

EMPLOYMENT AGREEMENT

This Employment Agreement (this "Agreement") between McAlester Regional Health Center Authority, an Oklahoma public trust ("MRHCA"), and David Keith, ("Executive") is effective as of September 19, 2018.

WHEREAS, MRHCA and Executive have previously entered into a certain prior employment agreement dated September 19, 2015, the terms of which shall be superseded by this Agreement on the Effective Date: September 19, 2018.

WHEREAS, MRHCA desires to retain the services of Executive and Executive desires to continue in the employment of MRHCA.

NOW THEREFORE, in consideration of the material advantages accruing to the two parties and the mutual covenants contained herein, and intending to be legally and ethically bound hereby, MRHCA and Executive agree as follows:

1. Services and Duties. Executive will render full-time professional services to MRHCA in the capacity of Chief Executive Officer ("CEO") of McAlester Regional Health Center (the "Hospital"). He will at all times, faithfully, industriously and to the best of his ability, perform all duties that may be required of him by virtue of his position as CEO and fulfill all responsibilities of his office set forth in MRHCA bylaws and in policy statements of MRHCA's Board of Directors ("Board"). It is understood that these duties shall be substantially the same as those of a chief executive officer of a business corporation. Executive is hereby vested with authority to act on behalf of the Board in keeping with policies adopted by the Board, as amended from time to time, and the laws governing the operation a public authority. In addition, he shall perform in the same manner any special duties assigned or delegated to him by the Board.

2. Compensation.

2.1. Base Compensation. MRHCA agrees to pay Executive an annual salary of \$309,000 payable in equal installments throughout the contract year according to the pay policies of MRHCA applicable to exempt employees. Beginning in the second year of this Agreement, Executive shall receive an increase in Base Salary by the lesser of three and one half percent (3.5%) or the percentage that represents the average percentage increase in wages granted to MRHCA employees who are eligible for review pursuant to applicable MRHCA wage review policies at the time of MRHCA's annual wage adjustment review. The increase in Base Salary shall be effective contemporaneous with the date that MRHCA's annual wage adjustment, if any, becomes effective for all eligible employees receiving an increase.

2.2. Performance Bonus. To the extent Executive meets certain written performance criteria established by the Board at the beginning of each year of this Agreement, Executive shall be entitled to receive a bonus in an amount up to thirty percent (30%) of Base Salary paid during the contract year (the "Performance Bonus".) One third of the Performance Bonus shall be based solely on MRHCA's achievement of a specific financial target established by the Board and the remaining portion of the bonus

shall be apportioned among achievement of various performance goals as determined by the Board. Executive must be employed on the contract anniversary date following the contract year for which the bonus is to be paid in order to be eligible to receive the Performance Bonus. Payment in lump sum of the Performance Bonus will occur within thirty (30) days following the anniversary date of this Agreement. Payment will be made in the form of voluntary employer contribution to the Executive's 401(a) Plan account up to the maximum contribution permitted by law and the terms of the Plan. Any portion of the Executive's Performance Bonus remaining unpaid upon completion of the 401(a) Plan contribution shall be paid to Executive as a cash payment.

2.3. Retirement Plan Contribution. MRHCA shall make an annual employer contribution to the Executive's 401(a) Plan account in an annual equal to five percent (5%) of the Base Salary paid during the calendar year preceding the date of the contribution.

2.4. Retention Bonus. MRHCA agrees to pay the CEO a retention Bonus of \$130,000.00 ("Retention Bonus") upon the end of the Term of this Agreement. Provided, however that in the event MRHCA terminates the Agreement with cause prior to the end of the Term, or CEO terminates this Agreement for any reason prior to the end of the Term, CEO shall not be entitled to any portion of the Retention Bonus. In the event MRHCA terminates the Agreement without cause prior to the end of the Term, or in the event of CEO's death prior to the end of the Term, CEO shall be entitled to a pro rata portion of the Retention Bonus, in which each full month of CEO's employment under this Agreement shall be equal to 1/48 of the Retention Bonus.

3. Approved Absences.

3.1. Paid Time Off. The CEO shall accrue PTO and extended sick leave (ESL) per Hospital policy. PTO will accrue at 13.23 hours per pay period. In the event Executive cashes out PTO or terminates this agreement, PTO will be paid out at a rate of 50% per Hospital policy.

3.2. Extended Sick Leave. Executive shall be credited with six (6) days of ESL each calendar year and may carry over any unused sick day hours up to a maximum accrued sick leave of thirty (30) days. These days may be used by Executive in conformity with MRHCS's Extended Sick Leave Policy. ESL can only be used for qualifying FMLA events in accordance with Hospital policy. Leave time accrued but unused under this provision shall not be payable at time of termination.

3.3. Attendance at Professional Meetings. In addition, the CEO will be permitted to be absent from the Hospital during working days to attend professional meetings and to attend to such outside professional duties in the healthcare field as have been mutually agreed upon between him and the Chairman of the Board. Attendance at such approved meetings and accomplishment of approved professional duties shall be fully compensated service time and shall not be considered vacation time. MRHCA shall reimburse the CEO for all expenses incurred by the CEO to attend at approved professional meetings and such entertainment expenses incurred by the CEO in

furtherance of MRHCA's interests, provided, however, that such reimbursement is approved by the Chairman of the Board.

4. Education Expenses. MRHCA agrees to pay dues to two (2) professional associations and travel and registration for two (2) conferences annually for professional development purposes not to exceed \$6,000/year. Amounts needed in excess of \$6,000 for the two conferences should be approved by the Chairman of the Board. MRHCA also agrees to pay dues to such service organizations and clubs of which the CEO is a member, approved by the Chairman of the Board as being in the best interests of MRHCA.

5. Other Benefits. During the term of this Agreement, MRHCA will provide the following benefits to Executive:

(a) Coverage under its general liability insurance policy and/or its directors' and officers' liability insurance policy for claims arising from acts performed by Executive in furtherance of his duties as CEO;

(b) Group life insurance in an amount equivalent to the maximum benefit of \$650,000 permitted under MRHCA's Group Life Insurance Plan. Coverage under the Plan shall not require Executive to present evidence of insurance;

(c) Comprehensive health, major medical and dental insurance on the same terms as such benefits are provided by MRHCA to other employees of MRHCA;

(d) Provide a car allowance in the amount of ten thousand dollars (\$10,000) annually, payable on a bi-weekly basis in addition to base pay;

(e) Participation in MRCHA's 401(a) Retirement Plan and 457(b) Deferred Compensation Plan, under the terms and conditions of such Plans;

(f) Country Club Membership and related appropriate MRHCA business expenses will be paid for by MRHCA to facilitate CEO's relationship with McAlester physicians and other community leaders;

(g) Computer access and a Forty-five Dollar (\$45) monthly stipend to defray the cost of business calls made from Executive's personal cell phone;

(h) In addition, the CEO shall be entitled to all other fringe benefits to which all other employees of MRHCA are entitled;

6. Term of Agreement. This Agreement shall commence on the Effective Date and shall continue through September 19, 2022, unless earlier terminated as provided in Section 8, below.

7. Termination.

7.1 Death of Executive. This Agreement shall automatically terminate in the event of the death of the CEO. Under such circumstances, neither CEO nor his estate shall be entitled to the severance benefits set forth in subsection 7.3. Provided, however, that CEO's estate shall be entitled to the pro rata Retention Bonus, as set forth in subsection 2.4.

7.2 Disability of Executive. In the event of a single period of prolonged inability to work due to the result of a sickness or an injury, MRHCA will pay Executive a disability benefit equivalent to sixty percent (60%) of Base Salary for the period of total disability following the termination of the Agreement, up to a maximum period of twelve (12) months. MRHCA, at the Board's discretion, may satisfy this obligation by providing to Executive, at MRHCA's expense, a long term disability insurance policy providing the amount and length of benefit specified above.

7.3 Termination by MRHCA without Cause. The Board may at its discretion terminate Executive's duties as Chief Executive Officer without cause, and/or fail to renew this Agreement for any reason. Such action shall require a majority of vote of the entire Board and become effective upon written notice to the Executive or at such later time as may be specified in said notice. After such termination, all rights, duties and obligations of both parties shall cease except that MRHCA shall pay the Executive (in addition to earned salary for the portion of the month in which termination occurs) an amount equal to two (2) times Executive's annualized base salary for the calendar year immediately prior to the calendar year in which such termination occurs (the "Severance Amount") as severance. The Severance Amount shall be paid as a series of twenty-four (24) equal monthly payments commencing on the first day of the calendar month following the calendar month in which termination occurs (such period over which the Severance Amount shall be paid is herein referred to as the "Severance Period"). Such payments shall be subject to applicable tax and other withholding requirements. During the Severance Period, Executive shall not be required to perform any duties for MRHCA but shall cooperate with the Board and its counsel in the defense of any claims or litigation or governmental investigations arising from events occurring during the period of Executive's employment with MRHCA. Executive shall be reimbursed for reasonable expenses incurred in rendering cooperation to the Board and its counsel. Executive shall promptly notify MRHCA of any employment he accepts during the Severance Period. Should such employment offer higher or equal base compensation, severance payments will cease upon the start of such employment. Should Executive obtain employment in which the compensation is less than the Base Salary, the severance payments will be adjusted for the difference and continue for the remainder of the Severance Period. MRHCA further agrees to reimburse Executive for the cost of COBRA continuation coverage for Executive and his covered dependents for the period of eligibility or the Severance Period, whichever is less.

7.4 Termination by MRHCA with Cause. MRHCA may terminate this Agreement with Cause upon giving written notice to CEO. For purposes of this Agreement, the term "Cause" means: (a) conviction of a misdemeanor involving moral turpitude or a felony; (b) performance of illegal business practices in connection with MRHCA's business; (c) misappropriation of MRHCA's assets by CEO; (d) excessive absence of CEO from his

employment during usual working hours for periods other than the use of accrued paid days off and/or extended illness benefits; (e) a material breach by CEO of any provision of this Agreement; or (f) failure by CEO to perform competently and efficiently his duties, as defined by the job description and performance standards determined by MRHCA's Board of Directors. In the event of termination by MRHCA with Cause, MRHCA's obligation to pay the compensation specified in Section 2 shall terminate, all of CEO's rights to benefits hereunder shall be forfeited, and CEO shall not be entitled to the severance benefits set forth in subsection 7.3.

7.5 Termination by Executive for Good Reason. Should the Board in its discretion change the CEO's duties or authority such that it can reasonably be found that the CEO is no longer performing as the Chief Executive Officer of MRHCA and/or its parent corporation, the CEO shall have the right, within ninety (90) days of such event, in his complete discretion, to terminate this contract by written notice delivered to the Chairman of the Board. Upon such termination, the CEO shall be entitled to the severance payment described in subsection 7.3, in accordance with the same terms of that subsection.

7.6 Termination Due to Closure of Hospital. If the Hospital is closed, this Agreement will terminate and Executive will be entitled to the severance payments described in subsection 7.3, in accordance with the same terms of that subsection.

7.7 Termination Following Change in Control. If the Hospital is merged, sold, or placed under a managed service agreement (each, a "Change in Control"), and Executive's employment is terminated other than for Cause within the first twelve months following a Change in Control, Executive shall be entitled to the severance payments described in subsection 7.3, in accordance with the same terms of that subsection. MRHCA may contractually obligate any successor employer to provide the benefits due Executive pursuant to the subsection but shall remain primarily obligated to Executive in the event such benefits are not paid by the successor. If Executive continues to be employed for twelve (12) months by MRHCA or its successor organization following a Change in Control and Executive is terminated within the twelve (12) month period following such initial twelve (12) month period other than for cause, Executive will receive fifteen (15) months' severance payments as described in subsection 7.3. MRHCA agrees that neither it nor its present or any future holding company shall enter into any agreement that would negate or contradict the provisions of this Agreement.

7.8 Termination by Executive for Other than Good Reason or Closure of Hospital. Should the CEO at his discretion elect to terminate this contract for any other reason than as stated in subsection 7.5 or 7.6, he shall give the Board ninety (90) days written notice of his decision to terminate the Agreement. At the end of the ninety (90) days, all rights, duties and obligations of both parties to the Agreement shall cease and Executive will not be entitled to the severance benefits set forth in subsection 7.3. The Board shall have the right to terminate performance immediately and pay ninety (90) days' Base Salary in lieu of actual work during such ninety (90) day period.

8 Voluntary Waiver and Release. If an event described in subsection 7.3, 7.5, or 7.6 occurs, the payment of any of the severance benefits or payments described therein shall be subject to the receipt by MRHCA of a written agreement signed by CEO at the time of such termination to voluntary release and forever discharge MRHCA and its officers, directors, employees, agents, and related corporations and their successors and assigns, both individually and collectively and in their official capacities (hereinafter referred to collectively as "releases"), from any and all liability arising out of his employment and/or the cessation of said employment. The release must be executed and returned to the Chairman of the Board no later than 28 days after the date of submission of the Release for signature to Executive. Following return of the signed Release, Executive shall have seven (7) days during which he may elect to revoke the Waiver and Release (the "Revocation Period"). If Revocation Period passes without Executive exercising the revocation option, the Release shall be binding and effective. Benefits subject to the Release shall commence to be payable after the Release becomes binding and effective.

9 Code Section 409A.

9.2 Compliance. The Parties intended the provisions of the Agreement to comply with or be excepted from the requirements of Section 409A of the Internal Revenue Code of 1986, as amended ("the Code") and the Department or Treasury Regulations and other interpretive guidance issued thereunder ("Section 409A").

9.3 Certain Payments Due on a Termination of Executive's Employment. Notwithstanding anything in this Agreement to the contrary, the payment (or commencement of a series of payments) under the Agreement of any nonqualified deferred compensation (within the meaning of Section 409A) upon a termination of employment shall be delayed until such time as the Executive has also undergone a "separation from service" as defined in Treas. Reg. 1.409A-(h), at which time such nonqualified deferred compensation (calculated as of the date of Executive's termination employment under this Agreement) shall be paid (or commence to be paid) to Executive on the schedule set forth in this Agreement as if Executive had undergone such termination of employment (under the same circumstances) on the date of his ultimate "separation from service."

9.4 Payments in Installments. To the extent that the Agreement provides for any payments to be made in installments (including, without limitation, any severance payments), each such installment shall be deemed to be a separate and distinct payment for purposes of Section 409A.

9.5 Expense Reimbursement. To the extent that any right to reimbursement of expenses under the Agreement constitutes nonqualified deferred compensation (within the meaning of Section 409A), (i) any such expense reimbursement shall be made by MRHCA no later than the last day of the taxable year following the taxable year in which such expense was incurred by the Executive, (ii) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit and (iii) the amount of expenses eligible for reimbursement or in-kind benefits provided during any taxable year shall not affect the expenses eligible for reimbursement or in-kind benefits to be provided in any other taxable year.

9.6 Release. To the extent any payments of nonqualified deferred compensation (within the meaning of Section 409A) due under the Agreement as a result of Executive's termination of employment are subject to Executive's execution and delivery of a release of claims, any such payments otherwise due to Executive prior to the 60th day after the event giving rise to Executive's rights to payment hereunder shall be aggregated and paid in a lump sum on the 60th day following the date the Executive's termination of employment; provided that if Executive fails to deliver and not revoke such release within the time specified herein therefor, Executive shall forfeit Executive's rights to all further payments hereunder.

9.7 Further Changes for Section 409A Compliance. Notwithstanding any provision of the Agreement to the contrary, in the event that MRHCA determines that any amounts payable pursuant to this agreement will be immediately taxable to Executive under Section 409A, MRHCA reserves the right (without any obligation to do so or to indemnify MRHCA for failure to do so) to (i) adopt such amendments to this Agreement and appropriate policies and procedures, including amendments and policies with retroactive effect, that MRHCA determines to be necessary or appropriate to preserve the intended tax treatment of the benefits provided by this Agreement, to preserve the economic benefits Agreement and to avoid less favorable accounting or tax consequences for MRHCA and/or (ii) take such other actions as MRHCA determines to be necessary or appropriate to exempt the amount payable hereunder from Section 409A or to comply with the requirements of Section 409A or any damages for failing to comply with Section 409A, other than for withholding obligations or other obligations applicable to employers, if any, under Section 409A.

9.8 Section 457(f); Coordination between Section 457(f) and Section 409A. All amounts payable to Executive hereunder are intended to be exempt from Section 457(f) of the Code, either because such payments do not provide for a "deferral of compensation" within the meaning of Section 457(f) or because such amounts are exempt pursuant to section 457(e)(11). In the event that any of Executive's rights to payment hereunder are or become subject to Section 457(f), it is the intent of the parties that the "inclusion equals payment" rule of Treasury Regulations section 1.409A-1(b)(4)(B) apply to such payment rights.

10 Confidentiality. The CEO shall not, either during the term of employment or thereafter, use or permit the use of any information of or relating to MRHCA in connection with any activity or business and shall not divulge such information to any person, firm, or corporation whatsoever, except as may be necessary in the performance of his duties hereunder or as may be required by law or legal process.

11 Noncompete. During the term of his employment and during the twenty four (24) month period following termination of his employment, the CEO shall not directly own, manage, operate, join, control, or participate in or be connected with, as an officer, employee, partner, stockholder or otherwise, any other hospital, medical clinic, integrated delivery system, health maintenance organization, or related business, partnership, firm, or corporation (all of which hereinafter are referred to as "entity") that is at the time engaged principally or significantly in a business that is, directly or indirectly, at the time in competition with the business of MRHCA

within the service area of MRHCA. The service area is defined as Pittsburg County in the State of Oklahoma. Nothing herein shall prohibit the CEO from acquiring or holding any issue of stock or securities of any entity that has any securities listed on a national securities exchange or quoted in a daily listing of over-the-counter market securities, provided that any one time the CEO and members of the CEO's immediate family do not own more than one percent of any voting securities of any such entity. This covenant shall be construed as an agreement independent of any other provision of this Agreement, and the existence of any claim or cause of action, whether predicted on this Agreement or otherwise, shall not constitute a defense to the enforcement by MRHCA of this covenant. In the event of actual or threatened breach by the CEO of this provision, MRHCA shall be entitled to an injunction restraining the CEO from violation or further violation of the terms thereof.

12 Non-solicitation. The CEO shall not directly or indirectly through his own efforts, or otherwise, during the term of this Agreement, and for a period of twenty four (24) months thereafter, employ, solicit to employ, or otherwise contract with, or in any way retain the services of any employee or former employee of MRHCA, if such individual has provided professional or support services to MRHCA at any time during the term of this Agreement, without the express written consent of MRHCA. The CEO will not interfere with the relationship of MRHCA and any of its employees, patients, payors, vendors, and other third parties, and the CEO will not attempt to divert from MRHCA any business in which MRHCA has been actively engaged during his employment.

13 Entire Agreement. This contract constitutes the entire agreement between the parties and contains all the agreements between them with respect to the subject matter hereof. It also supersedes any and all other agreements or contracts, either oral or written, between the parties with respect to the subject matter hereof.

14 Amendment. Except as otherwise specifically provided, the terms and conditions of this contract may be amended at any time by mutual agreement of the parties, provided that before any amendment shall be valid or effective it shall have been reduced to writing and signed by the Chairman of the Board and the CEO.


15 Severability. The invalidity or unenforceability of any particular provision of this contract shall not affect its other provisions, and this contract shall be construed in all respects as if such invalid or unenforceable provisions had been omitted.

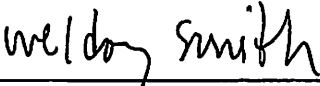
16 Binding Effect. This Agreement shall be binding upon MRHCA, its successors and assigns, including, without limitation, any corporation into which MRHCA may be merged or by which it may be acquired, and shall inure to the benefit of the CEO, his administrators, executors, legatees, heirs and assigns.

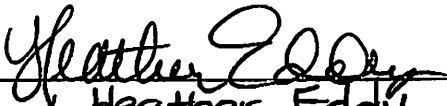
17 Construction. This Agreement shall be construed and enforced under and in accordance with the laws of the State of Oklahoma.

[Signatures on following page.]

This contract signed this 3 day of October 2018

By: 
David Keith,
President/CEO
McAlester Regional Health Center

By: 
Weldon Smith
MRHCA Chairman of the Board of Trustees
McAlester Regional Health Center

Witness: 
Print: Heather Eddy
Title: Director of HR & Education