of 1914, as amended, and the rules and regulations promulgated thereunder, and any other Laws that are designed to prohibit, restrict or regulate actions having the purpose or effect of monopolization or restraint of trade.

"**Applicable Area**" means (a) anywhere in the world, but if such area is determined by judicial action to be too broad, then it means (b) North America, but if such area is determined by judicial action to be too broad, then it means (c) any country in which the Company or any of its Subsidiaries engaged in Business prior to the Closing Date, but if such area is determined by judicial action to be too broad, then it means (d) any state within the United States of America in which the Company or any of its Subsidiaries engaged in Business prior to the Closing Date.

"**Bonus Consideration**" means the amounts payable as transaction bonuses to certain employees and other services providers of the Company set forth in Schedule 1.8(a)(iv).

"**Bonus Recipients**" has the meaning set forth in Section 1.8(a)(iv).

"**Business**" means the business of providing the products or services that the Company or any of its Subsidiaries provide, or actively considered providing, at any time during the twelve (12) months prior to the Closing Date.

"**Business Day**" means any day that is not a Saturday, Sunday or any other day on which banks are required or authorized by Law to be closed in Chicago, Illinois.

"**Business Plan**" has the meaning set forth in Section 1.12(a) above.

"**Buyer**" has the meaning set forth in the preface above.

"**Buyer Excluded Representations**" has the meaning set forth in Section 8.3 above.

"**Buyer Indemnitees**" has the meaning set forth in Section 8.1(a) above.

"**Buyer New Plans**" has the meaning set forth in Section 4.10(a) above.

"**Cap**" has the meaning set forth in Section 8.4(b) above.

"**Cash**" means the aggregate amount of cash and cash equivalents of the Company and its Subsidiaries on a consolidated basis as determined in accordance with GAAP; provided, that if such aggregate amount of cash and cash equivalents is a negative number, then it shall include the amount of all fees, penalties or interest related to such negative amount of Cash.

"**Cash Amount**" means the aggregate amount of Cash as of the Closing Date.

"**Cash Payment**" means the amount equal to (a) Sixty Million Dollars ($60,000,000), plus (b) the Cash Amount, plus (c) the Working Capital Surplus, if any, minus (d) the Working Capital

Deficit, if any, minus (e) the Debt Amount, minus (f) the Transaction Expenses Amount minus (g) the Special Holdback.

"**Cause**" shall mean (i) the willful or grossly negligent failure by Founder to perform Founder's duties and obligations with respect to his position with the Company and Buyer and their respective Subsidiaries in any material respect, other than any such failure resulting from the disability of Founder; (ii) Founder's conviction of a crime or offense involving the property of Company or Buyer or any of their respective Affiliates, or any crime or offense constituting a felony or involving fraud or moral turpitude; provided that, in the event that Founder is arrested or indicted for a crime or offense related to any of the foregoing, then Company or Buyer may, at its option, place Founder on paid leave of absence, pending the final outcome of such arrest or indictment; (iii) Founder's violation of any Law, which violation is materially and demonstrably injurious to the operations or reputation of Company or Buyer or any of their respective Affiliates; (iv) Founder's material violation of any generally recognized policy of Company or Buyer or any of their respective Affiliates or Founder's refusal to follow the reasonable and lawful instructions of the person(s) to whom Founder reports; or (v) the failure of the Company to achieve in the First Year, Second Year or Third Year at least 50% of the First Year Revenue Target, Second Year Revenue Target or Third Year Revenue Target, as the case may be, as set forth in Section 1.10(a); provided, that Founder shall have a period of ten (10) days (or such longer period not to exceed thirty (30) days) as would be reasonably required for Founder to cure such action or inaction (to the extent such action or inaction is curable) after the receipt of the written notice from Company or Buyer to cure the particular action or inaction, to the extent such action or inaction is curable.

"**Certificate of Merger**" has the meaning set forth in Section 1.2 above.

"**Claim**" means a Buyer Indemnitee claim for indemnification pursuant to Article 8.

"**Closing**" has the meaning set forth in Section 1.14 above.

"**Closing Date**" has the meaning set forth in Section 1.14 above.

"**Closing Statement**" has the meaning set forth in Section 1.9(a) above.

"**COBRA**" means the requirements of Part 6 of Subtitle B of Title I of ERISA and Code §4980B and of any similar state Law.

"**Code**" means the Internal Revenue Code of 1986, as amended, and any applicable rules and regulations thereunder, and any successor to such statute, rules or regulations.

"**Collateral Source**" has the meaning set forth in Section 8.7(g) above.

"**Common Stock**" means the common stock of the Company.

"**Company**" has the meaning set forth in the preface above.

"**Company Excluded Representations**" has the meaning set forth in Section 8.3 above.

"**Company Insurance Agreements**" has the meaning set forth in Section 3.15 above.

"**Company IP Rights**" means: (A) any and all Intellectual Property used in the conduct of the Business; and (B) any and all Company-Owned IP Rights.

"**Company Options**" means options to purchase shares of Common Stock, other than Warrants of the Company.

"**Company-Owned IP Rights**" means any and all Intellectual Property owned or purported to be owned by the Company and its Subsidiaries.

"**Company Securities**" means all of the outstanding shares of Common Stock, Company Options and all issued and outstanding Warrants of the Company, as set forth on Schedule 1.1.

"**Company Software**" means Software owned (or purported to be owned), developed, used, marketed, distributed, licensed, or sold by Company and its Subsidiaries (other than non-customized third-party software licensed to Company or its Subsidiaries for internal use on a non-exclusive basis).

"**Competitive Business**" means a business conducted by a Person other than Buyer, the Company or their respective Subsidiaries that provides any of the same or similar types of products or services that the Company or any of its Subsidiaries provide, or actively considered providing, at any time during the twelve (12) months prior to the Closing Date.

"**Confidential Information**" means any information concerning the business and affairs of the Company and its Subsidiaries (including information whose collection, sharing, dissemination, use, preservation, disclosure, protection, storage, destruction and/or disposition is governed by federal, state, local and/or international Law or is proprietary to or developed by Company and its Subsidiaries). Confidential Information does not include information that is already generally available to the public.

"**Consent**" means, with respect to any Person, any consent, approval, authorization, permission or waiver of, or registration, declaration or other action or filing with or exemption by such Person.

"**Continuing Employees**" means the employees of the Company who remain employees of the Surviving Corporation or become employees of Buyer following the Effective Time.

"**Contract**" means any oral or written contract, obligation, understanding, commitment, lease, license, purchase order, bid or other agreement.

"**Debt**" means any (a) obligations relating to indebtedness for borrowed money, (b) obligations evidenced by bonds, notes, debentures or similar instruments, (c) obligations in respect of capitalized leases (calculated in accordance with GAAP), (d) the principal or face amount of banker's acceptances, surety bonds, performance bonds or letters of credit (in each case whether or not drawn), (e) obligations for the deferred purchase price of property or services, including, without limitation, the maximum potential amount payable with respect to earn-outs, purchase price adjustments or other payments related to acquisitions (other than current accounts payable to suppliers and similar accrued liabilities incurred in the Ordinary Course of Business, paid in a manner consistent with industry practice and reflected as a current liability in the final calculation

of Working Capital), (f) obligations under any existing interest rate, commodity or other swap, hedge or financial derivative agreement entered into by the Company or its Subsidiaries prior to Closing, (g) Off-Balance Sheet Financing of the Company or its Subsidiaries in existence immediately prior to the Closing, (h) other long term or non-ordinary course liabilities, including any amounts owed in connection with the settlement of any Proceeding or dispute, (i) indebtedness or obligations of the types referred to in the preceding clauses (a) through (h) of any other Person secured by any Lien on any assets of the Company or any of its Subsidiaries, even though the Company and its Subsidiaries have not assumed or otherwise become liable for the payment thereof, (j) obligations in the nature of guarantees of obligations of the type described in clauses (a) through (h) above of any other Person, in each case together with all accrued interest thereon and any applicable prepayment, redemption, breakage, make-whole or other premiums, fees or penalties.

"**Debt Amount**" means all Debt of the Company and its Subsidiaries (on a consolidated basis) as of the Closing Date plus, without duplication, any amounts required to fully pay or otherwise satisfy all such Debt (including, but not limited to, any prepayment premium or penalty, breakage costs, accrued interest and costs and expenses).

"**Designated Courts**" has the meaning set forth in Section 12.18 below.

"**Designated Excluded Liabilities**" means (a) any Debt of the Company or any of its Subsidiaries as of the Closing Date that did not reduce the Final Cash Payment pursuant to Section 1.9 above, (b) all Transaction Expenses that did not reduce the Final Cash Payment pursuant to Section 1.9 above, and (c) those items set forth on Schedule 11.1, in each case (i) including, without limitation, any of the foregoing arising from matters disclosed to Buyer or its Affiliates or otherwise referenced in this Agreement, and whether any related claim arises before or after the Closing and (ii) whether such matters are known or unknown, contingent or otherwise, whether accrued, liquidated, matured or unmatured.

"**DGCL**" has the meaning set forth in the preliminary statements above.

"**Disclosure Schedule**" means the disclosure schedule delivered by the Company to Buyer on the date hereof.

"**Dissenting Shares**" has the meaning set forth in Section 1.6(f) above.

"**Earn-Out Objections Statement**" has the meaning specified in Section 1.11 above.

"**Earn-Out Payment**" means each of the First Earn-Out Payment, Second Earn-Out Payment and Third Earn-Out Payment.

"**Earn-Out Report**" has the meaning specified in Section 1.11 above.

"**Effective Time**" has the meaning set forth in Section 1.2 above.

"**EHR**" means electronic health records.

“**Employee**” means any current or former employee, officer, consultant, independent contractor, director or other natural person service provider of the Company or its Subsidiaries or any ERISA Affiliate of the Company or its Subsidiaries.

“**Employee Benefit Plan**” means any (a) qualified or nonqualified Employee Pension Benefit Plan or deferred compensation or retirement plan, fund, program, or arrangement, (b) Employee Welfare Benefit Plan, (c) “employee benefit plan” (as such term is defined in ERISA §3(3)), (d) equity-based plan, program, or arrangement (including any stock option, stock purchase, stock ownership, stock appreciation, phantom stock, or restricted stock plan) or (e) other retirement, severance, bonus, profit-sharing, incentive, health, medical, surgical, hospital, indemnity, welfare, sickness, accident, disability, death, apprenticeship, training, day care, scholarship, tuition reimbursement, education, adoption assistance, prepaid legal services, termination, unemployment, vacation or other paid time off, change in control, or other similar plan, fund, program, or arrangement, whether written or unwritten, that is sponsored, maintained, or contributed to, or required to be maintained or contributed to, by the Company or any ERISA Affiliate for the benefit of any present or former officers, employees, agents, directors, consultants, or independent contractors of the Company or an ERISA Affiliate.

“**Employee Pension Benefit Plan**” has the meaning set forth in ERISA §3(2).

“**Employee Welfare Benefit Plan**” has the meaning set forth in ERISA §3(1).

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

“**ERISA Affiliate**” means any Person that, together with the Company or any of its Subsidiaries, would be treated as a single employer under Section 414 of the Code or Section 4001 of ERISA and the regulations thereunder.

“**Estimated Cash Payment**” has the meaning set forth in Section 1.7 above.

“**Exclusivity Period**” has the meaning set forth in Section 4.9(b) above.

“**Fiduciary**” has the meaning set forth in ERISA §3(21).

“**Final Cash Payment**” has the meaning set forth in Section 1.9(c) above.

“**Financial Statements**” has the meaning set forth in Section 3.7(a) above.

“**First Earn-Out Payment**” has the meaning set forth in Section 1.10(a)(i) above.

“**First Year**” means the period starting on the Closing Date and ending on July 1, 2019.

“**First Year Revenue Target**” has the meaning set forth in Section 1.10(a)(i) above.

“**FMH**” means Allscripts’ Follow My Health patient engagement platform.

“**Founder**” has the meaning set forth in Section 4.15 above.

“**Fraud**”, “**fraudulent**” or any derivative thereof means a claim for common law fraud with an intent to deceive based on a representation or warranty contained in this Agreement; provided that, at the time such representation or warranty was made, (a) the representation or warranty was inaccurate, (b) the Person making such representation or warranty had knowledge of the inaccuracy of such representation or warranty made or made the representations and warranties with reckless indifference to the truth, and (c) the other party acted or refrained from acting in reliance on such inaccurate representation or warranty and suffered any Adverse Consequence as a result of such inaccuracy.

“**Fully-Diluted Pro Rata Percentage**” means, with respect to each Participating Equityholder, a percentage determined by dividing (a) the number of shares held by or that would be held following exercise of an In the Money Option or In the Money Warrant by such Participating Equityholder by (b) the aggregate number of shares of Common Stock outstanding immediately prior to the Effective Time (including the shares of Common Stock subject to In the Money Options and In the Money Warrants prior to the Effective Time), as set forth on Schedule 1.1.

“**GAAP**” means generally accepted accounting principles in effect from time to time in the United States as set forth in pronouncements of the Financial Accounting Standards Board (and its predecessors) and the American Institute of Certified Public Accountants.

“**Governmental Body**” means any foreign or domestic federal, state or local government, quasi-governmental body or political or economic unit or any department, agency, subdivision, council, supervisory authority, commission, court or other tribunal of any of the foregoing.

“**Government Consents**” means any consents required to be obtained from any Governmental Body in order to consummate the transactions contemplated by this Agreement, including, but not limited to the expiration or termination of any applicable waiting period under the HSR Act or approval or clearance under any other Antitrust Law.

“**HIPAA**” means the administrative simplification provisions of the Health Insurance Portability and Accountability Act of 1996, as amended by the Health Information Technology for Economic and Clinical Health Act, the regulations issued respectively thereto, and any guidance issued by HHS interpreting the foregoing with respect to privacy, information security and data breach notification obligations related to Protected Health Information.

“**HHS**” means the U.S. Department of Health and Human Services.

“**HSR Act**” means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations promulgated thereunder.

“**Improvements**” means all buildings, structures, fixtures, building systems and equipment, and all components thereof (including the roof, foundation and structural elements), included in the Leased Real Property.

“**In the Money Option Cancellation Agreement**” has the meaning set forth in Section 1.6(d)(i) above.

"**In the Money Option**" has the meaning set forth in Section 1.6(d)(i) above.

"**In the Money Warrants**" has the meaning set forth in Section 1.6(c) above.

"**Indemnified Party**" has the meaning set forth in Section 8.6(a) above.

"**Indemnifying Party**" has the meaning set forth in Section 8.6(a) above.

"**Intellectual Property**" means any and all intellectual property rights and other similar proprietary rights in any jurisdiction, whether registered or unregistered, including all rights and interests pertaining to or deriving from: (a) inventions, invention disclosures, discoveries and improvements (whether or not patentable), issued patents and patent applications, and counterparts claiming priority therefrom, and all related continuations, continuations-in-part, divisionals, reissues, re-examinations, substitutions, and extensions thereof (together, "Patents"); (b) trademarks, service marks, logos, slogans, trade dress, trade names (including social media corporate identifiers), corporate names, domain names, other source or business identifiers (and all translations, adaptations, derivations and combinations of the foregoing), together with all of the goodwill of the business associated with each of the foregoing (together, "Trademarks"); (c) works of authorship and other copyrightable subject matter (including, but not limited to, advertising and promotional materials, software source code, compilations of data, and website content), whether registered or unregistered, and whether or not published (and all translations, derivative works, adaptations, compilations, and combinations of the foregoing) (together, "Copyrights"); (d) trade secrets, know-how, confidential information, inventions and discoveries, ideas, processes, proprietary information, customer lists, technical information, drawings and blueprints, information that derives economic value from not being generally known, and any other information that would constitute a trade secret as defined in the Uniform Trade Secrets Act and under corresponding foreign statutory Law and common law (together, "Proprietary Information"); (e) computer software (whether in source code, object code, html code, executable code, or other forms), algorithms, compilations and data, software systems (including purchased and in-house developed software), other information technology, and all versions, updates, corrections, enhancements, and modifications thereto, and all related documentation, developer notes, comments, training materials and annotations thereto (together, "Software"); and (f) all other intellectual property or proprietary rights and claims or causes of action arising out of or related to any infringement, misappropriation or other violation of any of the foregoing, including, without limitation, rights to recover for past, present and future violations thereof.

"**Intellectual Property Licenses**" means any Contract pursuant to which the Company or any Subsidiary uses Intellectual Property which is not owned by the Company or one of its Subsidiaries or pursuant to which the Company or any Subsidiary grants any other Person the right to use any Intellectual Property owned by the Company or any Subsidiary.

"**Joinder**" has the meaning set forth in Section 4.1(a) above.

"**Knowledge**" means (a) in the case of an individual, the actual knowledge of such individual, (b) in the case of the Company, the actual knowledge of the persons set forth on Schedule 11.2(a), and (c) in the case of Buyer, the actual knowledge of the persons set forth on Schedule 11.2(b).

“**Law**” means any foreign or domestic federal, state or local law, statute, code, ordinance, regulation, rule, directive, consent agreement, Order, common law, constitution or treaty of any Governmental Body.

“**Leased Real Property**” means all leasehold or subleasehold estates and other rights to use or occupy any land, buildings, structures, improvements, fixtures or other interest in real property held by the Company or any of its Subsidiaries.

“**Leases**” means all written or oral leases, subleases, licenses, concessions and other agreements, including all amendments, extensions, renewals, guaranties, and other agreements with respect thereto, pursuant to which the Company or any of its Subsidiaries holds any Leased Real Property.

“**Lien**” means any lien, mortgage, pledge, encumbrance, charge, security interest, adverse claim, liability, interest, charge, preference, priority, proxy, transfer restriction (other than restrictions under the Securities Act and state securities laws), encroachment, Tax lien, order, community property interest, equitable interest, option, warrant, right of first refusal, easement, profit, license, servitude, right of way, covenant or zoning restriction.

“**Material Adverse Effect**” or “**Material Adverse Change**” means any event, change, development, or effect that, individually or in the aggregate, has, or could reasonably be expected to have, a materially adverse effect on (a) the business, operations, assets (including intangible assets), liabilities, prospects, operating results, value, employee, customer or supplier relations, or financial condition of the Company or any of its Subsidiaries or (b) the ability of the Company or Stockholders to consummate timely the transactions contemplated by this Agreement, other than, in each case, any event, change, development, or effect that results from or is related to: (i) any change in the financial, banking, currency or capital markets in the United States or any general shutdown of the United States government; (ii) any change affecting the industry in which the Company operates generally; (iii) changes in Law, GAAP or other applicable accounting standards or the interpretations thereof; (iv) acts of God or other calamities, national or international political or social conditions, including the engagement by any country in hostilities, whether commenced before or after the date hereof, and whether or not pursuant to the declaration of a national emergency or war, or the occurrence or threatened occurrence of any military or terrorist attack; (v) any actions taken, or failures to take action, or such other changes or events, in each case, to which Buyer has consented in writing, or taking of any action required by this Agreement and the Ancillary Agreements; (vi) the announcement of this Agreement and the other agreements contemplated hereby, including by reason of the identity of Buyer or any communication by Buyer regarding the plans or intentions of Buyer with respect to the conduct of the Business, which as a result of the foregoing directly causes the resignation or termination of any employee or loss of any customer; in the case of clauses (i), (ii), (iii) and (iv), other than to the extent such changes, events, developments or effects disproportionately impact the Company in a negative manner relative to the other companies in the industry in which the Company operates.

“**Material Contracts**” means, collectively, the Contracts required to be listed in Section 3.14(a) of the Disclosure Schedule, the Leases, the Intellectual Property Licenses and the Company Insurance Agreements.

“**Merger**” has the meaning set forth in the preliminary statements above.

"**Most Recent Balance Sheet**" means the balance sheet contained within the Most Recent Financial Statements.

"**Most Recent Financial Statements**" has the meaning set forth in Section 3.7(a) above.

"**Most Recent Fiscal Month End**" has the meaning set forth in Section 3.7(a) above.

"**Most Recent Fiscal Year End**" has the meaning set forth in Section 3.7(a) above.

"**Multiemployer Plan**" has the meaning set forth in ERISA §3(37).

"**Net Warrant Merger Consideration**" means, with respect to a share of Common Stock subject to a Warrant that is unexpired, unexercised and outstanding immediately prior to the Effective Time, the amount equal to (a) the Per Share Common Merger Consideration, minus (b) the respective Exercise Price per share of Common Stock subject to such Warrant determined immediately prior to the Effective Time.

"**Objections Statement**" has the meaning set forth in Section 1.9(b) above.

"**Off-Balance Sheet Financing**" means (a) any liability of the Company or its Subsidiaries under any sale and leaseback transactions which does not create a liability on the consolidated balance sheet of the Company and (b) any liability of the Company or any of its Subsidiaries under any synthetic lease, Tax retention operating lease, off-balance sheet loan or similar off-balance sheet financing product where the transaction is considered indebtedness for borrowed money for federal income Tax purposes but is classified as an operating lease in accordance with GAAP for financial reporting purposes.

"**Open Source Materials**" means any software or other material distributed as "free software," "open source software" or under "copyleft" or other similar licensing or distribution terms or pursuant to any license identified as an "open source license" by the Open Source Initiative (www.opensource.org/licenses) (including the GNU General Public License (GPL), GNU Lesser General Public License (LGPL), GNU Affero General Public License (AGPL), MIT License (MIT), Mozilla Public License (MPL), BSD licenses, the Artistic License, the Netscape Public License, the Sun Community Source License (SCSL) the Sun Industry Standards License (SISL) and the Apache License).

"**Option Cancellation Agreement**" means an In the Money Option Cancellation Agreement or an Out of the Money Option Cancellation Agreement as described in Section 1.6(d) above.

"**Option Shares**" has the meaning set forth in Section 1.6(d)(i) above.

"**Order**" means any order, award, decision, injunction, judgment, ruling, decree, charge, writ, subpoena or verdict entered, issued, made or rendered by any Governmental Body or arbitrator.

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

"**Organizational Documents**" means (a) any certificate or articles of incorporation, bylaws, certificate or articles of formation, operating agreement or partnership agreement, (b) any documents comparable to those described in clause (a) as may be applicable pursuant to any Law and (c) any amendment or modification to any of the foregoing.

"**Out of the Money Option**" has the meaning set forth in Section 1.6(d)(ii) above.

"**Out of the Money Option Cancellation Agreement**" has the meaning set forth in Section 1.6(d)(ii) above.

"**Outside Date**" has the meaning set forth in Section 10.1(b) above.

"**Participating Equityholders**" means, collectively, the holders of Common Stock, In the Money Warrants and In the Money Options, as set forth on Schedule 1.1.

"**Party**" has the meaning set forth in the preface above.

"**Paying Agent**" means Delaware Trust Company or such other Person as the Representative may appoint as paying agent from time to time.

"**PCI-DSS**" has the meaning set forth in the definition of Privacy Laws below.

"**Permit**" means any license, import license, export license, franchise, Consent, permit, certificate, certificate of occupancy or Order issued by any Person.

"**Permitted Lien**" means any (a) liens for Taxes not yet due or payable or for Taxes that the Company or its Subsidiaries are contesting in good faith through appropriate proceedings in a timely manner, in each case for which adequate reserves have been established and shown on the Most Recent Balance Sheet, (b) liens of landlords, carriers, warehousemen, workmen, repairmen, mechanics, materialmen and similar liens arising in the Ordinary Course of Business and not incurred in connection with the borrowing of money, (c) restrictions, easements, covenants, reservations, rights of way or other similar matters of title to the Leased Real Property of record, and (d) zoning ordinances, restrictions, prohibitions and other requirements imposed by any Governmental Body, all of which do not materially interfere with the conduct of the business of the Company or its Subsidiaries (e) any Intellectual Property Licenses entered into by the Company or its Subsidiaries with customers of the Business in the Ordinary Course of Business, and (f) such non-monetary liens as do not and will not materially detract from or interfere with the use of the properties subject thereto or affected thereby, or otherwise materially impair business operations involving such properties.

"**Per Share Common Merger Consideration**" means with respect to each share of Common Stock outstanding immediately prior to the Effective Time and each share of Common Stock issuable pursuant to an In the Money Warrant or In the Money Option, (excluding any shares of Common Stock subject to Out of the Money Warrants and Out of the Money Options), the amount equal to (a) the sum of (i) the Cash Payment, plus (ii) the aggregate amount of the exercise price of all In the Money Warrants (excluding the exercise price of the Warrant set forth on Schedule 1.8(d)) and In the Money Options, divided by (b) the number of shares of Common Stock outstanding immediately prior to the Effective Time and each share of Common Stock issuable

pursuant to an In the Money Warrant or In the Money Options (excluding any shares of Common Stock subject to Out of the Money Warrants and Out of the Money Options) as set forth on Schedule 1.1.

"**Per Share Earn-Out Payment**" means with respect to each share of Common Stock outstanding immediately prior to the Effective Time and each share of Common Stock issuable pursuant to an In the Money Warrant or In the Money Option (excluding any shares of Common Stock subject to Out of the Money Warrants and Out of the Money Options), the amount equal to (a) the sum of (i) the Earn-Out Payments, if any, divided by (b) the number of shares of Common Stock outstanding immediately prior to the Effective Time and each share of Common Stock issuable pursuant to the In the Money Warrants or In the Money Options (excluding any shares of Common Stock subject to Out of the Money Warrants and Out of the Money Options) as set forth on Schedule 1.1.

"**Per Share Special Holdback**" means with respect to each share of Common Stock outstanding immediately prior to the Effective Time and each share of Common Stock issuable pursuant to an In the Money Option on an In the Money Warrant (excluding any shares of Common Stock subject to Out of the Money Warrants and Out of the Money Options), the amount equal to (a) the Special Holdback (or any portion thereof) divided by (b) the number of shares of Common Stock outstanding immediately prior to the Effective Time and each share of Common Stock issuable pursuant to the In the Money Warrants and In the Money Options (excluding any shares of Common Stock subject to Out of the Money Warrants and Out of the Money Options) as set forth on Schedule 1.1.

"**Person**" means any individual, corporation, partnership, limited liability company, firm, joint venture, association, joint-stock company, trust, unincorporated organization, Governmental Body or other entity.

"**Personal Information**" means any information in any form or format that identifies or could reasonably be used to identify an individual and is the subject of Privacy Laws, including, without limitation, Protected Health Information; "Personal Information", "Sensitive Personal Information", and "Personally Identifiable Information", as such terms are defined under state breach notification laws and Privacy Laws.

"**Pre-Closing Taxes**" has the meaning set forth in Section 9.3 above.

"**Pre-Closing Tax Period**" means all Tax periods, or portions thereof, ending on or prior to the Closing Date.

"**Pre-Paid Amount**" has the meaning set forth in Section 1.10(a)(i).

"**Privacy Laws**" means: (x) Laws that apply to the creation, receipt, maintenance, transmission, processing, use, disclosure, transfer, privacy, security, confidentiality, or breach of Personal Information, to the extent applicable to the business of the Company and its Subsidiaries, including, without limitation: (i) the Gramm-Leach-Bliley Act, 15 U.S.C. § 6801 et seq.; (ii) HIPAA; (iii) the Public Health Service Act, 42 U.S.C. §§ 290dd-3, 290dee-3, including 42 C.F.R. Part 2; (iv) provisions governing the "meaningful use" of electronic health records under the Patient Protection and Affordable Care Act of 2010, as amended by the Health Care and Education

Reconciliation Act of 2010, including 42 C.F.R. Part 495; (v) the Payment Card Industry Data Security Standard ("PCI-DSS") and all rules and operating regulations of the credit card associations (such as Visa, MasterCard, American Express or Discover Network); (vi) the Federal Trade Commission Act, 15 U.S.C. § 41, et seq.; (vii) the federal Telephone Consumer Protection Act; (viii) non-U.S. Laws governing data protection; and each of (i) through (viii) as amended from time to time; (y) all implementing regulations, regulatory guidance and requirements and contractual requirements relating to privacy and data security pursuant to all such Laws, each as amended from time to time, and (z) all other similar federal, state and local Laws, each as amended from time to time, for any of the foregoing.

"**Privacy Obligations**" has the meaning set forth in Section 3.13(a) above.

"**Privacy Policies**" has the meaning set forth in Section 3.13(a) above.

"**Proceeding**" means any action, audit, lawsuit, litigation, investigation or arbitration (in each case, whether civil, criminal or administrative) pending by or before any Governmental Body or arbitrator.

"**Process**" means, with respect to Personal Information, to create, receive, maintain, transmit, process, collect, use, disclose, or transfer such Personal Information.

"**Prohibited Transaction**" has the meaning set forth in ERISA §406 and Code §4975.

"**Pro Rata Percentage**" means, with respect to each Stockholder, a percentage determined by dividing (a) the number of shares of Common Stock held by such Stockholder, by (b) the aggregate number of shares of Common Stock outstanding immediately prior to the Effective Time, as set forth on Schedule 1.1.

"**Protected Communications**" means, at any time, any and all communications in whatever form, whether written, oral, video, electronic or otherwise, that shall have occurred between or among any of the Company, its Subsidiaries, the Participating Equityholders, the Representative, or any of their respective Affiliates, equityholders, directors, officers, employees, agents, advisors, on the one hand, and attorneys (including Locke Lord LLP), on the other hand, to the extent (and only to the extent) exclusively relating to this Agreement or the other Ancillary Agreements to which the Company is a party, to the negotiations leading to this Agreement and such other Ancillary Agreement and the transactions contemplated hereby and thereby which, immediately prior to the Closing, was attorney-client privileged communications between such party, on the one hand, and its attorneys (including Locke Lord LLP), on the other hand.

"**Protected Health Information**" has the meaning set forth in 45 C.F.R. § 160.103

"**Receivables**" has the meaning set forth in Section 3.7(c) above.

"**Recurring Revenue**" consists of total revenue from subscription fees, maintenance fees and messaging fees, generated from the Company's products, as calculated in accordance with Allscripts' revenue recognition policy in effect from time to time. For the avoidance of doubt, (i) Recurring Revenue shall only include revenue recognized in the First Year, Second Year or Third Year, as applicable, and not the revenue run-rate over a period of time, and (ii) for the purposes of

this definition, references to the Company shall be deemed to include both the Company and its Subsidiaries.

“**Released Claims**” has the meaning set forth in Section 4.16 above.

“**Released Parties**” has the meaning set forth in Section 4.16 above.

“**Releasors**” has the meaning set forth in Section 4.16 above.

“**Representative**” has the meaning set forth in the preface above.

“**Restricted Period**” means a period of four (4) years following the Closing.

“**Restricted Person**” has the meaning set forth in Section 4.12 above and as set forth on Schedule 4.12.

“**Second Earn-out Payment**” has the meaning set forth in Section 1.10(a)(i) above.

“**Second Year**” means the period starting on July 2, 2019 and ending on July 1, 2020.

“**Second Year Revenue Target**” has the meaning set forth in Section 1.10(a)(ii) above.

“**Securities Act**” means the Securities Act of 1933, as amended, and any applicable rules and regulations thereunder, and any successor to such statute, rules or regulations.

“**Securities Exchange Act**” means the Securities Exchange Act of 1934, as amended, and any applicable rules and regulations thereunder, and any successor to such statute, rules or regulations.

“**Significant Business Partner**” means any of the Company’s (i) top ten (10) vendors, service providers or suppliers, based on amounts paid by the Company in the twelve (12) months preceding the Most Recent Balance Sheet Date; or (ii) top ten (10) customers or clients of the Company and its Subsidiaries, based on revenue recognized in the twelve (12) months preceding the Most Recent Balance Sheet Date.

“**Special Holdback**” means $6,000,000, to be paid in accordance with Section 1.8(d).

“**Special Holdback Conditions**” has the meaning set forth in Section 1.8(d).

“**Stockholder**” or “**Stockholders**” has the meaning set forth in the preface above.

“**Stockholder Indemnitees**” has the meaning set forth in Section 8.2 above.

“**Straddle Period**” means all Tax periods that begin on or before and end after the Closing Date.

“**Straddle Period Returns**” has the meaning set forth in Section 9.3 above.

“**Straddle Statement**” has the meaning set forth in Section 9.3 above.

"**Subsidiary**" means, with respect to any Person, any corporation, limited liability company, partnership, association, or other business entity of which (a) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers, or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof or (b) if a limited liability company, partnership, association, or other business entity (other than a corporation), a majority of partnership or other similar ownership interest thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more Subsidiaries of that Person or a combination thereof and for this purpose, a Person or Persons owns a majority ownership interest in such a business entity (other than a corporation) if such Person or Persons shall be allocated a majority of such business entity's gains or losses or shall be or control any manager, management board, managing director or general partner of such business entity (other than a corporation). The term "Subsidiary" shall include all Subsidiaries of such Subsidiary.

"**Surviving Corporation**" has the meaning set forth in Section 1.1 above.

"**Systems**" has the meaning set forth in Section 3.20 above.

"**Tax**" or "**Taxes**" means any federal, state, local and foreign net income, alternative or add-on minimum, estimated, gross income, gross receipts, sales, use, ad valorem, value added, transfer, franchise, capital profits, lease, service, license, withholding, payroll, employment, excise, severance, stamp, occupation, premium, property, abandoned property or escheat, environmental or windfall profit tax, customs duty or other tax, governmental fee or other like assessment or charge (and any liability incurred or borne by virtue of the application of Treasury Regulation Section 1.1502-6 (or any similar or corresponding provision of state, local or foreign Law), as a transferee or successor, by contract or otherwise)or other similar tax, together with all interest, penalties, additions to tax and additional amounts with respect thereto.

"**Tax Refund**" has the meaning set forth in Section 9.6 above.

"**Tax Return**" means any return, declaration, report, claim for refund, or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

"**Third Earn-Out Payment**" has the meaning set forth in Section 1.10(a)(ii) above.

"**Third Party Claim**" has the meaning set forth in Section 8.6(a) above.

"**Third-Party IP Rights**" means any Intellectual Property owned by a third party.

"**Third Year**" means the period starting on July 2, 2020 and ending on July 1, 2021.

"**Third Year Revenue Target**" has the meaning set forth in Section 1.10(a)(i).

"**Threshold**" has the meaning set forth in Section 8.4(a) above.

"**Transaction Expenses**" means any and all (a) legal, accounting, tax, financial advisory, environmental consultants and other professional or transaction related costs, fees and expenses

incurred by the Company or its Subsidiaries in connection with this Agreement or in investigating, pursuing or completing the transactions contemplated hereby (including any amounts owed to any consultants, auditors, accountants, attorneys, brokers or investment bankers), (b) payments, bonuses or severance which become due or are otherwise required to be made as a result of or in connection with the Closing or as a result of any change of control or other similar provisions, including the Bonus Consideration, (c) the cost of the D&O Tail Policy, and (d) payroll, employment or other Taxes, if any, required to be paid by Buyer (on behalf of the Company or its Subsidiaries), the Company or its Subsidiaries with respect to the amounts payable pursuant to this Agreement, the amounts described in clause (a) and (b), or the forgiveness of any loans or other obligations owed by Stockholders or employees in connection with the transactions contemplated by this Agreement.

"**Transaction Expenses Amount**" means an amount equal to all Transaction Expenses that have not been paid prior to the Closing Date, whether or not the Company has been billed for such expenses.

"**Transaction Tax Deductions**" shall mean the income Tax deductions or credits with respect to any Transaction Expenses.

"**Warrants**" means all of the warrants to purchase capital stock of the Company, all of which are set forth on Schedule 1.1, and which schedule sets for the number of shares of Common Stock subject to each Warrant and the exercise price per share of Common Stock subject to such Warrant.

"**Working Capital**" means an amount equal to (a) the amount of the current assets (excluding Cash and income Tax assets) of the Company and its Subsidiaries, minus (b) the amount of the current liabilities (excluding Debt and income Tax liabilities) of the Company and its Subsidiaries, in each case determined on a consolidated basis. For purposes of clarity, Transaction Expenses shall not be accrued as a liability but shall be paid by Participating Equityholders, and the Working Capital shall be otherwise calculated as if the transactions contemplated by this Agreement had not occurred. An example of the Working Capital calculation as of February 28, 2018 is attached hereto as Exhibit E.

"**Working Capital Deficit**" means the amount by which the Working Capital as of the Closing Date is less than $2,404,800.

"**Working Capital Surplus**" means the amount by which the Working Capital as of the Closing Date is greater than $2,404,800.

ARTICLE 12

MISCELLANEOUS

12.1 Press Releases and Public Announcements. Neither the Representative nor any Stockholder shall issue any press release or make any public announcement relating to the subject matter of this Agreement without the prior written approval of Buyer; provided, however, that Buyer may make any public disclosure, without obtaining any prior consent, concerning this

Agreement and the transactions contemplated thereby that it believes in good faith is required by securities Laws or listing standards applicable to Buyer.

12.2 No Third-Party Beneficiaries. This Agreement shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns.

12.3 Entire Agreement. This Agreement (including the documents referred to herein) constitutes the entire agreement among the Parties and supersedes any prior understandings, agreements, or representations by or among the Parties, written or oral, to the extent they relate in any way to the subject matter hereof.

12.4 Succession and Assignment. This Agreement shall be binding upon and inure to the benefit of the Parties named herein and their respective successors and permitted assigns. No Party may assign either this Agreement or any of its rights, interests, or obligations hereunder without the prior written approval of Buyer and the Representative; provided, however, that Buyer may (a) assign any or all of its rights and interests hereunder to one or more of its Affiliates and designate one or more of its Affiliates to perform its obligations hereunder (in any or all of which cases Buyer nonetheless shall remain responsible for the performance of all of its obligations hereunder), (b) assign its rights under this Agreement for collateral security purposes to any lenders providing financing to Buyer, the Company or any of their respective Subsidiaries or Affiliates or (c) assign its rights under this Agreement to any Person that acquires the Company or any of its assets.

12.5 Counterparts. This Agreement may be executed in one or more counterparts (including by means of facsimile), each of which shall be deemed an original but all of which together will constitute one and the same instrument.

12.6 Headings. The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

12.7 Notices. All notices and other communications under this Agreement shall be in writing and shall be deemed given: (a) when delivered personally by hand (with written confirmation of receipt), (b) the day when transmitted via electronic mail to the address set out below if the recipient confirms receipt (or, the first Business Day following such receipt if the day is not a Business Day); or (c) one (1) Business Day following the day sent by overnight courier (with written confirmation of receipt), in each case at the following addresses (or to such other address as a party may have specified by notice given to the other party pursuant to this provision):

If to Stockholders or the Representative or, prior to the Closing, to the Company:	Raj Toleti 6043 Greatwater Dr. Windermere, FL 34786 Email: Raj_toleti@hotmail.com

Copy to:	Locke Lord LLP 777 South Flagler Drive, Suite 215-E West Palm Beach, FL 33401 USA Attn: John G. Igoe Email: john.igoe@lockelord.com
If to Buyer or Merger Sub or, following the Closing, to the Company:	Allscripts Healthcare, LLC c/o Allscripts Healthcare Solutions, Inc. 222 Merchandise Mart Plaza, Suite 204 Chicago, IL 60654 Attention: General Counsel Email: brian.farley@allscripts.com
Copy to:	McDermott Will & Emery LLP 444 West Lake Street, Suite 4000 Chicago, IL 60606 Attn: John Tamisiea Email: jtamisiea@mwe.com

Any Party may change the address to which notices, requests, demands, claims, and other communications hereunder are to be delivered by giving the other Parties notice in the manner herein set forth.

12.8 Governing Law. This Agreement and any claim, controversy or dispute arising out of or related to this Agreement, any of the transactions contemplated hereby, the relationship of the parties, and/or the interpretation and enforcement of the rights and duties of the parties, whether arising in contract, tort, equity or otherwise, shall be governed by and construed in accordance with the domestic Laws of the State of Delaware (including in respect of the statute of limitations or other limitations period applicable to any such claim, controversy or dispute), without giving effect to any choice or conflict of Law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the Laws of any jurisdiction other than the State of Delaware.

12.9 Amendments and Waivers. No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by Buyer and the Representative. No waiver by any Party of any provision of this Agreement or any default, misrepresentation, or breach of warranty or covenant hereunder, whether intentional or not, shall be valid unless the same shall be in writing and signed by the Party making such waiver nor shall such waiver be deemed to extend to any prior or subsequent default, misrepresentation, or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

12.10 Injunctive Relief. Stockholders and the Representative hereby agree that, in the event of breach of this Agreement, damages would be difficult, if not impossible, to ascertain, that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached, and that the character, periods and geographical area and the scope of the restrictions on the Restricted Persons' activities in Sections 4.12 and 4.13 are fair and reasonably required for the protection of Buyer and its Affiliates. It is accordingly agreed that, in addition to and without limiting any other remedy or right it may have, Buyer shall be entitled to an injunction or other equitable relief in any court of competent jurisdiction, without any necessity of proving damages or any requirement for the posting of a bond or other security, enjoining any such breach (including a breach of Sections

4.12 and 4.13), and enforcing specifically the terms and provisions. Stockholders and the Representative hereby waive any and all defenses he, she or it may have on the ground of lack of jurisdiction or competence of the court to grant such an injunction or other equitable relief.

12.11 Severability. Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

12.12 Expenses. Except as otherwise expressly provided in this Agreement, each Party will bear its own costs and expenses (including legal fees and expenses) incurred in connection with this Agreement and the transactions contemplated hereby; provided, that all Transaction Expenses incurred by the Company and its Subsidiaries in connection with this Agreement shall be paid by Participating Equityholders.

12.13 Construction. The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. Any reference to any Law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. The word “including” shall mean including without limitation.

12.14 Incorporation of Exhibits and Disclosure Schedule. The Exhibits, Disclosure Schedule and other Schedules identified in this Agreement are incorporated herein by reference and made a part hereof.

12.15 Confidentiality. Buyer, the Representative and each Stockholder shall treat and hold as confidential all of the terms and conditions of the transactions contemplated by this Agreement and the other Ancillary Agreements, including, without limitation, the Aggregate Merger Consideration and each of its components; provided, however, that the Representative or any Stockholder may disclose such information to its legal counsel, accountants, financial planners and/or other advisors on an as-needed basis so long as any such Person is bound by a confidentiality obligation with respect thereto. Notwithstanding the foregoing, Buyer and its Affiliates may make any public disclosure, including discussions on earnings calls and with analysts and stockholders, regarding the terms and conditions of this Agreement and any Ancillary Agreements and the transactions contemplated hereby and thereby that it determines in good faith is necessary or is required by securities Laws or listing standards applicable to Buyer and its Affiliates.

12.16 Representative.

(a) Each Stockholder hereby appoints (and each holder of In the Money Options shall appoint in his or her respective Option Cancellation Agreement) the Representative for and on behalf of Stockholders to give and receive notices and communications in connection with this Agreement and the transactions contemplated hereby, to authorize and agree to adjustments to the Cash Payment and Earn-Out Payments under Article 1, to modify the Business Plan and other applicable provisions of this

Agreement, to take all actions on behalf of Stockholders pursuant to this Agreement, and to take all actions necessary or appropriate in the judgment of the Representative for the accomplishment of the foregoing. More specifically, the Representative shall have the authority to make all decisions and determinations and to take all actions (including giving Consents or agreeing to any amendments to this Agreement or any Ancillary Agreement to which it is a party or to the termination hereof or thereof) required or permitted hereunder on behalf of each such Stockholder, and any such action, decision or determination so made or taken shall be deemed the action, decision or determination of each such Stockholder, and any notice, communication, document, certificate or information required (other than any notice required by Law or under the Company's Organizational Documents) to be given to any Stockholder hereunder or pursuant to any Ancillary Agreement shall be deemed so given if given to the Representative. Without limiting the generality of the foregoing, the Representative shall be authorized, in connection with the Closing, to execute all certificates, documents and agreements on behalf of and in the name of Stockholders necessary to effectuate the Closing and related transactions. The Representative shall be authorized to take all actions on behalf of the Stockholders in connection with any claims made under Articles 8 or 9 of this Agreement, to defend or settle such claims, and to make payments in respect of such claims on behalf of Stockholders. The Stockholders may remove or replace the Representative by a vote of holders that owned a majority of the Common Stock immediately prior to Closing. If the Representative shall be removed, resign or otherwise be unable to fulfill its responsibilities hereunder, the Stockholders shall appoint a successor to the Representative, and shall immediately thereafter notify Buyer of the identity of such successor. Any such successor shall succeed the former Representative as the Representative hereunder. No bond will be required of the Representative, and the Representative will receive no compensation for its services. Notices or communications to or from the Representative will constitute notice to or from each of Stockholders. Notwithstanding anything to the contrary herein, in the event of a claim hereunder against a single Participating Equityholder, and not any other Participating Equityholders, such affected Participating Equityholder shall be entitled to control the defense of such claim.

(b) The Representative will not be liable for any act done or omitted hereunder as the Representative, except in the case of its bad faith or willful misconduct. The Representative may consult with legal counsel, independent public accountants and other experts selected by it and as between the Representative and the Participating Equityholders, shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts. Stockholders will severally indemnify the Representative and hold the Representative harmless against any Adverse Consequences incurred on the part of the Representative and arising out of or in connection with the acceptance or administration of the Representative's duties hereunder. Buyer agrees that except as may be provided in Article 8 if the Representative is also a Participating Equityholder, it will not look to the Representative or the underlying assets of the Representative for the satisfaction of any obligations of the Company or any of the Participating Equityholders

(c) A decision, act, consent or instruction of the Representative will constitute a decision of all Stockholders and will be final, binding and conclusive upon each such

Stockholder, and Buyer may rely upon any such decision, act, consent or instruction of the Representative as being the decision, act, consent or instruction of each such Stockholder. Buyer Indemnitees are hereby relieved from any Adverse Consequences to any Person for any acts done by such Buyer Indemnitees in accordance with such decision, act, consent or instruction of the Representative.

12.17 Waiver of Jury Trial. EACH OF THE PARTIES WAIVES THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OR RELATED TO THIS AGREEMENT IN ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY TYPE BROUGHT BY ANY OF THE PARTIES AGAINST ANY OTHER PARTY OR ANY AFFILIATE OF ANY OTHER SUCH PARTY, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS OR OTHERWISE. THE PARTIES AGREE THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT A JURY. WITHOUT LIMITING THE FOREGOING, THE PARTIES FURTHER AGREE THAT THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS SECTION AS TO ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS AGREEMENT OR ANY PROVISION HEREOF. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT.

12.18 Exclusive Venue. THE PARTIES AGREE THAT ALL DISPUTES, LEGAL ACTIONS, SUITS AND PROCEEDINGS ARISING OUT OF OR RELATING TO THIS AGREEMENT MUST BE BROUGHT EXCLUSIVELY IN A FEDERAL DISTRICT COURT LOCATED IN THE DISTRICT OF DELAWARE OR THE DELAWARE CHANCERY COURT IN NEW CASTLE COUNTY, DELAWARE (COLLECTIVELY THE "**DESIGNATED COURTS**"). EACH PARTY HEREBY CONSENTS AND SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE DESIGNATED COURTS. NO LEGAL ACTION, SUIT OR PROCEEDING WITH RESPECT TO THIS AGREEMENT MAY BE BROUGHT IN ANY OTHER FORUM. EACH PARTY HEREBY IRREVOCABLY WAIVES ALL CLAIMS OF IMMUNITY FROM JURISDICTION AND ANY OBJECTION WHICH SUCH PARTY MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR PROCEEDING IN ANY DESIGNATED COURT, INCLUDING ANY RIGHT TO OBJECT ON THE BASIS THAT ANY DISPUTE, ACTION, SUIT OR PROCEEDING BROUGHT IN THE DESIGNATED COURTS HAS BEEN BROUGHT IN AN IMPROPER OR INCONVENIENT FORUM OR VENUE. EACH OF THE PARTIES ALSO AGREES THAT DELIVERY OF ANY PROCESS, SUMMONS, NOTICE OR DOCUMENT TO A PARTY HEREOF IN COMPLIANCE WITH SECTION 12.7 OF THIS AGREEMENT SHALL BE EFFECTIVE SERVICE OF PROCESS FOR ANY ACTION, SUIT OR PROCEEDING IN A DESIGNATED COURT WITH RESPECT TO ANY MATTERS TO WHICH THE PARTIES HAVE SUBMITTED TO JURISDICTION AS SET FORTH ABOVE.

12.19 Retention of Counsel. In any dispute or proceeding arising under or in connection with this Agreement following the Closing, the Representative and the Participating Equityholders shall have the right, at their respective elections, to retain Locke Lord LLP to represent them in such matter, and Buyer and Merger Sub, for itself and, after the Closing, for the Surviving

Corporation, and for their respective successors and assigns, hereby irrevocably waive and consent to any such representation in any such matter.

12.20 Protected Communications. The parties to this Agreement agree that, immediately prior to the Closing, without the need for any further action (a) all right, title and interest of the Company and its Subsidiaries in and to all Protected Communications shall thereupon transfer to and be vested solely in the Representative solely for the benefit of the Stockholders, and (b) any attorney-client privileges and work product protections with respect to any Protected Communications that would have been exercisable by any of the Company or its Subsidiaries shall thereupon be vested exclusively in the Representative solely for the benefit of the Stockholders and shall be exercised or waived solely as directed by the Representative relating to or in connection with this Agreement, the negotiations leading to this Agreement, or any of the transactions contemplated herein. All rights, files, and information that are not Protected Communications, including matters that relate to the operation of the Company and its Subsidiaries and the liabilities of the Company and its Subsidiaries shall belong to the Surviving Corporation. Neither the Company, its Subsidiaries, Buyer, Merger Sub or any Person acting on any of their behalf shall, without the prior written consent of the Representative, assert or waive or attempt to assert or waive any attorney-client privilege or work product protection with respect to, or to discover, obtain, use or disclose or attempt to discover, obtain, use or disclose any Protected Communications in connection with any dispute or Proceeding with the Representative or the Participating Equityholders relating to or in connection with, this Agreement, the negotiations leading to this Agreement, or any of the transactions contemplated herein; provided, however, the foregoing shall neither prohibit Buyer from seeking proper discovery of such documents nor the Representative from asserting that such documents are not discoverable to the extent that applicable attorney-client privileges and work product protections have attached thereto. Notwithstanding the foregoing, in the event that a dispute arises between Buyer, Merger Sub, the Surviving Corporation or its Subsidiaries, on the one hand, and a Person other than the Representative, a Participating Equityholder or one of their Affiliates, on the other hand, after the Closing, Buyer, Merger Sub, the Company and any of its Subsidiaries, as applicable, may assert the attorney-client privilege to prevent disclosure of Protected Communications to such third party.

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

BUYER:

ALLSCRIPTS HEALTHCARE, LLC

By:/s/ *Richard Elmore*
Name: Richard Elmore
Title: Senior Vice President

MERGER SUB:

FOLLOWMYHEALTH MERGER SUB, INC.

By:/s/ *Richard Elmore*
Name: Richard Elmore
Title: Senior Vice President

COMPANY:

HEALTH GRID HOLDING COMPANY

By:/s/ *Raj Toleti*
Name: Raj Toleti
Title: Chief Executive Officer

REPRESENTATIVE:

/s/ *Raj Toleti*
Raj Toleti

Exhibit 31.1

Certification

I, Paul M. Black, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Allscripts Healthcare Solutions, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):

    a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting, which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 3, 2018

/s/ Paul M. Black
Chief Executive Officer

Exhibit 31.2

Certification

I, Dennis M. Olis, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Allscripts Healthcare Solutions, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):
    a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting, which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 3, 2018

/s/ Dennis M. Olis
Chief Financial Officer

Exhibit 32.1

The following statement is being made to the Securities and Exchange Commission solely for purposes of Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350), which carries with it certain criminal penalties in the event of a knowing or willful misrepresentation.

Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549

Re: Allscripts Healthcare Solutions, Inc.

Ladies and Gentlemen:

In accordance with the requirements of Section 906 of the Sarbanes-Oxley Act of 2002 (18 USC 1350), each of the undersigned hereby certifies that:

(i) this Quarterly Report on Form 10-Q for the quarter ended June 30, 2018, which this statement accompanies, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(ii) the information contained in this Quarterly Report on Form 10-Q for the quarter ended June 30, 2018, fairly presents, in all material respects, the financial condition and results of operations of Allscripts Healthcare Solutions, Inc.

Dated as of this 3rd day of August, 2018.

/s/ PAUL M. BLACK	/s/ DENNIS M. OLIS
Paul M. Black	**Dennis M. Olis**
Chief Executive Officer	**Chief Financial Officer**

A signed original of this written statement required by Section 906 has been provided to Allscripts Healthcare Solutions, Inc. and will be retained by Allscripts Healthcare Solutions, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.