



August 7, 2024

Via E-Mail

Neli Palma, Esq.
Supervising Deputy Attorney General
Office of the Attorney General
1300 I Street, 15th Floor
Sacramento, California 95814

Via E-Mail

Emilio Varanini, Esq.
Supervising Deputy Attorney General
Office of the Attorney General
455 Golden Gate Avenue, 11th Floor
San Francisco, California 94102

Re: Notice of Anticipated Transaction

Dear Ms. Palma and Mr. Varanini:

Pursuant to Article III of the Conditions to Approval of Amended Management Services Agreement and Asset Purchase Agreement by and between Hayward Sisters Hospital, Saint Rose Medical Building, Inc., and Alecto Healthcare Services Hayward LLC issued on January 29, 2023 (the "AG Conditions"), Hayward Sisters Hospital, a California nonprofit corporation doing business as St. Rose Hospital ("St. Rose") and Saint Rose Medical Building, Inc., a California nonprofit corporation ("SRMB") hereby provide notice of an anticipated transaction by and between St. Rose and Alameda Health System, a public hospital authority ("AHS) which will result in the transfer of control of St. Rose and SRMB to AHS.

While the parties are working to finalize the definitive agreements with respect to the anticipated transaction, the parties anticipate that the transaction between St. Rose and AHS (the "Anticipated Transaction") will consist of the following:

(1) St. Rose and AHS will enter into (a) an agreement which provides for St. Rose to amend its existing articles of incorporation and bylaws to provide for the issuance of a membership interest in St. Rose to AHS (the "Membership Issuance Agreement"); and (b) a Transitional Services Agreement which provides for the provision of certain transitional planning services by AHS to St. Rose prior to the closing with the St. Rose Board of Directors retaining full control over SRH until the closing has occurred. Hereinafter, the Membership Issuance Agreement and the Transitional Services Agreement shall be referred to as the "Definitive Documents".

(2) Pursuant to the terms of the Definitive Documents, upon the successful completion of the Anticipated Transaction, AHS will become the sole corporate member of St. Rose and St. Rose will continue to be the sole member of SRMB. As the sole corporate member of St. Rose, AHS would have the right to appoint the members of the Board of Directors of St. Rose and St. Rose's Board of Directors would have the right to appoint the members of SRMB's Board of Directors. As such, on and after the closing, AHS would control St. Rose and SRMB.

(3) After the closing, St. Rose will continue to be operated as a duly licensed acute care hospital with a 24/7 emergency department and other acute care services. St. Rose will continue to be a California not-for-profit corporation and be considered a private nonprofit hospital for certain regulatory purposes consistent with the statutory authority of AHS under Section 23004.5

of the California Government Code and Section 14000.2 of the California Welfare and Institutions Code to provide services through private not-for-profit organizations.

(4) After the closing, St. Rose will continue to employ all of the individuals who were employed prior to the closing, subject to ordinary course employment decisions, and the Medical Staff will remain in place as an independent medical staff. In addition, the four labor organizations that currently represent employees at St. Rose (California Nurses Association, Teamsters Local No. 856, ESC Local 20, and Stationary Engineers Local 39) will continue to be recognized as the exclusive bargaining representative of their bargaining units and the collective bargaining agreements will remain in place.

(5) After the closing, St. Rose will continue to offer a charity care and financial assistance policy no less than favorable than those currently maintained by St. Rose and St. Rose will continue to provide community benefits. Given AHS' commitment to charity care and financial assistance and community benefit programs, St. Rose anticipates the Anticipated Transaction will serve to enhance St. Rose's financial assistance and charity care programs and community benefit programs. This is especially true since St. Rose expects that patient volumes will grow under AHS and increase the opportunity for charity care.

(6) Both prior to and after the closing, the assets of St. Rose and SRMB will continue to be the assets of St. Rose or SRMB, as applicable, and none of the charitable assets of St. Rose or SRMB will be transferred to AHS.

(7) Both prior to and after the closing, the liabilities of St. Rose and SRMB will continue to be the liabilities of St. Rose and SRMB and nothing in the Definitive Documents will cause AHS to assume the liabilities of St. Rose and SRMB.

(8) No sale proceeds will be generated as a result of the Anticipated Transactions.

(9) Effective as of the Closing, the Amended Management Services Agreement and Asset Purchase Agreement by and between Hayward Sisters Hospital, Saint Rose Medical Building, Inc., and Alecto Healthcare Services Hayward LLC will be terminated and Alecto Healthcare Services Hayward LLC will affirmatively waive any purchase option it may have with respect to ST. Rose and/or SRMB.

(10) The closing of the Anticipated Transactions would be subject to various closing conditions.

Pursuant to Corporations Code § 5914 or §5920¹ and 11 CCR § 999.5(a)(5)A), St. Rose and SRMC requests that the Attorney General issue a waiver with respect to the Anticipated Transaction. St. Rose's request for a waiver should be granted because:

(1) St. Rose is a standalone nonprofit safety net hospital and has faced substantial financial difficulties for several years and most recently received a loan under the recently enacted Distressed Hospital Loan Program. St. Rose will continue to face substantial financial difficulties in the future unless it becomes part of an integrated healthcare system. Absent a transaction which

¹ Since AHS is a public hospital authority, it is not clear that either §5914 or §5920 would apply to the transaction.

allows St. Rose to become part of an integrated healthcare system, the viability of St. Rose remains in doubt and reductions in services and/or closure will be at issue if a transaction is not completed forthwith.

(2) After careful consideration and deliberation, St. Rose's Board of Directors determined that to remain viable as a provider of cost-effective quality health care to all members of the community, St. Rose must affiliate with a larger integrated healthcare system. The Innova Group, an independent consultant engaged by the Eden Health District, reached the same conclusion.

(3) After extensive efforts to identify an affiliation partner that would allow St. Rose to remain viable, St. Rose's Board of Directors, with advice and assistance of Kaufman Hall and Steven Hollis, determined that an affiliation with AHS is in the best interests of St. Rose and its employees, medical staff, and members of the communities served by St. Rose.

(4) AHS is a public hospital authority whose mission is to be recognized as a world-class patient and family centered system of care that promotes wellness, eliminates disparities and optimizes the health of our diverse communities. AHS is also the leading safety-net provider in Alameda County and has a proven track record of providing care to patients who are similar to those treated by St. Rose currently.

(5) The Anticipated Transaction will benefit the community and ensure continued access to care.

(6) The Anticipated Transaction is not expected to adversely affect employees as all employees will remain employed after the closing and all labor unions will continue to be recognized as the exclusive bargaining representatives of their respective bargaining units.

(7) The Anticipated Transaction is not expected to adversely affect the medical staff at St. Rose as the Medical Staff will continue to be an independent medical staff and all medical staff in good standing as of the closing will maintain their medical staff privileges after the closing.

(8) The Anticipated Transaction is supported by key community stakeholders including, without limitation, Assemblymember Liz Ortega, Senator Aisha Wahib, Alameda County Supervisor Elisa Marquez, the City of Hayward, and Federally Qualified Health Centers. In addition, we understand that Alameda Alliance for Health, the Medi-Cal managed care plan for Alameda County supports the Anticipated Transaction.

(9) The Anticipated Transaction will not have an adverse effect on competition but instead should increase competition and provide for a stronger competitor for Sutter Health's Eden Medical Center in nearby Castro Valley

(10) St. Rose continues to suffer financial losses with current losses averaging approximately \$2 Million per month and St. Rose cannot survive a prolonged review process and AHS' ability to implement plans that will enhance operational efficiencies at St. Rose is dependent in part on St. Rose not being forced to reduce service lines or have no funds available at closing.

Letter to Emilio Varanini, Esq. and Neli Palma, Esq.

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Please also note that St. Rose is prepared to host a public hearing in Pavilion A/B of the Sherman Balch Pavilion which is located on St. Rose's hospital campus at 27190 Calaroga Avenue, Hayward, California 94545. The primary languages for St. Rose's patient population are English and Spanish.

We look forward to working with you and your colleagues on this important transaction so that St. Rose can continue to provide cost-effective high-quality care to all members of the community. Please feel free to contact me at (949) 689-2243 or msarrao@sarraolaw.com if you have any questions or require additional information.

Sincerely,

A handwritten signature in blue ink, appearing to read "Michael J. Sarrao". The signature is fluid and cursive, with a long horizontal stroke at the end.

Michael J. Sarrao
General Counsel

cc: St. Rose's Board of Directors
Ahmad Azizi, General Counsel, Alameda Health System



August 7, 2024

Via E-Mail

Heidi L. Lehrman, Esq.
Deputy Attorney General
Office of the Attorney General
1300 I Street, 15th Floor
Sacramento, California 95814

Re: Proposed Transaction

Dear Ms. Lehrman:

Thank you for your August 12, 2024 correspondence acknowledging receipt of my August 7, 2024 letter providing notice of a proposed transaction between Hayward Sisters Hospital, a California nonprofit corporation doing business as St. Rose Hospital ("St. Rose"), Saint Rose Medical Building, Inc., a California nonprofit corporation ("SRMB"), and Alameda Health System and St. Rose's and SRMB's request for a waiver of the Attorney General's full review of the proposed transaction. As a follow-up to my August 7, 2024 letter and in response to the deficiency noted in your August 12, 2024 letter, please find enclosed the following documents that effectuate the proposed transaction:

- (1) A fully executed copy of the Membership Issuance Agreement dated August 19, 2024 by and between St. Rose and AHS; and
- (2) A fully executed copy of the Transitional Planning Agreement dated August 19, 2024 by and between St. Rose and AHS.

Thank you in advance for your efforts regarding this important transaction which will allow St. Rose to continue providing cost-effective high-quality care to all members of the community. Please feel free to contact me at (949) 689-2243 or msarrao@sarraolaw.com if you have any questions or require additional information.

Sincerely,

A blue ink handwritten signature, appearing to read "Michael J. Sarrao", is written in a fluid, cursive style.

Michael J. Sarrao
General Counsel

Enclosures

cc: Neli Palma, Supervising Deputy Attorney General (Via E-Mail w/ Enclosures)
Emilio Varanini, Esq., Supervising Deputy Attorney General (Via E-Mail w/ Enclosures)
Ahmad Azizi, General Counsel, Alameda Health System (Via E-mail w/out Enclosures)

Transitional Planning Agreement

Between

Alameda Health System

and

Hayward Sisters Hospital

August 19, 2024

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TRANSITIONAL PLANNING AGREEMENT

THIS TRANSITIONAL PLANNING AGREEMENT (“*Agreement*” or “TPA”) is made and entered into and effective as of August 19, 2024 (“*Effective Date*”), by and between the **Alameda Health System** (“AHS”), a Public Hospital Authority and the **Hayward Sisters Hospital**, a California not for profit corporation doing business as St. Rose Hospital (“St. Rose” or “SRH”). (Each of AHS and St. Rose is a “Party” and together “the Parties”.)

RECITALS

WHEREAS AHS is a California public hospital authority established pursuant to Chapter 5 (commencing with Section 101850) of Part 4 of Division 101 of the Health and Safety Code which operates hospitals and other related clinics and services, which together form the basis for providing essential health care services to the residents of Alameda County; and

WHEREAS St. Rose is a stand-alone Not-For-Profit safety net hospital which provides important emergency, inpatient and outpatient health services to the residents of the City of Hayward, California, and the surrounding area; and

WHEREAS AHS and SRH have entered into a Membership Issuance Agreement (“MIA”) pursuant to which AHS will, subject to the terms and conditions of the MIA, become the sole corporate member of SRH at the Closing (the “Membership Issuance” and the “Transaction”); and

WHEREAS AHS and SRH have agreed that to enter into this Agreement to enable the Parties to commence planning for the Closing of the Transaction and to begin to address matters of concern with respect to the patient care services, operations and the financial viability of SRH during the period between the Parties’ entering into the MIA and the Closing (the “Transitional Period”).

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions contained herein and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties agree as follows:

Article I

AUTHORITY AND RELATIONSHIP OF THE PARTIES

1.1 Joint Planning Responsibilities. Subject to **Section 1.3**, and in a manner that is consistent with all Federal and State laws and regulations, SRH and AHS hereby agree to engage in joint transition planning in connection with preparations for the Closing of the Transaction. The general acute care hospital owned and operated by St. Rose and such other businesses are collectively referred to herein as the “*Hospital*”. This Agreement specifically includes the ability of the Parties to provide advice and assistance in connection with the Transitional Planning Services as described in **Section 3.0**.

1.2 Retention of Authority and Responsibility. St. Rose will continue to operate the Hospital and shall exercise, throughout the Term (as defined in **Section 8.1** hereof), ultimate authority, supervision, direction and control over the business, policies, operation, and assets of the Hospital, and shall retain the ultimate authority and responsibility regarding the powers, duties and

responsibilities for St. Rose vested in its governing body under applicable Legal Requirements (as defined in **Section 9.12** hereof). AHS shall carry out all of its duties and responsibilities hereunder subject to the ultimate authority of St. Rose, acting in accordance with the terms and conditions of this Agreement. All decisions to be made by St. Rose or authority retained by St. Rose under this Agreement shall be taken in accordance with any governing documents of St. Rose and in accordance with applicable Legal Requirements. Nothing in this Agreement is intended to alter, weaken, displace, or modify the responsibility of the St. Rose Board for the direction and control of the Hospital as set forth in St. Rose's governing documents.

1.3 Responsible Licensee. St. Rose is and shall continuously remain throughout the Term of this Agreement (as hereinafter defined), the responsible licensee of the Hospital. St. Rose shall continuously remain throughout the term of this Agreement fully and legally accountable at all times to all governmental authorities, including the California Department of Public Health, for all aspects of the operation and maintenance of the Hospital in compliance with all licenses and all applicable laws and regulations including (a) federal laws and regulations relating to the participation by St. Rose in the Medicare program or other federal health care benefit programs; (b) state laws and regulations applicable to participation by St. Rose in any state Medicaid program or other state health care benefit programs; (c) state laws and regulations requiring St. Rose to obtain any license or permit to provide or arrange for the provision of hospital services and related services as contemplated herein; (d) applicable standards and requirements, if any, of accreditation organizations; (e) all governing policies and procedures of Hospitals, as such may be amended from time to time, consistent with applicable law; (f) any federal or California State law or regulation related to the operation of an acute care hospital and any condition of participation related to federal health care programs that relate to or affect the operation and revenues of the Hospital; and (g) all other applicable laws and regulations relating to the provision of hospital services or payment for such services, including, laws relating to confidentiality of patient-related information, and laws governing billing and collecting payments from payors and arrangements between providers and sources of referrals of patients, medical services or supplies.

Article II EMPLOYEES

2.1 Executive Employees.

2.1.1 During the Term, AHS shall appoint an individual to serve as the AHS Transitional Planning Officer ("**TPO**") and such other executives as AHS may choose to employ to provide the Transitional Planning Services. The TPO and such other employed AHS executives are collectively referred to herein as the "**AHS Executive Employees**", each of whom has been approved in advance by the SRH Board. A list of the AHS Executive Employees as of the Effective Date is set forth in **Schedule 2.1** of this Agreement.

2.1.2 The AHS Executive Employees shall be employees of and act under the direction, control, and supervision of AHS. On behalf of AHS, the TPO shall keep the Board of Directors of St. Rose (the "St. Rose Board") informed of AHS's planning activities through periodic reports. AHS shall have the right to suspend an AHS Executive Employee in accordance with its policies. In the event of suspension, termination, or replacement of an AHS Executive Employee, AHS shall notify the St. Rose Board regarding such action. St. Rose shall have the right

to request the removal from the Hospital (but not termination as an AHS employee) any AHS Executive Employee.

2.1.3 In addition to the AHS Executive Employees, AHS in its discretion will also provide support from its executives and employees as reasonably necessary to carry out the Transitional Planning Services.

Article III TRANSITIONAL PLANNING SERVICES

3.1 General Responsibilities. AHS shall coordinate with SRH to perform the Transitional Planning Services described in this Article III during the Transition Period. It is the intention of the Parties that AHS will provide these services on its own behalf and that such services will not be considered services provided to SRH and therefore there will be no expectation of a fee for its services. The purpose of the services is to enable the Parties to prepare for the Closing of the Transaction.

3.2 Transitional Planning Services. AHS will provide the AHS Executive Employees with support from the AHS personnel described in **Section 2.1.3** and their staffs in the performance of the AHS Executive Employees' administrative, clinical, and other duties in carrying out the Transitional Planning Services, and such other of the Alameda Health System Leadership as AHS determines to be necessary to support and provide the Transitional Planning Services.

3.2.1 Transition Operational Plan. AHS and the AHS Executive Employees will develop an operational and financial transitional operating plan ("***Operating Plan***") that will provide a foundation for the operation of the Hospital following the Closing of the Transaction. Upon the development and approval by St. Rose of such an Operating Plan, which shall be referred to herein as the "***Approved Operating Plan***", the AHS Executive Employees and AHS shall be authorized, consistent with this Agreement, to take all other actions that AHS deems necessary to prepare for the implementation of the Approved Operating Plan.

3.2.2 Hospital Employees. Except as otherwise provided for herein, all personnel who are necessary for the proper operation and maintenance of the Hospital shall be employees or independent contractors of St. Rose or its affiliates. AHS may as part of providing the Transitional Services, consistent with SRH Board-approved budgets and operating plans, advise the SRH Board with respect to transitional issues related to conditions of employment, staffing schedules, job descriptions and personnel policies with respect to Hospital employees.

3.2.3 Other Transitional Services. As described in more detail in Schedule 3.1, Alameda Health System may include in the development of the Approved Operating Plan a range of Transitional Planning Services, which may include but are not necessarily limited to the following:

- Information System Services
- Revenue Cycle Consulting Services
- Accreditation Consulting Services

- Operational Guidelines
- Capital and Strategic Planning
- Evaluation of Current Clinical Services
- Evaluation of Potential New Clinical Services
- Enhancement of Purchasing and Procurement Services
- Contracting for Services
- Assistance in Developing Workforce Quality and Satisfaction Initiatives

3.3 Cost Savings Opportunities. AHS will evaluate opportunities to reduce the operating expenses incurred by St. Rose with respect to the Hospital (“*Cost Savings Opportunities*”). St. Rose’s CEO will work in good faith with AHS to consider, evaluate and prepare for the implementation following the Closing of the Transaction of Cost Savings Opportunities recommended by AHS. The Parties will work cooperatively and in good faith to determine the best alternative(s) for implementing proposed Cost Savings Opportunities in a manner that is in the best interest of St. Rose, its medical staff and the community.

3.4 Medical Staff. Subject to any applicable Legal Requirements, AHS and the AHS Executive Employees may assess the Hospital’s medical staff and include recommendations in the Approved Operating Plan regarding the medical staff. Any decision made prior to the Closing of the Transaction regarding the medical staff will be determined on a case-by-case basis by the St. Rose Board.

3.5 Limitations on Alameda Health System’s Services. St. Rose acknowledges and agrees that the Transitional Planning Services shall include only those services specifically identified in **Section 1.1, Article II**, this **Article III** and **Schedule 3.1** of this Agreement.

Article IV ST. ROSE RESPONSIBILITIES

4.1 St. Rose Responsibility for Costs and Expenses. St. Rose acknowledges and agrees that for the duration of this Agreement (a) it shall remain responsible for all costs and expenses incurred in the operation of the Hospital and (b) other than as provided by **Section 7.2**, nothing set forth in this Agreement obligates AHS to make any payments from its own funds or resources, incur any costs, or assume any liabilities either primarily or as guarantor on behalf of St. Rose or its affiliates, or to advance any monies to St. Rose or its affiliates.

4.2 AHS Reliance on Hospital’s Policies. St. Rose shall provide AHS with access to its policies and procedures, and AHS shall be entitled to rely on and assume the validity of such policies and procedures. AHS shall not be held responsible for any such policies and procedures of which it has not been advised. Nothing in this **Section 4.2** shall be interpreted to prevent AHS from recommending changes to existing policies or procedures, or recommending new policies

and procedures, and providing such recommendations to the St. Rose Board for review and approval as provided in the Transitional Planning Services.

4.3 Medical and Clinical Staff; Medical and Professional Matters. The medical and other clinical staff of the Hospital shall be organized and function during the Transitional Period according to its bylaws and applicable Legal Requirements, as well as to St. Rose rules, policies and collectively bargained MOUs. The St. Rose Board shall retain authority for approval of the bylaws of the Medical Staff. All matters requiring professional medical judgments including, without limitation, the evaluation of clinical competence, the supervision of clinical performance, the provision of clinical training and the control of the composition, qualifications and responsibilities of the Medical Staff shall remain the responsibility of the Board, the Medical Staff and allied health professionals. AHS shall have no responsibility whatsoever for such medical judgments. The St. Rose Board and Medical Staff shall retain such roles and responsibilities as are necessary to meet the licensure or accreditation requirements of any agency or organization that has licensed or accredited the Hospital and shall retain control over clinical decisions at the Hospital.

Article V REPRESENTATIONS AND WARRANTIES OF THE PARTIES

5.1 Representations and Warranties of AHS. AHS represents and warrants that it has the full authority to enter into this Agreement and the signature of AHS' authorized representative on this document represents that this Agreement has been duly authorized, executed and delivered and represents a legal, valid and binding agreement, enforceable against AHS in accordance with its terms.

5.2 Representations and Warranties of St. Rose. St. Rose represents and warrants that the following are true:

5.2.1 St. Rose has the full authority to enter into this Agreement and the signature of the St. Rose's authorized representative on this document represents that this Agreement has been duly authorized, executed and delivered by the St. Rose Board as the governing body of St. Rose, and represents a legal, valid and binding agreement, enforceable against St. Rose in accordance with its terms.

5.2.2 The execution, delivery and performance of this Agreement by St. Rose, and consummation by it of the transactions contemplated hereby, do not (a) require any consent, waiver, approval, license, or authorization of any person, entity or governmental or public authority which has not been obtained and is not presently in effect; (b) conflict with or violate any Legal Requirement applicable to St. Rose as of the Effective Date; or (c) to the St. Rose's knowledge, conflict with or result in a default under, or create any lien upon any of the property or assets of St. Rose pursuant to, any agreement or instrument.

Article VI OWNERSHIP OF INFORMATION; CONFIDENTIALITY

6.1 Ownership of Information. All operating procedures, protocols, information systems, computer databases and other non-public proprietary business systems or information not uniquely

pertaining to the Hospital that are or were created or developed by AHS or obtained by AHS from sources other than St. Rose (or on behalf of St. Rose) (collectively, “*Alameda Health System’s Proprietary Information*”), shall be the exclusive property of AHS. Nothing contained in this Agreement shall be construed as a license or transfer of Alameda Health System’s Proprietary Information or any portion thereof, either during the Term or thereafter. Upon the termination of this Agreement, if the envisioned Transaction is not closed for any reason, AHS shall have the right to remove from the Hospital and retain all of Alameda Health System’s Proprietary Information, and, upon request, St. Rose and its affiliates will return to AHS all of Alameda Health System’s Proprietary Information in its possession; provided that St. Rose and its affiliates shall have the right to retain (but not use) Alameda Health System’s Proprietary Information contained on any backup tapes or other media pursuant to automated archival processes in the ordinary course of business. Notwithstanding the foregoing, procedures, protocols and policies developed by AHS for Hospital, written reports concerning the Hospital’s operations, educational materials, regulatory analysis reports and other written documents delivered by AHS to the St. Rose Board during the Term of this Agreement in connection with the Services provided by AHS pursuant to this Agreement shall not constitute Alameda Health System’s Proprietary Information and may be retained by St. Rose as its property during the Term and thereafter. All operating procedures, protocols, information systems, computer databases and other non-public proprietary business systems or information that are or were created or developed by St. Rose or obtained by St. Rose from sources other than AHS (or on behalf of AHS) (collectively, “*St. Rose’s Proprietary Information*”), shall be the exclusive property of St. Rose. Nothing contained in this Agreement shall be construed as a license or transfer of St. Rose’s Proprietary Information or any portion thereof, either during the Term or thereafter. Upon the termination of this Agreement, if the envisioned Transaction is not closed for any reason, upon request, AHS and its affiliates will return to St. Rose all of St. Rose’s Proprietary Information in its possession; provided that AHS and its affiliates shall have the right to retain (but not use) St. Rose’s Proprietary Information contained on any backup tapes or other media pursuant to automated archival processes in the ordinary course of business.

6.2 Confidentiality. Each Party agrees that it shall not, and shall cause its officers, directors, employees and agents to not, disclose any confidential or proprietary data, reports, or other information or materials concerning the other Party hereto including, without limitation, Alameda Health System’s Proprietary Information and St. Rose’s Proprietary Information, without the prior written consent of the Party whose information is to be disclosed, except as otherwise required by applicable Legal Requirements, including but not limited to the California Public Records Act. If a Party is required by Legal Requirements to disclose confidential information regarding the other Party, such disclosing Party agrees to provide the other Party with prompt written notice of such requirement in order to enable the other Party to seek an appropriate protective order or other remedy and/or to take reasonable steps to contest or narrow the scope of such requirement. If any Party is nonetheless, upon the written advice of its legal counsel, legally required or compelled to disclose any confidential information, such receiving Party may only disclose that portion of the confidential information that is legally required to be disclosed; provided that such receiving Party shall exercise reasonable best efforts to preserve the confidentiality of the confidential information, including by cooperating with the disclosing Party to obtain an appropriate protective order or other reliable assurance that confidential treatment will be accorded the confidential information. Each Party shall notify the other Party immediately of any breach of these confidentiality requirements, and related facts. Promptly upon the termination of this Agreement, if requested,

each Party shall return to the other Party originals and copies, whether in electronic or other medium, of all reports, records, memoranda, and other materials that contain proprietary information of the other Party; provided that each Party shall have the right to retain (but not use) proprietary information contained on any backup tapes or other media pursuant to automated archival processes in the ordinary course of business. Notwithstanding the return or retention of proprietary information, each Party will continue to be bound by its obligations of confidentiality under this Agreement.

6.3 Public Announcements. Except as otherwise provided herein, or as required by Legal Requirements, neither Party may disclose the terms of any agreement supplementing this Agreement, to any other person or entity, except by mutual written consent of the Parties. Without limiting the foregoing, neither Party, nor any officer, director, employee or agent of such Party (each a “*Restricted Party*”), shall issue any press release or make any public statement with respect to this Agreement, or any matter arising from this Agreement, or otherwise release, publish or make available to the public, in any manner whatsoever, any information or announcement regarding this Agreement, or its terms, without the prior consent of the other Party. Each of the Parties hereto agree that in the event of any termination or threatened termination of this Agreement, they shall not disclose, or permit any of their respective Restricted Parties to disclose to anyone who is not a Party to this Agreement (or their respective legal counsel), any facts or circumstances related to such termination or threatened termination. The terms of this **Section 6.3** shall not apply to (a) any disclosure required for the performance of a Party’s obligations hereunder, (b) any disclosure of the existence or terms of this Agreement made in the notes to the audited financial statements of a party or its affiliates required to be made in accordance with generally accepted accounting principles as reasonably determined by the independent public accountants of such Party, (c) any such disclosure made in connection with any public or private securities offering, (d) any disclosure required to be made by applicable Legal Requirements or (e) any disclosure made in response to any court or administrative order or summons, subpoena, or similar legal process except that, in each case, performance of such Party shall provide the other Party with reasonably prompt notice thereof, and such Party shall be permitted at its expense to seek a protective order or other appropriate remedy.

6.4 Injunctive Relief. The Parties agree that violations of this **Article VI** would result in irreparable harm, that money damages alone would not be a sufficient remedy and that, in addition to any other rights and remedies provided by law, a Party shall be entitled to injunctive relief and specific performance to enforce the other Party’s obligations under this **Article VI**. Neither Party shall oppose the granting of such relief, and it shall waive, any requirement for the securing or posting of any bond in connection with such remedy. Equitable relief shall not be deemed to be the exclusive remedy for breach of this Agreement but shall be in addition to all other remedies available at law or in equity to such Party.

Article VII INDEMNIFICATION

7.1 Indemnification by St. Rose. St. Rose shall defend, indemnify, save and hold harmless AHS, its wholly owned or controlled affiliates, and their respective directors, officers, and employees (including, without limitation, the AHS Executive Employees) (collectively, the “*Alameda Health System Parties*”) from and against any and all judgments, losses, claims,

damages, liabilities, fines, penalties, costs and expenses (including reasonable attorneys' fees and expenses) ("**Losses**"), incurred by the AHS arising out of a claim or demand asserted by a third party arising out of the gross negligence, willful misconduct, or intentionally fraudulent acts or omissions of St. Rose, its wholly owned or controlled affiliates, or their respective directors, officers, or employees (collectively, the "**St. Rose Parties**") in connection with this Agreement.

7.2 Indemnification by Alameda Health System. Alameda Health System shall defend, indemnify, save and hold harmless the St. Rose Parties from and against any and all Losses incurred by the St. Rose Parties arising out of a claim or demand asserted by a third party arising out of AHS's gross negligence, willful misconduct, or intentionally fraudulent acts or omissions in connection with this Agreement.

7.3 Conditions on Indemnification. The obligations of an indemnifying party ("**Indemnitor**"), as set forth above, are conditioned upon (a) the indemnified party ("**Indemnitee**") within a reasonable time notifying Indemnitor of any claim, demand, action or cause of action, or any incident of which Indemnitee has actual knowledge, which may reasonably result in a Loss for which Indemnitee will look to Indemnitor for indemnification, (b) Indemnitee, and its directors, officers, employees and representatives, reasonably cooperating with Indemnitor (at Indemnitor's expense) in Indemnitor's investigation and review of any such claim, demand, action or incident, and (c) Indemnitee not entering into any admissions, agreements or settlements which is reasonably likely to affect the rights of Indemnitor without the prior written consent and approval of Indemnitor. Notwithstanding the foregoing, the failure of the Indemnitee to notify the Indemnitor hereunder within a reasonable time will not relieve the Indemnitor of any liability with respect to the claim, demand, action or incident, except to the extent the Indemnitor is actually prejudiced by such failure. Indemnitor reserves the right, in its sole discretion and at its cost, to assume the defense of Indemnitee in any such claim, action or proceeding.

7.4 Limitations of Liability and Claims.

7.4.1 Certain Damages. Neither the AHS nor St. Rose shall have any liability to St. Rose or AHS, respectively, including, without limitation, pursuant to **Section 7.1, Section 7.2, or liabilities arising out of the Business Associate Agreement**, for any indirect, consequential, incidental, exemplary, special or punitive damages or costs of any nature whatsoever.

7.4.2 Limitation of Liability.

(a) The AHS shall have no liability for any Losses incurred by St. Rose including, without limitation, pursuant to any Losses under the Business Associate Agreement except to the extent such Losses is caused by the gross negligence, willful misconduct, or intentionally fraudulent acts or omissions of one or more AHS employees or contractors. St. Rose shall have no liability for any Loss incurred by AHS including Losses under the Business Associate Agreement except to the extent such Losses is caused by the gross negligence, willful misconduct, or intentionally fraudulent acts or omissions of one or more St. Rose employees or contractors.

7.4.3 Acknowledgment. St. Rose acknowledges and agrees that (a) AHS shall not incur any liability for any of the existing obligations, liabilities or debts of St. Rose, (b) except

as provided by **Section 7.2**, AHS shall not assume or become liable for any of the future obligations, debts or liabilities of St. Rose; (c) AHS has not, and shall not be construed as having, committed capital or other financial resources to St. Rose or the Hospital and (d) as a result of this Agreement or the performance of Transitional Planning Services, AHS shall have no liability whatsoever for the financial condition of St. Rose at any time prior to, during, or after the Term. AHS makes no warranty or guarantee regarding the ultimate success or performance of the Hospital, or the Transitional Planning Services provided hereunder. For this reason, the St. Rose agrees that it shall not be entitled to seek indemnification pursuant to Section 8.2 or obtain any offset against amounts owed by St. Rose to AHS hereunder as a result of the Hospital's failure to meet Approved Budgets, incurrence of operating losses, or other similar financial performance losses incurred by the Hospital unless such losses are the result of intentionally fraudulent acts or omissions of AHS.

Article VIII TERM AND TERMINATION

8.1 Term. The term of this Agreement will start on the Effective Date and will continue until the Closing Date of the Transaction. If such Closing has not occurred by October 31, 2024, 2024 of the Effective Date, the term of this Agreement will expire unless extended by mutual written agreement of the Parties.

8.2 Termination for Cause

8.2.1 Bankruptcy. Either Party may terminate this Agreement immediately in the event the other Party: files a petition commencing a voluntary case against it under the U.S. Bankruptcy Code; makes a general assignment for the benefits of its creditors; becomes insolvent; becomes unable to pay its debts as they become due; files a petition or answer in any proceeding seeking for itself or consenting to, or acquiescing in, any insolvency, receivership, composition, readjustment, liquidation, dissolution, or similar relief under any present or future statute, law or regulation, or files an answer or other pleading admitting or failing to deny or to contest the material allegations of the petition filed against it in any such proceeding; seeks or consents to, or acquiesces in, the appointment of any trustee, receiver of it or any material part of its property; or has commenced against it any involuntary case under the U.S. Bankruptcy Code or a proceeding under any receivership, composition, readjustment, liquidation, insolvency, dissolution, or like law or statute, which case or proceeding is not dismissed or vacated within sixty (60) days from commencement.

8.2.2 Casualty. In the event that the physical building housing the Hospital is destroyed or is so damaged that the St. Rose Board determines that St. Rose will not resume full operation within ninety (90) days after such casualty, then either Party may terminate this Agreement upon no less than thirty (30) days' notice. For purposes of clarity, either Party may make such determination at any time after such casualty and shall not be required to delay termination until after the ninety (90) day period. Notwithstanding anything to the contrary contained herein, AHS shall not be responsible for financing or capitalizing any rebuild or repair required in the event of a casualty.

8.2.3 Breach or Default. Except as otherwise provided in Section 8.2.4 below, if a Party hereto (“Defaulting Party”) fails to perform any of its material obligations under this Agreement, the other Party (“Non-Defaulting Party”) may give the Defaulting Party a “Notice of Default.” The Notice of Default shall set forth the nature of the obligation that the Defaulting Party has not performed and shall be in writing. The Defaulting Party will have thirty (30) days to cure the default (the “Cure Period”). If the Defaulting Party does not cure the default within the Cure Period, the Non-Defaulting Party shall have the right to terminate this Agreement upon written notice to the Defaulting Party. A Party’s termination or failure to terminate this Agreement shall not waive any breach of this Agreement. Any actual waiver of any breach of this Agreement must be in writing and shall not constitute a waiver of any future breaches of this Agreement, whether of a similar or dissimilar nature.

8.2.4 Excluded Provider. Either Party may terminate this Agreement as set forth in **Section 9.13**.

8.3 Legal Event. Either Party may terminate this Agreement after following the procedures set forth in **Section 9.14.2** upon the occurrence of a Legal Event. AHS may terminate this Agreement upon its determination that an action or actions by the St. Rose or the St. Rose Board could threaten AHS’s standing within its institutional and organizational structure. St. Rose may terminate this Agreement upon its determination that an action or actions by AHS could threaten St. Rose’s ability to meet its obligations to provide needed health services to St. Rose residents, including its ability to receive or retain its full allotment of state or federal funding for healthcare services.

Article IX MISCELLANEOUS

9.1 Relationship of the Parties. The Parties hereto intend by this Agreement solely to effect the provision of Transitional Planning Services by AHS as an independent Party to assist in the transition envisioned by the Member Issuance Agreement following the Closing of that Transaction. No other relationship is intended to be created or is being created among the Parties hereto, and nothing in this Agreement shall be construed as making any Party hereto the employer or employee of any other, the joint venturer or partner of the other, or have the right to control or conduct the other’s business in any manner, other than as is herein explicitly provided.

9.2 Duty to Cooperate. The Parties acknowledge that their mutual cooperation is critical to the ability of AHS to perform its duties hereunder successfully and efficiently. Accordingly, each Party agrees to cooperate with the other fully in formulating and implementing the goals and objectives that are in St. Rose’s best interest.

9.3 Further Documents. The Parties do hereby covenant and agree that they and their successors and permitted assigns will execute any and all instruments, releases, assignments, and consents which may reasonably be required of them in order to carry out the provisions of this Agreement.

9.4 Effect on Successors; Survival. This Agreement shall be binding upon, enforceable by, and inure to the benefit of, the Parties and their successors and permitted assigns. Notwithstanding

anything herein to the contrary, the provisions Section 4.1 - St. Rose Responsibility for Costs and Expenses Fee; Article V- Representation and Warranties of Parties; Article VI- Ownership of Information, Confidentiality; Article VII - Insurance and Indemnification; Article VIII – Term and Termination; 10.2 – Duty to Cooperate; Section 10.3 – Further Documents; this Section 9.4 – Effect on Successors; Survival; Section 9.5 – Governing Law; Section 9.6 – Notices; Section 9.7 – Waiver; Section 9.8 – Enforceability; Severability; Section 9.9 – Headings; Gender; Interpretation; Section 9.10 – Access to Books and Records; Section 9.17 – Binding Effect and Assignment; and Section 9.18 - Construction shall survive the early termination of this Agreement.

9.5 Governing Law. This Agreement shall be governed by and construed, interpreted and enforced pursuant the laws of the State of California.

9.6 Notices. All notices under this Agreement by any Party to the other shall be in writing. All notices, demands and requests shall be deemed to be delivered if given upon the earlier of (a) actual delivery to the intended recipient or its agent, or (b) one (1) business day after deposit if sent by prepaid nationally recognized overnight delivery service, in each case addressed to the receiving Party at the address listed below (or any other address designated by the receiving Party in a notice delivered to the other Party in accordance with this **Section 9.6**):

To Alameda Health System: Alameda Health System
1411 East 31st Street
Oakland, CA 94602
Attn: Chief Executive Officer

With copy to: Alameda Health System
1411 East 31st Street
Oakland, CA 94602
Attn: General Counsel

And

To Hospital: St. Rose Hospital
27200 Calaroga Avenue
Hayward, California 94545
Attn: CEO

With copy to: Law Offices of Michael J. Sarrao
22431 Antonio Parkway, Suite B160-457
Rancho Santa Margarita, CA 92688
Attn: Michael J. Sarrao, Esq.

9.7 Waiver. The failure of any Party to exercise any right or enforce any remedy contained in this Agreement shall not operate as or be construed to be a waiver or relinquishment of the exercise of such right or remedy, or of any other right or remedy herein contained.

9.8 Enforceability; Severability. The invalidity or unenforceability of any term or provision of this Agreement shall not, unless otherwise specified, affect the validity or enforceability of any other term or provision, which shall remain in full force and effect.

9.9 Headings; Gender; Interpretation. The headings and other captions contained in this Agreement are for convenience of reference only and shall not be used in interpreting, construing or enforcing any of the provisions of this Agreement. Whenever the context requires, the gender of all words used herein shall include the masculine, feminine and neuter, and the number of all words shall include the singular and plural.

9.10 Access to Books and Records. Until the expiration of four (4) years after the furnishing of Services pursuant to this Agreement, the Parties shall, upon written request, make available to the Secretary of Health and Human Services (the “**Secretary**”) or the Comptroller General, or their duly authorized representative(s), the contract, books, documents and records necessary to verify the nature and extent of the cost of such Services. If any Party carries out any of its obligations under this Agreement by means of a subcontract with a value of ten thousand dollars (\$10,000) or more, that Party agrees to include this requirement in any such subcontract. The availability of AHS’ books, documents and records shall be subject at all times to all applicable legal requirements including, without limitation, such criteria and procedures for seeking and obtaining access that may be promulgated by the Secretary by regulation. Neither Party shall be construed to have waived any applicable attorney-client privilege by virtue of this **Section 9.10**.

9.11 Counterpart Signature. This Agreement may be executed in one (1) or more counterparts (facsimile transmission or otherwise), each of which shall be deemed an original Agreement and all of which shall constitute but one Agreement.

9.12 Compliance with Laws. In performing their respective duties hereunder, the Parties shall conduct themselves in full accordance with all applicable Legal Requirements including, without limitation, the federal physician self-referral law (42 U.S.C. § 1395nn et seq.) and the anti-fraud and abuse provisions of the Social Security Act (42 U.S.C. § 1320a-7 et seq.). Nothing in this Agreement shall require either Party to arrange for or send patients to the other Party or to the other Party’s affiliated hospitals or providers. For purposes of this Agreement: “**Legal Requirements**” means all federal, state and St. Rose statutes, ordinances, bylaws, codes, rules, regulations, policies, manuals, advisory opinions, official guidance and interpretations, conditions of participation, local coverage determinations and national coverage determinations of any governmental authority, and any restrictions, judgments, orders, writs, injunctions, decrees, determinations, or awards of any governmental authority having jurisdiction over such Party or the business of such Party.

9.13 Excluded Provider. Each Party represents and warrants that it and its employees and agents providing services under this Agreement is not now and at no time has it been excluded or debarred from participation in any state or federally funded health care program, including Medicare and Medicaid (collectively referred to as “**governmental health care program**”), and there is no action, investigation or proceeding reasonably likely to result in any such exclusion or debarment. Each Party agrees to immediately notify the other Party of any threatened, proposed, or actual exclusion of it, or its employees or agents providing services hereunder, from participation in any governmental health care program during the term of this Agreement. Notwithstanding anything to the contrary contained herein, in the event that a Party is excluded or debarred from participating in any governmental health care program during the term of this Agreement, or if at any time after the Effective Date, it is determined that a Party is in breach of this Section, this Agreement shall, as of the effective date of such exclusion or breach,

automatically terminate. Each Party agrees to indemnify and hold the other Party harmless against all actions, claims, demands and liabilities, and against all loss, damage, costs and expenses, including reasonable attorneys' fees, arising directly or indirectly out of any violation of this Section by it or due to its exclusion from a governmental health care program.

9.14 Changes in Law.

9.14.1 Legal Event; Consequences. Notwithstanding any other provision of this Agreement, if (a) the Internal Revenue Service, or any of the governmental agencies that administer the Medicare, Medicaid or other federally funded programs (or their representatives or agents), or any other federal, state or local governmental or nongovernmental agency, or any court or administrative tribunal passes, issues or promulgates any final law, rule, regulation, standard, interpretation, order, opinion, decision or judgment including, without limitation, those relating to any regulations determining tax exempt status or eligibility for participation in Medicare, Medi-Cal or other governmental health programs, or relating to California realignment or other state funding determinations, which in the good faith judgment of one Party ("**Noticing Party**") (i) materially and adversely affects the Noticing Party's tax-exempt or public entity status, as applicable, of any of the Noticing Party's financing or tax status, licensure, accreditation, certification or ability to bill, to claim, to present a bill or claim or to receive payment or reimbursement from, or to provide public funds to or certify public expenditures for, any federal, state or local governmental or non-governmental payor or other entity or funding source, or (ii) subjects the Noticing Party to a risk of prosecution or civil monetary penalty, or other funding repayment recoupment or reduction, or (iii) is a rule or regulation with which the Noticing Party desires further compliance, ((i), (ii) or (iii) collectively or individually, a "**Legal Event**") or (b) upon the reasonable advice of counsel to either Party any term or provision of this Agreement is likely to trigger a Legal Event, then Noticing Party may give the other Party written notice requesting commencement of the Renegotiation Period, as defined in **Section 9.14.2**.

9.15 HIPAA and Business Associate Agreement. The Parties hereby acknowledge and agree to comply with the Business Associate Agreement attached hereto as **Exhibit A**, which is part of this Agreement and incorporated herein by this reference, to evidence their compliance with privacy standards adopted by the U.S. Department of Health and Human Services as they may be amended from time to time, 45 C.F.R. parts 160 and 164, subparts A, D and E, the security standards adopted by the U.S. Department of Health and Human Services as they may be amended from time to time, 45 C.F.R. parts 160, 162 and 164, subpart C, and the requirements of Title XIII, Subtitle D of the Health Information Technology for Economic and Clinical Health (HITECH) Act, California Welfare and Institutions Code Section 5238, and the California Medical Information Act, as well as any other applicable state confidentiality laws.

9.16 Binding Effect and Assignment. This Agreement shall be binding upon, and shall inure to the benefit of, the Parties hereto, and their permitted assigns or successors in interest; provided that, except as otherwise set forth in **Section 1.1**, the rights and obligations of each Party under this Agreement shall not be assigned to any third-party without the prior, written consent of the other Party.

9.17 Construction. This Agreement and any documents or instruments delivered pursuant hereto shall be construed without regard to the identity of the person who drafted the same. Each

and every provision shall be construed as though both Parties participated equally in drafting the same. The Parties acknowledge and agree that any rule of construction that a document is to be construed against the drafting Party shall be applicable either to this Agreement or such other documents and instruments.

9.18 Entire Agreement. This Agreement, including all Exhibits and Schedules attached hereto, contains the entire final, exclusive, and fully integrated agreement among the Parties relating to the subject matter of this Agreement and hereby supersedes all prior or contemporaneous negotiations, understandings, or agreements between the Parties, written or oral, with respect to the subject matter hereof. Except as otherwise provided herein, the terms of this Agreement may be modified or amended only by written agreement of the Parties.

[Remainder of this page is intentionally left blank. Signature page follows.]

Execution Version

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized officers as of the Effective Date.

ALAMEDA HEALTH SYSTEM

Signed by:
By: David Sayen
61B6FFF1BF614735
David Sayen
Board Chair

Signed by:
By: James Jackson
3F24F4AE9E624C2...
James Jackson
Chief Executive Officer

HAYWARD SISTERS HOSPITAL

Signed by:
By: Garrett Contreras
629B84F3415D41E...
Garrett Contreras
Board Chair

EXHIBIT A

BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement (“Agreement”) is made and entered into effective as of the 19th day of August 2024 (the “Effective Date”), by and between, Hayward Sisters Hospital, a California not for profit corporation doing business as St. Rose Hospital (“Covered Entity”) and Alameda Health System (“Business Associate”).

RECITALS

WHEREAS the parties have entered, or may in the near future enter, into a business relationship whether by contract, commercial course of dealing, or otherwise (the “Service Agreement”), whereby Business Associate provides services to Covered Entity and Business Associate receives, has access to, creates, maintains, or transmits Protected Health Information in order to provide those services; and

WHEREAS Covered Entity and Business Associate intend to protect the privacy and provide for the security of Protected Health Information disclosed to Business Associate in compliance with the Health Insurance Portability and Accountability Act of 1996, (“HIPAA”), the Health Information Technology for Economic and Clinical Health Act, (the “HITECH Act”), and regulations promulgated thereunder, and as may be amended from time to time (collectively the “Privacy and Security Regulations”), and other applicable laws; and

WHEREAS Covered Entity and Business Associate are required to enter into a contract containing specific requirements as set forth in the Privacy and Security Regulations;

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties agree as follows:

1.0 Definitions

All capitalized terms used in this Agreement shall have the meanings ascribed to them in this Agreement (including this Section 1), or if not defined in this Agreement, then such terms shall have the meanings ascribed to them in the Privacy and Security Regulations: Breach, Data Aggregation, Designated Record Set, Health Care Operations, Individual, Minimum Necessary, Notice of Privacy Practices, Privacy Rule, Required by Law, Secretary, Security Incident, Security Rule, Subcontractor, Unsecured Protected Health Information, and Use.

1.1 “Disclose” and “Disclosure” mean, with respect to protected health information, the release, transfer, provision of access to, or divulging in any other manner of Protected Health Information outside Business Associate’s internal operations.

1.2 “Electronic Protected Health Information or Electronic PHI” means Protected Health Information that is transmitted by electronic media (as defined by the Privacy and Security Regulations) or is maintained in electronic media.

1.3 “Protected Health Information” or “PHI” means Protected Health Information, including demographic information, that (i) relates to the past, present, or future physical or mental health or condition of an individual; the provision of health care to an individual, or the past, present, or future payment for the provision of health care to an individual; (ii) identifies the individual (or for which there is a reasonable basis for believing that the information can be used to identify the individual); and (iii) is received by Business Associate from or on behalf of Covered Entity, or is created by Business Associate, or is made accessible to Business Associate by Covered Entity. PHI includes, without limitation, Electronic PHI.

1.4 “Services” means those activities, functions, or services that Business Associate provides for, or on behalf of Covered Entity.

2.0 Obligations and Activities of Business Associate

2.1 Business Associate shall not Use or further Disclose PHI other than as permitted or required by this Agreement or as Required by Law. Business Associate shall Use and Disclose PHI in the amount Minimum Necessary to perform the Services for or on behalf of Covered Entity, provided that such Use or Disclosure would not violate the Privacy and Security Regulations if done by Covered Entity.

2.2 Business Associate shall implement and maintain appropriate safeguards to prevent any Use or Disclosure for purposes other than those permitted by this Agreement, including administrative, physical and technical safeguards to protect the confidentiality, integrity and availability of PHI and Electronic PHI that it creates, receives, maintains, or transmits on behalf of Covered Entity.

2.3 Business Associate shall maintain policies and procedures, conduct ongoing risk assessment and risk management of its security program, identify a security official, train and discipline its work force in compliance with the relevant portions of the Privacy and Security Regulations.

2.4 Business Associate shall not directly or indirectly receive remuneration in exchange for any of Covered Entity’s PHI unless Covered Entity or Business Associate obtain a valid, signed authorization from the Individual whose PHI is at issue and that specifies whether the PHI can be further exchanged for remuneration by the entity receiving the PHI, except as otherwise permitted by the Privacy and Security Regulations.

2.5 Business Associate shall report to Covered Entity any Use or Disclosure of PHI not provided for by this Agreement of which it becomes aware, including Security Incidents and Breaches of Unsecured Protected Health Information, as required by the Privacy and Security Regulations by notifying Covered Entity by telephone within ten (10) business days of which Business Associate knows of such Breach, Unauthorized Use or Disclosure, or Security Incident and shall provide a written report to Covered Entity within five (5) business days of verbal notice.

2.6 Business Associate shall mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a Use or Disclosure of PHI by Business Associate in violation of the Privacy and Security Regulations.

2.7 Business Associate agrees to ensure that its Subcontractors and agents shall implement reasonable and appropriate safeguards to protect Covered Entity's PHI. Business Associate agrees to ensure that any Subcontractors and agents that create, receive, maintain, or transmit PHI on behalf of Business Associate agree in writing to substantially similar restrictions and conditions that apply through this Agreement to Business Associate with respect to such information.

2.8 Within a reasonable time and in a reasonable manner, Business Associate shall make available to Covered Entity (or to an Individual if so directed by Covered Entity) PHI maintained by Business Associate in a Designated Record Set in accordance with the requirements set forth in 164.524 of the Privacy Regulations. If Business Associate uses or maintains Electronic PHI, Business Associate must provide access in an electronic format if so requested by an Individual or Covered Entity if the PHI is readily producible in such form; or if not, in a readable copy form or such other form and format as agreed by the Individual, Covered Entity, and Business Associate.

2.9 Within a reasonable time and in a reasonable manner, Business Associate shall make any amendment(s) to PHI maintained by Business Associate in a Designated Record Set that Covered Entity directs or agrees to at the request of an Individual in accordance with the requirements set forth in 164.526 of the Privacy Regulations.

2.10 Business Associate shall make its internal practices, books and records relating to the Use and Disclosure of PHI available to the Secretary for purposes of the Secretary determining Business Associate's or Covered Entity's compliance with the Privacy Regulations.

2.11 Business Associate agrees to document Disclosures of PHI and information related to such Disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of Disclosures of PHI in accordance with the Privacy Regulations. Upon Covered Entity's request, Business Associate shall provide to Covered Entity an accounting of each Disclosure of PHI made by Business Associate or its employees, agents, representatives, or Subcontractors.

2.12 Business Associate will comply with the applicable requirements of the Security Regulations as well as other applicable requirements of HIPAA (CFR 45) and CFR 42, California Welfare and Institutions Code Section 5238, and the California Medical Information Act.

2.13 To the extent Business Associate is to carry out Covered Entity's obligations under the Privacy Rule, Business Associate will comply with the requirements of the Privacy Rule that apply to Covered Entity's compliance with such obligations.

3.0 Permitted Uses and Disclosures by Business Associate

Except as limited in this Agreement, Business Associate may Use and Disclose PHI as necessary to perform its obligations under the Services Agreement and/or as otherwise authorized by Covered Entity. In addition, Business Associate may:

3.1 Use PHI for the proper management and administration of Business Associate and/or to carry out the legal responsibilities of Business Associate;

3.2 Disclose PHI for the purposes described in Section 3.1 only if: (a) the Disclosure is Required by Law; or (b) Business Associate obtains reasonable assurances from the person to whom the PHI is disclosed that it will: (i) be held confidentially and Used or further Disclosed only as Required by Law or for the purpose for which it was Disclosed to the person; and (ii) notify Business Associate of any instances of which it is aware in which the confidentiality of the PHI has been breached; and

3.3 De-identify PHI and provide Data Aggregation services to Covered Entity consistent with the Privacy and Security Regulations.

4.0 Agreements and Obligations of Covered Entity

4.1 Covered Entity shall provide Business Associate with any changes in, or revocations of, any permission or authorization by an Individual to Use or Disclose PHI, if such changes will affect Business Associate's permitted or required Uses or Disclosures.

4.2 Covered Entity shall notify Business of any restrictions on the Use or Disclosure of PHI that Covered Entity has agreed to in accordance with 164.522 of the Privacy and Security Regulations, if such restrictions will affect Business Associate's permitted or required Uses or Disclosures.

4.3 Covered Entity shall notify Business Associate of any limitations in Covered Entity's notice of privacy practices to the extent that such limitation may affect Business Associate's Use or Disclosure of PHI;

4.4 If Business Associate is required to amend PHI in a Designated Record Set as described in Section 2.9 of this Agreement, Covered Entity promptly shall provide to Business Associate appropriate instructions and information necessary to enable Business Associate to implement such amendments.

5.0 Permissible Requests

Covered Entity shall not ask Business Associate to Use or Disclose PHI in any manner that would not be permissible under the Privacy and Security Regulations if done by Covered Entity.

6.0 Termination

6.1 Covered Entity may terminate this Agreement upon material breach of this Agreement. Covered Entity will provide Business Associate with written notice of the

breach of this Agreement and afford Business Associate the opportunity to cure the breach to the satisfaction of Covered Entity within thirty (30) days of the date of such notice. If Business Associate fails to timely cure the breach, as determined by Covered Entity in its sole discretion, Covered Entity may terminate this Agreement.

6.2 If the Business Associate makes the determination that a material condition of performance has changed under this Agreement, or that the Covered Entity has breached a material term of this Agreement, Business Associate may provide thirty (30) days notice of its intention to terminate this Agreement. Business Associate agrees, however, to cooperate with Covered Entity to find a mutually satisfactory resolution to the matter prior to terminating.

6.3 Upon termination or expiration of this Agreement, Business Associate shall either return or destroy, in Covered Entity's sole discretion and in accordance with any instructions by Covered Entity, all PHI in the possession or control of Business Associate or its agents and Subcontractors. However, if either return or destruction of PHI is not feasible, Business Associate may retain PHI provided that Business Associate (a) continues to comply with the provisions of this Agreement for as long as it retains PHI, and (b) limits further Uses and Disclosures of PHI to those purposes that make the return or destruction of PHI infeasible.

7.0 Notices Any notice required under this Agreement to be given to a party shall be made to:

If Business Associate:
Alameda Health System
1411 East 31st Street
Oakland, CA 94602
Attention:

If to Covered Entity:
St. Rose Hospital
27200 Calaroga Avenue
Hayward, CA 94545
Attention: Privacy Officer

8.0 Miscellaneous

8.1 Mitigation and Cooperation. Business Associate shall mitigate, at Business Associate's sole cost and expense, any harmful effect that is known to it for the Breach, or Use, or Disclosure of PHI in violation of this Agreement. Covered Entity shall be solely responsible, based upon the facts of the Breach Business Associate provides to Covered Entity, to conduct a risk assessment to determine whether PHI has been compromised and notification to individuals is required. Business Associate shall cooperate with Covered Entity in the notification of individuals in the manner as set forth in the Privacy and Security Regulations.

8.2 Remedies in Event of Breach of PHI. In the event of a Breach of PHI, Covered Entity shall be entitled to enjoin and restrain Business Associate from any continued violation of this Agreement.

8.3 Document Retention. Business Associate shall maintain all documentation required by the Privacy and Security Regulations for a period of six (6) years.

8.4 Conflict. In the event there is a conflict between the language of this Agreement and the underlying Services Agreement between the parties, the terms and conditions of this Agreement shall control.

8.5 No Third-Party Beneficiaries. There are no third-party beneficiaries to this Agreement.

8.6 Independent Contractor. Covered Entity and Business Associate expressly acknowledge and agree that Business Associate is an independent contractor and shall not for any purpose be deemed to be an agent, employee, servant, partner, or joint venture of Covered Entity.

8.7 Regulatory References. Any reference made herein to any provision of law or regulation shall be a reference to such section as in effect and as the same may be amended from time to time.

8.8 Amendment. This Agreement may not be amended except by a writing signed by both parties hereto. Both parties hereto agree that this Agreement shall be amended to comply with any and all state or federal laws rules, or regulations, including without limitation any future laws, rules or regulations.

8.9 Interpretation. Any ambiguity in this Agreement shall be resolved to permit the parties hereto to comply with the Privacy Rules.

8.10 Severability. In the event that any provision of this Agreement is adjudged by any court of competent jurisdiction to be void or unenforceable, all remaining provisions hereof shall continue to be binding on the parties hereto with the same force and effect as though such void or unenforceable provision had been deleted.

8.11 Waiver. No failure or delay in exercising any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or remedy hereunder preclude any other further exercise thereof or the exercise of any other right, power or remedy. The rights provided hereunder are cumulative and not exclusive of any rights provided by law.

8.12 Entire Agreement. This Agreement and the Service Agreements constitute the entire agreement between the parties hereto relating to the subject matter hereof, and supersede any prior or contemporaneous verbal or written agreements, communications and representations relating to the subject matter hereof.

8.13 Counterparts, Facsimile. This Agreement may be signed in two or more counterparts, each of which shall be deemed an original and all of which taken together shall constitute one and the same instrument. A copy of this Agreement bearing a facsimile signature shall be deemed to be an original.

[Remainder of Page Intentionally Left Blank. Signature Page to Follow]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the date stated above.

Covered Entity:

Hayward Sisters Hospital
dba St. Rose Hospital

Business Associate:

Alameda Health System

By:  Signed by:
629B84E3415D41E

Title: Board Chair

Dated: 8/19/2024

By:  Signed by:
61B6FFF1BF614A6...

Title: Board Chair

Dated: 8/19/2024

Schedule 2.1

List of AHS Executive Employees

SCHEDULE 3.1.1

TRANSITIONAL PLANNING SERVICES

The Transitional Planning Services will include, subject to AHS's reasonable discretion, the oversight and supervision of all services necessary to prepare for the Member Issuance following the Closing of the Transaction.

- I. **Scope of Select Transitional Services.** AHS, subject to its reasonable discretion, will provide the following discrete set of services in the development of the Approved Operating Plan envisioned by this Agreement(all subject to antitrust guidelines):
 - a. With respect to transitional financial operations and subject to its reasonable discretion, AHS may provide a range of services to be determined, but which may include revenue cycle management and performance improvement plan, coordination and alignment with AHS financial leadership, access to financial performance monitoring tools and templates, and the development and implementation, as appropriate, of capital plans for St. Rose. The Approved Operating Plan may also include support for recruiting, retention, evaluation and training of leadership positions.
 - b. Evaluation of quality and patient safety program management.
 - c. Advice, assistance and joint collaboration with respect to joint clinical management.
 - d. Consulting and advising in seeking to improve management and efficiency of St. Rose purchasing, supply chain and procurement services.
 - e. Consulting and advising on specific tools and programs to optimize existing information technology platforms and services, including evaluation of the advantages and disadvantages of installing EPIC or other IT platforms and readiness of the necessary customization to enable supply chain access to AHS's GPO.
 - f. Advice and support to enable St. Rose to focus on community health, value-based health, population health and community benefits.
- II. **Development of Transitional Work Plans.** The delivery of these services and implementation details, such as respective roles and responsibilities, assumptions and dependencies, milestones and project schedules, will be specified in a transitional work plan developed jointly with St. Rose.

Membership Issuance Agreement

Between

Alameda Health System

and

Hayward Sisters Hospital

August 19, 2024

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AFFILIATION AGREEMENT

This Membership Issuance Agreement (the “Agreement”) is made and entered into effective as of August __, 2024 (the “Execution Date”) by and between Alameda Health System, a public hospital authority (“AHS”) and Hayward Sisters Hospital, a California not for profit corporation doing business as St. Rose Hospital (“SRH”). AHS and SRH are referred to herein individually as a “Party” and collectively as the “Parties”.

RECITALS

WHEREAS, AHS is a California public hospital authority established pursuant to Chapter 5 (commencing with Section 101850) of Part 4 of Division 101 of the Health and Safety Code which operates hospitals and other related clinics and services, which together form the basis for providing essential health care services to the residents of Alameda County (“County”); and

WHEREAS, SRH is a California not-for-profit corporation that owns and operates St. Rose Hospital, a duly licensed stand-alone Not-For-Profit safety net hospital located in the City of Hayward, State of California which provides important emergency, inpatient and outpatient health services to the residents of the City of Hayward, California and surrounding communities; and

WHEREAS, SRH is the sole corporate member of Saint Rose Medical Building, Inc. (“SRMB”), a California not-for-profit corporation which owns and operates medical office buildings adjacent to St. Rose Hospital;

WHEREAS, current and anticipated changes in healthcare including, without limitation, changes in reimbursement, capital requirements, seismic standards, and payor mixes, have made it difficult for stand-alone safety-net hospitals like SRH to remain viable; and

WHEREAS, after careful consideration and deliberation, SRH’s Board of Directors has determined that to remain viable as a provider of cost-effective quality health care to all members of the community, St. Rose must affiliate with a larger integrated healthcare system; and

WHEREAS, after extensive efforts to identify an affiliation partner that would allow SRH to remain viable, SRH’s Board of Directors has determined that an affiliation with AHS is in the best interests of SRH and its employees, medical staff, and members of the communities served by SRH; and

WHEREAS, the Parties desire for St. Rose Hospital to become part of AHS’ integrated healthcare delivery system (the “Transaction”) in order to ensure access to care and to advance SRH’s mission of providing cost-effective high-quality care to all members of the community; and

WHEREAS, to implement the Transaction, the Parties contemplate, among other things, that AHS will become the sole corporate member of SRH and that SRH will amend and restate its organizational documents to address certain structural and governance matters, as set forth herein; and

WHEREAS, the Parties intend that SRH will continue to be sole corporate member of SRMB after the completion of the Affiliation and that the assets of SRMB will remain under the control of SRH.

NOW THEREFORE, in consideration of the mutual promises and benefits to be derived from the Agreement, the Parties hereto, intending to be legally bound, hereby agree as follows:

1.0 VISION

1.1 Vision. The Parties intend to fulfill the community need for the continuation of cost-effective high-quality care provided by SRH through St. Rose Hospital becoming part of AHS' integrated healthcare system while maintaining its status as of the Closing Date as a private nonprofit hospital. The Parties intend to accomplish this by:

1.1.1 SRH benefitting from the operational and clinical strengths of AHS to develop programs, services, and efficiencies at St. Rose Hospital which are necessary for SRH to become more financially viable;

1.1.2 Securing financial commitments from community partners and stakeholders to support SRH's operating and capital needs;

1.1.3 Promoting health and wellness by addressing health disparities and social determinants across all demographics; and

1.1.4 Maintaining robust charity care and financial assistance policies.

2.0 MEMBER SUBSTITUTION; GOVERNANCE

2.1 Issuance of Membership. The Transaction shall be affected by AHS becoming the sole corporate member of SRH on the Closing Date, effective as of the Effective Time. On the Closing Date, and effective as of the Effective Time, SRH shall have (a) adopted and filed with the California Secretary of State an amended and restated articles of incorporation of SRH in the form attached hereto as Exhibit 2.1(a), and (b) adopted the amended and restated bylaws of SRH in the form of Exhibit 2.1(b) (collectively, the "New SRH Organizational Documents"). The New SRH Organizational Documents make AHS the sole corporate member of SRH and include certain governance control rights over SRH.

2.2 Governance.

2.2.1 The names of each individual currently serving as regular voting members of SRH's Board of Directors and SRMB's Board of Directors are set forth on Schedule 2.2.1 (collectively, the "Current Board Members"). Prior to the Closing Date, the Current Board Members shall remain in office unless and until any such individual voluntarily resigns or is removed by the Board of Directors for cause.

- 2.2.2 On the Closing Date and effective as of the Effective Time, the Current Board Members shall resign from the Board of Directors of SRH and SRMB.
- 2.2.3 On and after the Closing Date and the Effective Time, AHS, pursuant to the New SRH Organizational Documents, shall have the sole right to appoint the members of SRH's Board of Directors and SRMB's Board of Directors.

2.3 Legal Status of SRH and SRMB Following the Closing Date.

- 2.3.1 On the Closing Date and effective as the Effective Time, SRH will continue to be a California not-for-profit corporation and be considered a private nonprofit hospital for certain regulatory purposes consistent with the statutory authority of AHS under Section 23004.5 of the California Government Code and Section 14000.2 of the California Welfare and Institutions Code to provide services through private not-for-profit organizations. Nothing in this Agreement shall limit AHS' right to modify the governance or legal structure of SRH after the Closing Date with any modifications being in the sole discretion of AHS.
- 2.3.2 On the Closing Date, SRMB will continue to be a subsidiary of SRH and SRH will continue to be the sole member of SRMB. Nothing in this Agreement shall limit AHS' right to modify the governance or legal structure of SRMB after the Closing Date with any modifications being in the sole discretion of AHS.

2.4 Management.

- 2.4.1 Prior to the Effective Time, the Board of Directors of SRH will (a) maintain full governance and control of SRH in accordance with the Current SRH Organizational Documents and (b) through the duly appointed officers of SRH, will manage the operations and affairs of SRH consistent with the terms of the Current SRH Organizational Documents and applicable law except as otherwise provided for herein.
- 2.4.2 Prior to the Effective Time, the Board of Directors of SRMB will (a) maintain full governance and control of SRMB in accordance with the Current SRMB Organizational Documents of SRMB and (b) through the duly appointed officers of SRMB, will manage the operations and affairs of SRMB consistent with the terms of the Current SRMB Organizational Documents and applicable law except as otherwise provided for herein.
- 2.4.3 At and after the Effective Time, SRH will be governed by the Board of Directors of SRH appointed by AHS in accordance with the New SRH Organizational Documents.
- 2.4.4 At and after the Effective Time, SRMB will be governed by the Board of Directors of SRMB appointed by AHS in accordance with the New SRMB Organizational Documents.

2.5 Assets, Liabilities, and Obligations. Except as expressly provided for herein, on and after the Closing Date, all of the Assets and Liabilities and Obligations of SRH and SRMB will remain the Assets and Liabilities and Obligations of SRH and SRMB. Nothing in this Agreement shall constitute an assumption of the Liabilities and Obligations of SRH and SRMB by AHS.

3.0 REPRESENTATIONS AND WARRANTIES OF ST ROSE. SRH hereby represents and warrants to AHS, except as set forth on any of the Schedules hereto, as follows:

3.1 Organization, Tax Status.

3.1.1 Organization and Authorization. SRH and SRMB (i) are duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or formation, and (ii) have, as applicable, all requisite power and authority to execute, deliver and perform this Agreement and all other Transaction Agreements, to perform all the transactions contemplated thereby, to hold the properties, rights and assets held by them and to carry on the business now conducted by them. The execution and delivery of the Transaction Agreements and the performance of the obligations of SRH thereunder have been duly authorized by all necessary corporate action.

3.1.2 Governing Documents. SRH has provided AHS with true, complete, and correct copies of the Current SRH Organizational Documents and the Current SRMB Organizational Documents. SRH has also provided AHS with true, complete, and correct organizational documents of the St. Rose Hospital Foundation, a California not for profit corporation (the "Foundation").

3.1.3 Tax Status and Standing. Except as set forth on Schedule 3.1.3, SRH and SRMB have received a determination letter from the Internal Revenue Service ("IRS") stating that it is an organization described in Section 501(c)(3) of the Code or Section 501(c)(2) of the Code respectively and that it is not a private foundation as described in Section 509(a) of the Code ("Tax-Exempt Public Charity Status") and such letter has not been modified or revoked. To the knowledge of SRH, there is no challenge, investigation, or inquiry that the IRS has made regarding the Tax-Exempt Public Charity Status of SRH or SRMB.

3.2 Financial Statements, Change in Condition.

3.2.1 Financial Statements.

3.2.1.1. Attached hereto as Schedule 3.2.1(a) are the audited consolidated balance sheets of SRH, SRMB, and the Foundation as of September 30, 2023 and the related audited consolidated statements of operations, changes in net assets and cash flows for the fiscal years then ended, including the notes thereto (the "Financial Statements"). The Financial Statements were prepared in accordance with GAAP (except as may be expressly indicated therein

or in the notes thereto) and present fairly in all material respects the financial position of SRH, SRMB, and the Foundation at the dates thereof and the results of their operations, changes in net assets and cash flows for the periods then ended.

3.2.1.2. Attached hereto as Schedule 3.2.1(b) are the unaudited consolidated balance sheet of SRH, SRMB, and the Foundation as of June 30, 2024 , and the related unaudited consolidated statement of operations, changes in net assets and cash flows of SRH, SRMB, and the Foundation for the nine (9) month period then ended (the “Interim Financial Statements”). The Interim Financial Statements were prepared in accordance with GAAP, consistent with methods used to prepare the Financial Statements, subject to normal year-end adjustments (which adjustments will not have a Material Adverse Effect on SRH) and the absence of notes thereto.

3.2.2 Accounts Receivable. Except as set forth on Schedule 3.3.2, to the knowledge of SRH, all of the accounts receivable reflected on the Interim Financial Statements arose in the ordinary course of business and represent valid obligations arising from items or services delivered by SRH and SRMB incurred in the stated amounts reflected on the books and records of SRH and SRMB, as applicable, net of allowance for uncollectible accounts; provided, however, that SRH makes no representation or warranty regarding the collectability of any accounts receivable.

3.2.3 Absence of Undisclosed Liabilities. To the knowledge of SRH, neither SRH nor SRMB have any liabilities or obligations of any nature, whether accrued, absolute, contingent or otherwise, which are required under GAAP to be reflected in the balance sheet of SRH and SRMB or the notes thereto, except (i) as set forth on Schedule 3.2.3, (ii) as expressly set forth or reserved against in the Interim Financial Statements or disclosed in the notes to the Financial Statements or the Interim Financial Statements, (iii) liabilities or obligations incurred since the date of the Interim Financial Statements in the ordinary course of business and consistent with past practice, or (iv) that have not had or would not have a Material Adverse Effect on SRH.

3.2.4 Absence of Certain Change of Events. Except as set forth in Schedule 3.2.4, since October 1, 2023, SRH and SRMB have conducted their Business in the ordinary course and consistent with past practice. Except as set forth on Schedule 3.2.4, to the knowledge of SRH, since October 1, 2023, neither SRH nor SRMB have: (i) experienced any change or other occurrence having a Material Adverse Effect on SRH; (ii) made any change in any accounting principle or practice or in its methods of applying any such principle or practice resulting in a material change; (iii) mortgaged, pledged or subjected to any lien, charge or other encumbrance, or granted to third parties any rights in, any material

assets, tangible or intangible, of SRH or SRMB; (iv) sold or transferred any material assets of SRH or SRMB, except in the ordinary course of business and consistent with past practice, or canceled or compromised any material debts or waived any material claims or rights, except in the ordinary course of business and consistent with past practice; (v) made any material payments to officers, employees, or agents of SRH or its Affiliates not in the ordinary course of business or consistent with past practice; (vi) granted any increase in excess of 20%, in the aggregate, of current compensation in the compensation payable or to become payable to SRH's current employees who receive a salary of more than \$250,000 per year or any bonus or service award or other like benefit, or instituted, increased, augmented or improved an Employee Benefit Plan; or (vii) entered into an agreement to do any of the foregoing.

3.3 Contracts.

3.3.1 Material Contracts. Except as set forth in Schedule 3.3.1, neither SRH nor SRMB is a party to, or subject to (each of the following, a "Material Contract"):

- 3.3.1.1. Any collective bargaining agreements or other labor agreements; any employment or consulting agreements, profit sharing, deferred compensation, bonus, severance pay, retainer, welfare, incentive or other similar plans involving annualized payments in excess of \$500,000 per Contract over the stated term of such Contract based on historic payments and any adjustments thereto specified in the Contract; or any plans, qualified defined benefit and defined contribution plans or other retirement plans, non-qualified employee benefit arrangements including deferred compensation plans and retirement plans, and related benefits, except for those plans disclosed on Schedule 4.5.5;
- 3.3.1.2. Contracts with payers or health care organizations (such as health maintenance organizations and preferred provider organizations) involving third party reimbursement payments that represent the top ten such Contracts based on revenue to St. Rose Hospital since October 1, 2023;
- 3.3.1.3. Any Contracts with physicians, physician practices, other licensed health care professionals or members of the medical staff of St. Rose Hospital;
- 3.3.1.4. Any Contracts which subject SRH or SRMB to exclusive arrangements or arrangements that include non-competition or non-solicitation provisions restricting SRH and SRMB (other than agreements not to solicit the employees of the other party to such Contract);

- 3.3.1.5. Any Contracts (including without limitation options) to sell or lease (as lessor) any of the properties or assets of SRH or SRMB which have a sale price or require rental payments in excess of \$1,000,000 per Contract over the stated term of such Contract based on historic payments and any adjustments thereto specified in the Contract;
- 3.3.1.6. Any Contracts not reflected in the Financial Statements or Interim Financial Statements (or the notes thereto) pursuant to which SRH or SRMB has incurred any Indebtedness;
- 3.3.1.7. Contracts with suppliers or other providers of goods or services not entered into in the ordinary course of business that represent the top ten such contracts based on expenditures by SRH since October 1, 2023;
- 3.3.1.8. Any Contracts with officers, directors (excluding, for the avoidance of doubt, medical directors) or trustees of St. Rose Hospital or its Subsidiary or any member of any such person's immediate family (or any entity in which any of the foregoing in the aggregate own 25% or more of the entity's equity) which require payments in excess of \$250,000 per Contract per year, in each case other than ordinary course employment or medical director arrangements;
- 3.3.1.9. Any Contracts involving letters of intent concerning transactions reasonably expected to be in excess of \$1,000,000 per Contract over the stated term of such Contract; or
- 3.3.1.10. Any Contracts entered into within two (2) years prior to the Effective Date involving payments reasonably expected to be in excess of \$1,000,000 per Contract over the stated term of such Contract (A) that are not described in Sections 3.3.1.1 through 3.3.1.10 above, or (B) that cannot be terminated without cause by SRH or SRMB on less than ninety-one (91) days' notice or without material penalty.

3.3.2 Nature of Contracts. Except as disclosed in Schedule 3.3.2, to the knowledge of SRH, neither SRH nor SRMB is now in default under, nor is there any breach or default by any other Person of, any provision of any Material Contract that in either case would have a Material Adverse Effect on SRH. Except as would not have a Material Adverse Effect on SRH, no event has occurred which, through the passage of time or the giving of notice, or both, would constitute a breach or default by SRH or SRMB of any Material Contract or, to the knowledge of SRH, give rise to any right of termination or other adverse right or cause of action under any Material Contract of SRH or SRMB.

- 3.3.3 Articles and Bylaws.** Except as disclosed in Schedule 3.3.3, (a) SRH is not in violation of any provision of the Current SRH Organizational Documents, and (b) SRMB is not in violation of any provision of the Current SRMB Organizational Documents. .
- 3.3.4 Insurance.** SRH has delivered to AHS an accurate schedule (Schedule 3.3.4) listing the current insurance policies covering the ownership and operation of the Business and the Assets, which Schedule 3.3.4 reflects the policies' numbers, identity of insurers, amounts, and coverage. All such policies are in full force and effect with no premium arrearage. SRH and SRMB have given in a timely manner to their insurers all notices required to be given under their insurance policies with respect to all of the claims and actions covered by insurance, and no insurer has denied coverage of any such claims or actions. SRH and SRMB have not (a) received any written notice or other communication from any insurance company cancelling or materially amending any of such insurance policies, and, to SRH's knowledge, no such cancellation or amendment is threatened or (b) failed to give any written notice or present any claim which is still outstanding under any of such policies with respect to St. Rose Hospital or any of the Assets.

3.4 Operations in Conformity With Legal Requirements

3.4.1 Generally.

- 3.4.1.1. Except as set forth in Schedule 3.4.1.1, during the preceding three (3) years, the operations of SRH and SRMB have been in compliance with all applicable Legal Requirements, except for such noncompliance which would not have a Material Adverse Effect on SRH. Except as disclosed in Schedule 3.4.1.1, SRH has not received any written notice that the operations of St. Rose Hospital do not comply with all applicable Legal Requirements, other than surveys or inspections in the normal course.
- 3.4.1.2. Except as set forth in Schedule 3.4.1.2, there are no criminal, civil or administrative proceedings relating to any Legal Requirement pending or, to the knowledge of SRH, threatened against SRH or SRMB, in connection with the operation of SRH, except in each case which would not have a Material Adverse Effect on SRH.

- 3.4.2 Governmental Permits.** Except as set forth in Schedule 3.4.2, to the knowledge of SRH, SRH and SRMB possess all permits, licenses, authorizations, certificates, accreditations, registrations, provider numbers and agreements, assignments, consents, rights and privileges ("Permits") necessary under laws applicable to the conduct of their Business, the non-possession of which would not have a Material Adverse Effect on SRH. Except as set forth in Schedule 3.4.2, to the knowledge of SRH, neither SRH nor SRMB have engaged in any activity which would cause the loss, limitation, restriction, revocation or suspension of any of the

Permits except where such loss, limitation, restriction, revocation or suspension would not have a Material Adverse Effect on SRH; and to the knowledge of SRH, no such action, proceeding, claim or notification with respect to any loss, limitation, restriction, revocation or suspension of any of the Permits is pending or threatened and no notification thereof has been received by SRH or SRMB, except in each case where such loss, limitation, restriction, revocation or suspension, would not have a Material Adverse Effect on SRH. Except as set forth in Schedule 3.4.2, the execution and delivery of the Transaction Agreements and the consummation of the transactions contemplated therein by the Parties will not limit, restrict, revoke, suspend or terminate any of the Permits, except to the extent as would not have a Material Adverse Effect on SRH.

3.4.3 Fraud and Abuse and Stark Law.

- 3.4.3.1. Except as set forth in Schedule 3.4.3.1, neither SRH nor SRMB has been convicted of, charged with or, to the knowledge of SRH, investigated or is under investigation by a Governmental Authority for any activity which is prohibited under the Federal Health Care Program Anti-Kickback Statute, 42 U.S.C. § 1320a-7b(b), and the regulations promulgated thereunder.
- 3.4.3.2. Except as set forth on Schedule 3.4.3.2, to the knowledge of SRH, neither SRH nor SRMB (i) has established or maintains a “financial relationship” as that term is defined by the Stark Law, with any physician or with an immediate family member of any physician who makes referrals to St. Rose Hospital for designated health services, unless such financial relationship or referral, as applicable, meets an exception to the Stark Law or (ii) is under investigation by a Governmental Authority for an arrangement alleged to be a financial relationship or referral that does not meet an exception to the Stark Law.
- 3.4.3.3. Except as set forth on Schedule 3.4.3.3, to the knowledge of SRH, SRH has paid or caused to be paid or have properly reflected in the Interim Financial Statements all known and undisputed refunds, overpayments, discounts or adjustments which have become due pursuant to any filed cost reports or related to the Business for periods reflected in such Interim Financial Statements and have no material liability to Medicare, Medicaid, or any other governmental payor for any refund, overpayment, discount, or adjustment for services provided, except in the normal course of business, and no interest or penalties are accruing with respect thereto.

3.4.4 Environmental Matters. Except as set forth on Schedule 3.4.4 and any Phase I Environmental Assessment commissioned by AHS, to the Knowledge of SRH:

- 3.4.4.1. SRH and SRMB are and have during the preceding three (3) years been in compliance with all applicable Environmental Laws, except for noncompliance that would not result in a Material Adverse Effect on SRH.
- 3.4.4.2. SRH and SRMB have obtained and are and have during the preceding three (3) years been in compliance with the conditions of, all Environmental Permits, except for noncompliance that would not result in a Material Adverse Effect on SRH.
- 3.4.4.3. SRH and SRMB have filed all required applications, notices and other documents necessary to effect the timely renewal or issuance of all Environmental Permits for the conduct of their Business in the manner now conducted, except for noncompliance that would not result in a Material Adverse Effect on SRH.
- 3.4.4.4. There are no circumstances or conditions present at the Owned Real Property of SRH or SRMB during the period of its ownership, occupancy, leasehold or tenancy that constitute a Release of a Hazardous or Chemical Substance in violation of any Environmental Law, each except to such extent as would not result in a Material Adverse Effect on SRH.
- 3.4.4.5. Neither St. Rose Hospital nor SRMB (i) has, within the past three (3) years, received or been subject to, any order, decree, judgment, complaint, agreement, claim, citation, or written notice or (ii) is subject to any judicial or administrative proceeding or, to the Knowledge of SRH, any pending or threatened investigation indicating that SRH or SRMB is: (1) in violation of any Environmental Law; or (2) responsible for the Release of any Hazardous or Chemical Substance in violation of any Environmental Law; or, (3) liable for any Environmental Liabilities and Costs, each except to the extent such violation or liability would not result in a Material Adverse Effect on SRH.
- 3.4.4.6. Schedule 3.4.4.6 lists all Real Property presently or previously in the last three (3) years leased, owned, operated or used by SRH or SRMB and identifies all such Real Property (and the area within that Real Property) that have within them or have been used by SRH or SRMB for the storage or disposal of Hazardous or Chemical Substances.

3.4.4.7. SRH has made available to AHS a copy of all material environmental audits, inspections, assessments, investigations, or similar reports in SRH's possession relating to the Real Property or the Business of or the compliance of the same with applicable Environmental Laws that were prepared during the past three (3) years.

3.4.5 ERISA Matters.

3.4.5.1. Schedule 3.4.5.1 contains a complete list of all Employee Benefit Plans. SRH has made available to AHS current, true and complete copies of all Employee Benefit Plans that have been reduced to writing (together with all amendments and related trust documents, IRS determination letters or opinion letters, correspondence with or written notices from the IRS or the Department of Labor, insurance contracts, custodial agreements, administration agreements, investment, management or advisory agreements, summary plan descriptions, and employee handbooks or similar employee communications) and a summary of the material terms of all Employee Benefit Plans that have not been reduced to writing, the three (3) most recently filed IRS Form 5500s for each plan for which such filing is due, with schedules attached and non-discrimination testing results for the three (3) most recent plan years.

3.4.5.2. Except as specifically described in Schedule 3.4.5.2, no Employee Benefit Plan provides for benefits in the nature of medical, life or disability care or insurance following retirement or other termination of employment, except as required by law or as would not have a Material Adverse Effect on SRH.

3.4.5.3. Each Employee Benefit Plan which is a group health plan complies with and, within the three (3) most recent years, has been in compliance with, the requirements contained in Sections 601 through 608 of ERISA and Sections 104, 105, 106 and 4980B of the Code, except as would not have a Material Adverse Effect on SRH.

3.4.5.4. Schedule 3.4.5.4 lists each Employee Benefit Plan to which any Employer is a party that is a "nonqualified deferred compensation plan" within the meaning of Section 409A of the Code and the regulations promulgated hereunder. Each such nonqualified deferred compensation Employee Benefit Plan complies and has complied in all material respects with and is and has been operated and administered in material compliance with the requirements of Section 409A of the Code, the regulations

promulgated hereunder and any other IRS guidance issued thereunder.

3.5 Real Property.

- 3.5.1** SRH and SRMB owns fee simple title to the Owned Real Property, free and clear of any Encumbrances other than the Permitted Encumbrances.
- 3.5.2** The Owned Real Property comprises all of the real property owned or leased by SRH and SRMB.
- 3.5.3** Except as set forth in Schedule 3.5.3, (a) the Owned Real Property complies with all Legal Requirements and, to the knowledge of SRH, all zoning requirements, except for noncompliance that would not result in a Material Adverse Effect on SRH, and (b) neither SRH nor SRMB has received any notifications from any Governmental Authority or insurance company recommending improvements to the Owned Real Property or any other actions relative to the Owned Real Property. There are no pending applications to any Governmental Authority with respect to any zoning modification, variance, redevelopment, exception, subdivision, platting or similar matter concerning the Owned Real Property. SRH shall give prompt notice to AHS of any such matters.
- 3.5.4** Neither SRH nor SRMB has received written notice of any plan, study or effort by any Governmental Authority which would require the modification of the present use or zoning of the Owned Real Property, except as would not have a Material Adverse Effect on SRH or SRMB.
- 3.5.5** Except for those tenants in possession of the Owned Real Property under Contracts as set forth on Schedule 3.5.5, to the knowledge of SRH, there are no persons in possession or claiming possession, adverse or not, to or other interest in, any portion of the Owned Real Property other than SRH or SRMB, whether as lessees, tenants at sufferance, trespassers or otherwise. The Leases set forth on Schedule 3.5.5 are the only leases and occupancy agreements that will bind or encumber the Owned Real Property following Closing. There are no allowances, monetary inducements, commissions or credits that will remain outstanding as of the Closing Date other than as disclosed in Schedule 3.5.5. SRH or SRMB, as applicable, will perform all material obligations of the landlord or lessor under the Leases set forth on Schedule 3.5.5 through the Closing. To the knowledge of SRH, SRH and SRMB have not received any written notice of any material default or breach on the part of the landlord or lessor under any lease of the Owned Real Property which has not been cured, nor does there exist any such default or breach on the part of the landlord or lessor.

- 3.5.6** As of the Closing, there are no rights of first refusal or other rights to purchase the Owned Real Property that have not been waived.
- 3.5.7** There are no pending or threatened condemnation or eminent domain proceedings affecting all or any portion of the Owned Real Property.
- 3.5.8** As of the Closing, there are no undisclosed oral or written commitments or representations to, or understandings or agreements with, any person, firm or entity concerning the Owned Real Property, that would have a Material Adverse Effect on SRH or SRMB.
- 3.5.9** No construction or alteration of any material improvements or buildings on the Owned Real Property shall occur prior to the Closing, other than any maintenance or repairs as may be required in the ordinary course of business, or as otherwise disclosed in the Schedule 3.5.9 hereto.
- 3.6** **Title to Other Assets.** As of the Closing Date, SRH and SRMB shall own and hold good and valid title or leasehold interests, as the case may be, to all of the tangible Assets other than the Owned Real Property free and clear of all Encumbrances other than the Permitted Encumbrances.
- 3.7** **Labor Relations.** Except as set forth on Schedule 3.7, to the Knowledge of SRH, none of the employees of SRH is represented by a labor union, and no petition has been filed by any employee or group of employees with any labor relations board seeking recognition of a bargaining representative. Except as set forth on Schedule 3.7, to the knowledge of SRH, there are no disputes pending between, on the one hand SRH, and on the other hand any of their employees that would have a Material Adverse Effect on SRH.
- 3.8** **Litigation.** Except as set forth in Schedule 3.8, to the knowledge of SRH, there is no Action by any person or Governmental Authority, in each case either pending or threatened against SRH or SRMB, or against any of their trustees, officers, agents, or employees in their capacities as trustees, officers, agents or employees of SRH or SRMB which would be reasonably likely to result in any uninsured loss, except as would not result in a Material Adverse Effect on SRH. To the knowledge of SRH, there is no pending Action before any Governmental Authority which seeks rescission of, seeks to enjoin the consummation of, or which questions the validity of, this Agreement or any of the other Transaction Agreements or any of the transactions contemplated thereby. Except as set forth on Schedule 3.8, no assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other similar proceedings are pending or, to the knowledge of SRH, threatened against SRH or SRMB.
- 3.9** **Taxes.** Except as set forth in Schedule 3.9, to the knowledge of SRH, SRH and SRMB have duly and timely filed (subject to any applicable extensions that have been timely filed and obtained) all foreign, federal, state and local tax returns (including, without limitation, tax information returns) which are required to be filed, and all such returns are true, correct and complete in all respects as filed,

and were prepared in good faith and in accordance with applicable tax Legal Requirements, except as would not result in a Material Adverse Effect on SRH. Except for Tax Liabilities being contested by SRH or SRMB in good faith by an appropriate proceeding and disclosed in Schedule 4.8, all material Tax Liabilities of SRH and SRMB which are due and payable have been paid. SRH and SRMB have made adequate provision on their respective books for the payment of all material Tax Liabilities with respect to periods after the date of the Financial Statements, and there has been no material change since the date of the Interim Financial Statements in the provision for unpaid Tax Liabilities on the books of SRH or SRMB. To the Knowledge of SRH, the federal and state income tax returns of SRH and SRMB have not, within the preceding three (3) years, been audited by any Governmental Authority, and, except as set forth in Schedule 3.9, neither SRH nor SRMB have received any written notice of deficiency or assessment of additional taxes. Except as set forth in Schedule 3.9, neither SRH nor SRMB is a party to any material action or proceeding by any Governmental Authority for assessment or collection of taxes. SRH and SRMB have not granted any waiver of any statute of limitation with respect to, or any extension of a period for the assessment of, any Material federal, state, local or foreign tax. SRH has heretofore made available to AHS true and correct copies of the federal and state tax returns or tax-exempt informational filings for SRH and SRMB for the fiscal years ending September 30, 2020, September 30, 2021, September 30, 2022, and September 30, 2023.

3.10 Violation of Other Instruments, Consents, etc.

3.10.1 Except as set forth in Schedule 3.10.1, neither the execution and delivery of the Transaction Agreements by SRH, nor the consummation by SRH of any of the transactions contemplated thereby, will (i) violate, conflict with or result in a breach of the Current SRH Organizational Documents, (ii) constitute a breach of or a default under any Material Contract of SRH or SRMB, (iii) result in acceleration in the time for performance of any obligation of SRH or SRMB under any Material Contract, (iv) result in the creation of any Lien upon any asset of SRH or SRMB, (v) require any unobtained consent, waiver or amendment under any Material Contract, (vi) give rise to any severance payment, right of termination or any other right or cause of action under any Material Contract, or (vii) violate or give rise to a default or any other right or cause of action under any Legal Requirement, except for events or conditions described in clauses (i) through (vii) above which would not have a Material Adverse Effect on SRH.

3.10.2 Except as set forth in Schedule 3.10.2, no consent, waiver, approval or authorization of, or filing, registration or qualification with, any Governmental Authority is required to be made or obtained by SRH, in connection with the execution, delivery or performance of this Agreement or any other Transaction Agreement by SRH, except as would not have a Material Adverse Effect on SRH.

- 3.11 Medical Staff.** Except as disclosed in Schedule 3.11 or as relates to routine action as a result of failure to comply with timely preparation of medical records, no member of the Medical Staff of St. Rose Hospital is subject to a pending disciplinary proceeding under the Medical Staff Bylaws or rules of St. Rose Hospital or its Subsidiary. To the knowledge of SRH, all disciplinary actions, the imposition of restrictions or conditions, revocation or non-renewal of rights and privileges for reasons requiring reporting to state or federal authorities, including the National Practitioner Data Bank and the Healthcare Integrity and Protection Data Bank, that are required to be made by SRH during the two (2) years prior to the Closing have been made. To the knowledge of SRH, there is no litigation or any proceeding before or investigation by any federal or state judicial or administrative body pending or threatened with respect to denial or revocation of privileges or Medical Staff membership at St. Rose Hospital of any Medical Staff members.
- 3.12 Finder's or Broker's Fees.** Except as set forth in Schedule 3.12, no broker, investment banker, financial advisor or other Person is entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of SRH or SRMB.
- 3.13 No Ethical & Religious Directives.** SRH is not subject to or bound by the Ethical and Religious Directives for Catholic Healthcare.
- 3.14 No Other Representations and Warranties.** Except for the representations and warranties contained in this Section 3.0 (including the related portions of the Schedules), none of SRH, SRMB, or any other Person has made or makes any other express or implied representation or warranty, either written or oral, on behalf of SRH, SRMB, and/or the Foundation, including any representation or warranty as to the accuracy or completeness of any information regarding SRH, SRMB, and the Foundation furnished or made available to AHS and its representatives (including any information, documents or material made available to AHS in any data rooms, management presentations or in any other form in expectation of the transactions contemplated hereby) or as to the future revenue, profitability or success of SRH, SRMB, or the Foundation, or any representation or warranty arising from statute or otherwise in law.
- 3.15 Survival of Representations and Warranties.** The representations and warranties set forth in this Section 3.0 shall not survive the Closing Date.
- 4.0 REPRESENTATIONS AND WARRANTIES OF AHS.** AHS hereby represents and warrants to SRH, except as set forth on any of the Schedules hereto, as follows:
- 4.1 Organization, Tax Status, etc.**
- 4.1.1 Organization and Authorization.** AHS is duly formed and validly existing under the laws of California, and has all requisite power and authority to execute, deliver and perform all Transaction Agreements, to perform all the transactions contemplated thereby, to hold rights and assets held by it and to carry on the business of AHS now conducted by it. The execution and delivery of the Transaction Agreements and the

performance of the obligations of AHS thereunder have been duly authorized by all necessary action by the Board of Trustees of AHS.

4.1.2 Governing Documents. A copy of the enabling statute and County ordinance, as amended to the Effective Time, of Alameda Health System is attached hereto as Schedule 4.1.2 and such copy is true, complete and correct, has been duly adopted and is in full force and effect as of the Effective Time. A copy of the Bylaws of AHS, as amended to the Effective Time, is attached hereto as Schedule 4.1.2, and is true, complete and correct, has been duly adopted and is in full force and effect as of the Effective Time.

4.1.3 Tax Status and Standing. AHS is Tax-Exempt as a governmental entity pursuant to Section 115 of the Internal Revenue Code. To the Knowledge of AHS, there is no challenge, investigation or inquiry that the IRS has made regarding the Tax-Exempt Status of AHS.

4.2 Violation of Other Instruments, Consents, etc.

4.2.1 Neither the execution and delivery of the Transaction Agreements by AHS, nor the consummation by AHS of any of the transactions contemplated thereby, will (i) violate, conflict with or result in a breach of the enabling statute, County ordinance or Bylaws of AHS, (ii) constitute a breach of or a default under any material Contract of AHS, (iii) result in acceleration in the time for performance of any obligation of AHS under any material Contract of AHS, (iv) result in the creation of any Lien upon any asset of AHS, (v) require any unobtained consent, waiver or amendment to any material Contract of AHS, (vi) give rise to any severance payment, right of termination or any other right or cause of action under any material Contract of AHS, or (vii) violate or give rise to a default or any other right or cause of action under any Legal Requirement, except for events or conditions described in clauses (i) through (vii) above which would not have a Material Adverse Effect on AHS.

4.2.2 Except as set forth in Schedule 4.2.2, no consent, waiver, approval or authorization of, or filing, registration or qualification with, any Governmental Authority is required to be made or obtained by AHS in connection with the execution, delivery or performance of this Agreement or any other Transaction Agreement by AHS, except as would not have a Material Adverse Effect on AHS.

4.3 Finder's or Broker's Fees. No broker, investment banker, financial advisor or other Person is entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of AHS or its Affiliates.

4.4 Operations in Conformity With Legal Requirements, etc.

4.4.1 Generally:

- 4.4.1.1. To the knowledge of AHS, the operations of AHS and its Subsidiaries have been in compliance with all applicable Legal Requirements, except for such noncompliance which would not have a Material Adverse Effect on AHS. To the knowledge of AHS, neither AHS nor its Subsidiaries have received any written notice that the operations of AHS do not comply with all applicable Legal Requirements.
- 4.4.1.2. There are no criminal, civil or administrative proceedings relating to any Legal Requirement pending or, to the knowledge of AHS, threatened against AHS or its Subsidiaries in connection with the operation of AHS or its Subsidiaries, in each case which would not result in a Material Adverse Effect on AHS.

4.4.2 Governmental Permits. To the knowledge of AHS, AHS and its Affiliates possess all Permits, the non-possession of which would have, individually or in the aggregate, a Material Adverse Effect on AHS. To the knowledge of AHS, neither AHS nor any of its Affiliates have engaged in any activity which would cause the loss, limitation, restriction, revocation or suspension of any of the Permits except for noncompliance that would not result in a Material Adverse Effect on AHS; and to the knowledge of AHS, no such action, proceeding, claim or notification with respect to any loss, limitation, restriction, revocation or suspension of any of the Permits is pending or threatened and no notification thereof has been received by AHS or any of its Affiliates, except in each case where such loss, limitation, restriction, revocation or suspension, would not have a Material Adverse Effect on AHS. Except as set forth in Schedule 4.4.2, the execution and delivery of the Transaction Agreements and the consummation of the transactions contemplated therein by the Parties will not limit, restrict, revoke, suspend or terminate, any of the Permits, except to the extent as would not have a Material Effect on AHS.

- 4.5 Fraud and Abuse.** To the knowledge of AHS, neither AHS nor any of its Affiliates is under investigation for any activity which is prohibited under the Federal Health Care Program Anti-Kickback Statute, 42 U.S.C. § 1320a-7b(b) or the regulations promulgated thereunder, the Stark Law, or the federal False Claims Act, 31 U.S.C. § 3729 et seq.
- 4.6 No Reliance.** AHS and its Affiliates have not relied on and are not relying on any representations, warranties or other assurances of SRH other than the representations and warranties expressly set forth in this Agreement.
- 4.7 Survival of Representations and Warranties.** The representations and warranties set forth in this Section 4.0 shall not survive the Closing Date.

5.0 ACCESS TO INFORMATION. Between the Execution Date and the Closing Date, SRH shall afford to the officers and authorized representatives and agents (which shall include accountants, attorneys, bankers, and other consultants) of AHS full and complete access to and the right to inspect the plants, properties, books, and records of the Business, and will allow AHS reasonable access to the medical staff and personnel of SRH, which shall include onsite

meetings, to confirm and establish relationships, and will furnish AHS with such additional financial and operating data and other information as to the Business and the Owned Real Property as AHS may from time to time reasonably request. AHS, at its expense and in its reasonable discretion, shall have the right to access and conduct and obtain all inspections, examinations, investigations and tests as AHS considers appropriate for determining the present condition of the Owned Real Property, including, without limitation, performance of a Phase I environmental assessment of the Owned Real Property. AHS' right of access and inspection shall be exercised in such a manner as not to interfere unreasonably with the operations of the Business. Notwithstanding anything contained herein to the contrary, AHS shall not conduct any invasive environmental, health or safety or property condition investigations of the Owned Real Property, including, without limitation, any sampling or testing of soils, surface water, groundwater, ambient air, or improvements at, on or under the Owned Real Property, without SRH's prior written consent (such consent not to be unreasonably withheld). AHS shall repair all damage to the Owned Real Property resulting from AHS' exercise of their rights under this Section 5.0 or caused by AHS (or any of its agents, employees, contractors or representatives) prior to the Closing Date.

6.0 COVENANTS OF SRH PRIOR CLOSING. Between the Execution Date and the Closing:

- 6.1 SRH Business.** SRH and SRMB (i) shall carry on their Business in substantially the same manner as heretofore carried on, and (ii) shall conduct their Business in compliance (and without waiver, variance or extensions except as has been disclosed to AHS in writing) with all statutory and regulatory requirements of any federal, state, or local authority, except as would not have a Material Adverse Effect on SRH.
- 6.2 Disposal of Assets.** Neither SRH nor SRMB will acquire or dispose of any asset, tangible or intangible, valued in excess of \$500,000 other than in the ordinary course of business consistent with its prior practices, or pursuant to a Material Contract. If such an acquisition or disposal is considered by SRH to fall within the ordinary course of business consistent with its prior practices, or pursuant to a Material Contract, SRH shall provide notice to AHS prior to completing such an acquisition or disposal.
- 6.3 Loans and Investments.** Neither SRH nor SRMB will make any investment, loan, or capital expenditure in excess of \$500,000 other than in the ordinary course of business consistent with its prior practices, or pursuant to a Material Contract or capital or operating budget previously made available to AHS. If such an investment, loan, or capital expenditure is considered by SRH to fall within the ordinary course of business consistent with its prior practices, or pursuant to a Material Contract, SRH shall provide notice to AHS prior to completing such a transaction.
- 6.4 Compensation of Directors and Officers.** Except as set forth on Schedule 6.4 or in the ordinary course of its Business and consistent with prior practice, neither SRH nor SRMB will: (i) increase the compensation payable or to become payable to any of its directors, trustees, officers, or employees, other than reasonable annual increases consistent with its prior practices or pursuant to an existing Contract or Employee Benefit Plan; (ii) enter into any new or materially amend or alter any Employee Benefit Plan; (iii) establish, adopt, enter into or

amend any collective bargaining agreement; or (iv) except as may be required by GAAP, materially change its accounting methods, principles or practices.

- 6.5 Assumption of Indebtedness.** Except in the ordinary course of its business or pursuant to a Material Contract, neither SRH nor SRMB will enter into or assume any Indebtedness or any mortgage, pledge or conditional sale, or permit any Liens of any kind to attach to any Property, whether now owned or hereafter acquired. If such an indebtedness or any mortgage, pledge, conditional sale or Liens are considered by SRH to fall within the ordinary course of business, or pursuant to a Material Contract, SRH shall provide notice to AHS prior to completing such a transaction.
- 6.6 No-Shop.** SRH agrees that, from and after the Execution Date of this Agreement until the termination of this Agreement, SRH will not, and will cause it offices and directors not to, without the prior written consent of AHS or except as otherwise permitted by this Agreement: (i) offer for sale or lease all or any material portion of the Assets or any ownership interest in any entity owning any of the Assets, (ii) solicit offers to buy all or any material portion of the Assets or any ownership interest in any entity owning any of the Assets, (iii) initiate, encourage or provide any documents or information to any third party in connection with, discuss or negotiate with any person regarding any inquiries, proposals or offers relating to any disposition of all or any material portion of the Assets or a merger or consolidation of any entity owning any of the Assets, or (iv) enter into any agreement or discussions with any party (other than Buyer) with respect to the sale, assignment, or other disposition of all or any material portion of the Assets or any ownership interest in any entity owning any of the Assets or with respect to a merger or consolidation of any entity owning any of the Assets.
- 6.7 Efforts to Close.** SRH shall use its reasonable commercial efforts to satisfy all of the conditions precedent set forth in Section 8.1 to the extent that SRH's actions or inactions can control or influence the satisfaction of such conditions, so that the Closing will occur on or before September 30, 2024.

7.0 COVENANTS OF AHS PRIOR TO CLOSING

- 7.1 Efforts to Close.** AHS shall use its reasonable commercial efforts to satisfy all of the conditions precedent set forth in Section 8.2 to the extent that AHS' actions or inactions can control or influence the satisfaction of such conditions, so that the Closing will occur on or before September 30, 2024.

8.0 CONDITIONS PRECEDENT TO CLOSING.

8.1 Conditions Precedent to Obligations of AHS

- 8.1.1 Representations and Warranties.** The representations and warranties of SRH contained in this Agreement shall be true and correct when made and, when read in light of any Schedules which have been updated in accordance with the provisions of Section 14.14, hereof, as of the Closing Date (except to the extent such representations and warranties address matters as of particular dates, in which case such representations and warranties shall be true and correct on and as of such dates), except to

the extent that the failure of any such representations and warranties to be true and correct would not, or would not have a Material Adverse Effect. Each and all of the terms, covenants, and conditions of this Agreement to be complied with or performed by SRH on or before the Closing Date pursuant to the terms hereof shall have been duly complied with and performed in all material respects.

- 8.1.2 Governmental Approvals.** All material consents, authorizations, orders and approvals of (or filings or registrations with) any Government Entity or other party required in connection with the execution, delivery and performance of this Agreement, shall have been obtained or made by AHS or SRH, as appropriate, except as for any documents required to be filed, or consents, authorizations, orders or approvals required to be issued, after the Closing Date.
- 8.1.3 Actions/Proceedings.** No action or proceeding before a court or any other governmental agency or body shall have been instituted or threatened to restrain or prohibit the transactions herein contemplated, and no governmental agency or body shall have taken any other action or made any request of any party hereto as a result of which AHS reasonably and in good faith deems it inadvisable to proceed with the transactions hereunder.
- 8.1.4 No Material Changes.** Since the date of this Agreement, there shall not have occurred any event, change or development that has had, or would be reasonably expected to have, a Material Adverse Effect on the Business (but not the prospects), financial condition, or results of operations of SRH, taken as a whole.
- 8.1.5 Termination of Management Services Agreement.** The Management Services Agreement shall be terminated effective as of the Effective Time and SRH and SRMB shall have no further obligations under the Management Services Agreement after the Effective Time except for any insurance or indemnification obligations that survive the termination of the Management Services Agreement.
- 8.1.6 Waiver of Option to Purchase.** Alecto Hayward shall have provided SRH and SRMB with a written waiver of any option to purchase to the Business or the Assets that may exist under the Management Services Agreement.
- 8.1.7 Financial Commitments.** AHS shall have received commitments from third-party sources, including governmental and non-governmental entities, in a form reasonable satisfactory to AHS, to provide no less than Sixty-Four Million Dollars (\$64,000,000.00) over the first three (3) year period after Closing without any federal matching funds in support for the operations and capital requirements of SRH and SRMB. The Parties acknowledge that such support may include direct payments or indirect assistance in financing the non-federal share of additional Medi-Cal payments which SRH may be eligible. The restructuring or forgiveness of

SRH's or SRMB's existing debt shall not constitute support for the purposes of this Section 8.1.7.

- 8.1.8 Cal-Mortgage Insured Debt.** AHS, SRH, and SRMB shall have reached agreements, which are acceptable to AHS and SRH, with the Cal-Mortgage Loan Insurance Program of the Department of Healthcare Access and Information ("HCAI") to restructure SRH's term loan and line or credit which are insured by HCAI. AHS shall not be required to guarantee or become a co-obligor of SRH's term loan and line or credit which are insured by HCAI.
- 8.1.9 Distressed Hospital Loan.** AB 2271 (Ortega) shall have become law and become effective, and AHS shall have received reasonable assurances that SRH's Distressed Hospital Loan will be forgiven.
- 8.1.10 Other AHS Agreements.** AHS shall have received reasonable assurances (including entering into amendments as necessary) that (a) nothing in this Agreement or the Transaction shall materially impact any of AHS' existing agreements, including any credit facilities and the Agreement on the Repayment of Alameda Health System Debt to the Consolidated Treasury of the County of Alameda, and (b) that AHS will have the ability, if it elects to do so, to extend credit to SRH to address SRH's future operating, capital, and debt service expenses and that the extension of such credit will not interfere, conflict, violate, or constitute a breach of AHS' other material agreements including any credit facilities AHS maintains with third parties and the Agreement on the Repayment of Alameda Health System Debt to the Consolidated Treasury of the County of Alameda.
- 8.1.11 Closing Deliverables.** SRH shall have delivered to AHS, in accordance with the terms of this Agreement, all contracts, agreements, instruments, and documents required to be delivered by SRH or SRMB to AHS pursuant to Section 10.2.

8.2 Conditions Precedent to Obligations of SRH

- 8.2.1 Representations/Warranties.** The representations and warranties of AHS contained in this Agreement shall be true and correct when made and, when read in light of any Schedules which have been updated in accordance with the provisions of Section 14.14, hereof, as of the Closing Date (except to the extent such representations and warranties address matters as of particular dates, in which case such representations and warranties shall be true and correct on and as of such dates), except to the extent that the failure of any such representations and warranties to be true and correct would not, or would not be reasonably likely to, in the aggregate, have a Material Adverse Effect on the results of operations, financial condition or the Business, taken as a whole. Each and all of the terms, covenants, and conditions of this Agreement to be complied with or performed by AHS on or before the Closing Date pursuant to the terms hereof shall have been duly complied with and performed in all material respects.

- 8.2.2 Governmental Approvals.** All material consents, authorizations, orders and approvals of (or filings or registrations with) any Government Entity or other party required in connection with the execution, delivery and performance of this Agreement, shall have been obtained or made by SRH or AHS, as appropriate, except as for any documents required to be filed, or consents, authorizations, orders or approvals required to be issued, after the Closing Date.
- 8.2.3 Actions/Proceedings.** No action or proceeding before a court or any other governmental agency or body shall have been instituted or threatened to restrain or prohibit the transactions herein contemplated, and no governmental agency or body shall have taken any other action or made any request of any party hereto as a result of which SRH reasonably and in good faith deems it inadvisable to proceed with the transactions hereunder.
- 8.2.4 HCAI Approval.** HCAI shall have provided consents required under the terms of the Regulatory Agreement to complete the transactions contemplated by this Agreement.
- 8.2.5 Attorney General Approval.** The Attorney General of the State of California (the "Attorney General") shall have either provided his consent to the transactions contemplated by this Agreement or waived his right to review and approve the transactions contemplated by this Agreement.
- 8.2.6 Closing Deliverables.** AHS shall have delivered to SRH, in accordance with the terms of this Agreement, all contracts, agreements, instruments, and documents required to be delivered by AHS to SRH pursuant to Section 10.3.

9.0 FILINGS AND PERMITS.

- 9.1 Required Filings.** The Parties shall cooperate and use reasonable best efforts (i) to determine which filings are required to be made by each Party prior to the Closing and which Permits are required to be obtained by each Party prior to the Closing from Governmental Authorities in connection with the execution and delivery of this Agreement and the consummation of the Transactions, and (ii) to take all actions reasonably necessary or desirable to timely make all required filings with and obtain such Permits from such Governmental Authorities.
- 9.2 Requests for Information.** The Parties shall cooperate and use reasonable best efforts in connection with any review or request for information by any Governmental Authority, including by apprising each other of communications, providing copies of documents, and participating jointly in meetings to the extent permissible. Each of the Parties shall cooperate and use reasonable efforts to promptly prepare and file all necessary documentation to effect all necessary applications, notices, petitions, filings and other documents, and use all reasonable best efforts to obtain (and will cooperate with each other in obtaining) any consent, acquiescence, authorization, order or approval of, or any exemption or non-opposition by, any Governmental Authority required to be obtained or made by any Party or any of their respective Affiliates in connection with the

Transactions or the taking of any other action contemplated by this Agreement. Each of the Parties agrees to furnish the other with copies of all correspondence, filings and communications between (i) it and its Affiliates and their respective representatives, and (ii) any Governmental Authority, with respect to any authorizations from any Governmental Authority to be obtained in connection with this Agreement or the Transactions, other than information prohibited by applicable Law and information subject to attorney-client and work-product doctrine privileges, unless otherwise protected by a joint defense or similar arrangement. Each Party shall afford the other a reasonable amount of time to review in advance filings and written communications to be made with any Governmental Authority and, to the extent reasonably practicable, each Party will consult with the other Party on all information relating to the other Party or the Transactions that appears in any filing or written communication made with, or written materials submitted to, any Governmental Authority in connection with this Agreement or the Transactions to the extent permitted by applicable law.

- 9.3 Notice of Developments; Acts and Omissions Impairing Transaction.** From the Effective Date to the Closing, the Parties shall work together in good faith to consummate the Transaction and shall promptly notify the other Party in writing of (i) an event that would be disclosable on Schedule 3.2.4 hereof or (ii) the occurrence of any event which will or would result in the failure to satisfy any of the conditions specified in Sections 8.1 or 8.2. SRH shall promptly notify AHS of any change or occurrence which would have a Material Adverse Effect on SRH or SRMB that could result in an impairment of the Transaction. AHS shall promptly notify SRH of any change or occurrence which would have a Material Adverse Effect on AHS that could result in an impairment of the Transaction.
- 9.4 Notice of Breach.** From the Effective Date to the Closing, each Party shall, promptly upon becoming aware thereof, give reasonably detailed written notice to the other Party of the occurrence of any event which would cause or constitute a breach, or would have caused or constituted a breach, had such event occurred or been known to that Party prior to the Effective Date, of any of their covenants, agreements, representations, or warranties contained in this Agreement or in any document delivered in accordance with the terms hereof.

10.0 CLOSING

- 10.1 Closing; Closing Date and Effective Time.** Subject to the provisions of this Section 10, the closing of the Transaction (“Closing”) shall take place remotely via exchange of documents and signature pages on the date (the “Closing Date”) that is as promptly as practical (but no more than five (5) Business Days) after satisfaction or waiver of the conditions set forth in Section 8.1 and 8.2 and other than those conditions that by their nature are to be satisfied at Closing but subject to fulfillment or waiver of those conditions. The Membership Issuance shall occur at 12:01 a.m. (Pacific Time) on the day immediately following the Closing (the “Effective Time”). All proceedings to take place at the Closing shall take place simultaneously.
- 10.2 Deliveries by SRH.** At the Closing, SRH shall deliver to AHS the following:

- 10.2.1 The SRH Certificates.** In forms reasonably acceptable to AHS, (i) a closing and incumbency certificate of an officer or director of SRH; (ii) resolutions of the SRH Board of Directors authorizing the execution and delivery of this Agreement and the performance of SRH of its obligations hereunder; and (iii) a bring-down certificate to the effect of Section 8.1.2.
- 10.2.2 New SRH Organizational Documents.** Certified copies of the New SRH Organizational Documents.
- 10.2.3 New SRMB Organizational Documents.** Certified copies of the New SRMB Organizational Documents.
- 10.2.4 Resignations.** Copies of the resignations of each individual serving as a member of SRH's Board of Directors and SRMB's Board of Directors.
- 10.2.5 Transitional Planning Agreement.** A duly executed copy of the Transitional Planning Agreement in the form of Exhibit A attached hereto (the "Transitional Planning Agreement").

10.3 Deliveries by AHS.

- 10.3.1 The AHS Certificates.** In forms reasonably acceptable to SRH, (i) a closing and incumbency certificate of an officer or director of SRH; (ii) resolutions of the AHS Board of Trustees or other documents including minutes from the AHS Board Meeting authorizing the execution and delivery of this Agreement and the performance of AHS of its obligations hereunder; and (iii) a bring-down certificate to the effect of Section 8.2.1.
- 10.3.2 Transitional Services Agreement.** A duly executed copy of the Transitional Planning Agreement.

10.4 Expenses of Transaction. Except as otherwise expressly set forth in this Agreement, whether or not the transactions provided for herein are consummated, each Party will bear its own expenses, costs and fees incurred in connection with the preparation, negotiation and execution of this Agreement and the other Transaction Agreements, the compliance herewith and the consummation of the transactions contemplated hereby and thereby.

10.5 Publicity. Subject to all applicable Legal Requirements, the Parties agree to cooperate in the development and issuance of any press release or other statements to the press relating to this Agreement or the transactions contemplated hereby, all in accordance with the terms of the Confidentiality Agreement. In addition, AHS and SRH will advise each other of communications to their respective employees and Medical Staff relating to this Agreement and the transactions contemplated hereunder prior to communication of same.

11.0 POST-CLOSING COVENANTS

11.1 Employees. On and after the Closing Date:

- 11.1.1 All employees in good standing of SRH will remain employed at Closing. Nothing herein shall be deemed to affect or limit in any way normal management prerogatives of AHS or SRH with respect to employees or to create or grant to any such employees third party beneficiary rights or claims of any nature.
 - 11.1.2 All employees will receive full credit for their years of service to SRH for purposes of eligibility and vesting in the plans currently offered by SRH and which an employee participates in at time of Closing, to the extent applicable.
 - 11.1.3 SRH will continue to offer the St. Rose Hospital 403(b) Qualified Retirement Plan to employees until such time that AHS, in its sole discretion, elects to offer other retirement plans to SRH's employees. AHS will honor prior length of service for purposes of eligibility and vesting in the St. Rose Hospital 403(b) Qualified Retirement Plan. .
 - 11.1.4 The California Nurses Association, Teamsters Local No. 856, Engineers and Scientists of California, Local 20, and International Union of Operating Engineers, Stationary Engineers Local 39 (the "Unions"), as applicable, will be recognized as the exclusive bargaining representatives of those bargaining units identified on Schedule 11.1.4. The Collective Bargaining Agreements with each Union will remain in place and be effective until such time that AHS or SRH has reached an agreement or agreements with the Unions which would provide otherwise or as may be permitted or required by law.
- 11.2 SRH Clinical Services.** AHS will maintain St. Rose Hospital as a licensed general acute care hospital (as defined in California Health and Safety Code Section 1250), with the following healthcare services:
- 11.2.1 24/7 Emergency Department
 - 11.2.2 Critical Care Services (ICU and CCU)
 - 11.2.3 Cardiac Services including a cardiac catheterization laboratory and the designation as a ST Elevation Myocardial Infarction STEMI Receiving Center and Cardiac Catheterization Laboratory
 - 11.2.4 Labor & Delivery Services
 - 11.2.5 Medical/Surgical Services
 - 11.2.6 Sub-Acute/SNF Services.
 - 11.2.7 Outpatient Mammography Services
- In the event AHS, in its sole discretion, determines that clinical quality, patient safety, financial performance, patient demand, or other factors require the elimination, reduction or modification of any of the services identified in this Section 11.2, AHS shall have the right to make such changes provided that is

has provided notice to the City of Hayward and the Medical Staff of St. Rose Hospital prior to making any such changes. The nature of such notice shall be determined by AHS. When considering the nature of the notice, AHS may take into account the program complexity that is subject to the change.

- 11.3 **Participation in Medicare and Medicaid.** AHS will maintain SRH's status as a participating provider in the federal Medicare program and the State of California's Medi-Cal Program and maintain a contract with Alameda Alliance for Health.
- 11.4 **Existing SRH Affiliations and Arrangements.** AHS will maintain SRH's participation, subject to the evaluation of the need for such programs, in the following affiliations and arrangements for at least five (5) years following the Closing:
 - 11.4.1 Commitment to programs that engage people in the community to explore careers in healthcare and leadership such as the FACES for the Future program;
 - 11.4.2 Clinical affiliation agreements with local healthcare education programs;
 - 11.4.3 Memorandum of Understanding with the Alameda County Health to increase enrollment in disability benefit programs, especially Medi-Cal, and to improve health outcomes for disabled residents of Alameda County; and
 - 11.4.4 Contracts with the City of Hayward Blood Draws for Law Enforcement Agencies (i.e., to draw blood for drug tests).
- 11.5 **AHS Initiatives.** AHS will support incorporation of SRH into its organized County-wide initiatives to seek improvements in care coordination, public health, health status, population health and access to care.
- 11.6 **Charity Care and Community Benefit.** AHS acknowledges that SRH provides certain levels of financial assistance for care provided to indigent and low-income patients. AHS shall adopt, maintain, and adhere to SRH's current policies on charity and indigent care or adopt other policies and procedures that are at least as favorable to the indigent and uninsured as SRH's existing policies and procedures, and in all cases as required by applicable law. AHS shall provide care through community-based health programs, including cooperation with local organizations that sponsor healthcare initiatives to address identified community needs and disparities in health and improve the health status of the elderly, poor, and other at-risk populations in the community.
- 11.7 **Commitment to Clinical Quality and Patient Safety.** AHS shall support, SRH's current quality and safety program and correct any gaps identified by AHS. AHS will provide resources to pursue educational and networking opportunities, including but not limited to education in patient safety and enterprise-wide patient safety training and development.

- 11.8 Medical Staff.** All members of St. Rose’s medical staff who are in good standing as of the Closing Date shall maintain their medical staff privileges at levels existing as of the Closing Date., The medical staff officers and committee chairs in place as of the Closing Date shall remain in their current roles until such time that their current terms expire., After the Closing Date, the Medical Staff at St. Rose Hospital will continue to be overseen by the Board of Directors of SRH in accordance with the applicable hospital and Medical Staff bylaws, rules and regulations.
- 11.9 Foundation.** On or before the Closing Date, the Parties shall meet and confer in an effort to reach an agreement on the post-closing structure and governance of the Foundation. Absent an agreement of the Parties, the structure and governance of the Foundation will not be modified on or before the Closing Date and the Foundation’s assets will remain subject to any restrictions on use and will be used to support SRH.
- 11.10 Information Technology.** On and after the Closing, AHS will either continue to support SRH’s current electronic healthcare records system or, at AHS’ sole discretion, install other software and systems used by AHS for an enterprise integrated electronic healthcare records system at SRH.
- 11.11 Facility Name.** On and after the Closing, AHS will, subject to the right to make changes as it deems necessary, will utilize the name “St. Rose Hospital” in the name of the acute care hospital located at 27200 Calaroga Avenue, Hayward, California 94545.
- 11.12 Indemnification and Insurance.** For a period of three (3) years after the Closing Date, AHS or SRH will maintain insurance coverage which provides coverage to the Current Board of Directors for any claims arising out of their service on the Board of Directors of SRH and/or SRMB. To the extent that such insurance does not provide coverage to the Current Board of Directors, SRH shall defend and indemnify the Current Board of Directors from and against any claims arising out of their service on the Board of Directors of SRH and/or SRMB. Those Current Board Members who receive medical and dental benefits through SRH shall be entitled to continue to receive medical and dental benefits through SRH until December 31, 2024.

12.0 NOTICES

All notices, requests, demands, and other communications under this Agreement must be in writing and shall be deemed duly given, unless otherwise expressly indicated to the contrary in this Agreement, (a) when personally delivered, or (b) one Business Day after delivery to a nationally recognized overnight courier services for next Business Day delivery, in any case address to the Parties at the following addresses (or at such other address as is given in writing by a Party to the Parties:

If to SRH:

St. Rose Hospital
27200 Calaroga Avenue
Hayward, CA 94545
Attn: Board Chair

With copies to: Law Offices of Michael J. Sarrao
22431 Antonio Parkway, Suite B160-457
Rancho Santa Margarita, CA 92688
Attn: Michael J. Sarrao, Esq.

If to AHS: Alameda Health System
1411 East 31st Street
Oakland, CA 94602
Attn: Chief Executive Officer

With copies to: Alameda Health System
1411 East 31st Street
Oakland, CA 94602
Attn: General Counsel

13.0 TERMINATION.

13.1 Termination of Agreement.

13.1.1 Mutual Agreement. This Agreement may be terminated at any time prior to the Closing by the mutual written agreement of the Parties.

13.1.2 Breach of Agreement by SRH. This Agreement may be terminated by AHS at any time prior to Closing if SRH has materially breached any of its covenants, representations or warranties prior to the Closing and fails to promptly cure such breach upon receipt of notice of such breach, or if any representation or warranty of SRH set forth in this Agreement is determined to have been materially inaccurate when made.

13.1.3 Breach of Agreement by AHS. This Agreement may be terminated by SRH at any time prior to Closing if AHS has materially breached any of its covenants, representations or warranties prior to the Closing and fails to promptly cure such breach upon receipt of notice of such breach, or if any representation or warranty of AHS set forth in this Agreement is determined to have been materially inaccurate when made.

13.1.4 Failure of Conditions. This Agreement may be terminated by AHS or SRH if the Closing has not occurred on or before October 31, 2024(the "Drop Dead Date") provided, however, that (i) AHS shall not be permitted to terminate this Agreement if the Closing is delayed beyond the Drop Dead Date by the breach of a covenant by AHS or the failure of a condition which was AHS' responsibility to fulfill and is within AHS' reasonable control; and (ii) SRH shall not be permitted to terminate this Agreement if the Closing is delayed beyond the Drop Dead Date by the breach of a covenant by SRH or the failure of a condition which was SRH's responsibility to fulfill and is within SRH's reasonable control.

13.1.5 Failure to Finalize Schedules. This Agreement may be terminated by: (i) AHS if AHS does not approve of the Schedules proposed by SRH after the Execution Date; and (ii) SRH if AHS does not approve the Schedules proposed by SRH after the Execution Date.

- 13.2 Effect of Termination.** In the event of the termination of this Agreement pursuant to the foregoing provisions of this Section 13.0, this Agreement shall become void and have no further effect, with no liability on the part of any Party or its Affiliates in respect thereof, except that:
- 13.2.1** Such termination shall not relieve either Party from liability for any breach of this Agreement occurring prior to such termination;
 - 13.2.2** The provisions of this Sections 13, 14.2, 14.3, 14.4, 14.5, 14.6, 14.7, 14.8, 14.9, 14.10, 14.11, 14.15, and 14.16 shall survive any termination of this Agreement;
 - 13.2.3** Such termination shall not relieve either Party from liability for any breach of the Confidentiality Agreement.
 - 13.2.4** None of the representations and warranties in this Agreement or in any instrument delivered pursuant to this Agreement shall survive the Closing. Those conditions precedent to closing or agreements of the Parties which by their terms apply or are to be performed in whole or in part after the Closing shall survive perpetually unless otherwise time limited in such condition.

14.0 MISCELLANEOUS.

- 14.1 Conduct of Business.** Until the Closing of the Transaction, each Party shall continue to conduct its respective businesses independently in the ordinary course of business.
- 14.2 Confidentiality.** It is understood by the parties hereto that the information, documents, and instruments delivered to AHS to SRH and its agents and the information, documents, and instruments delivered to SRH by AHS and its agents are of a confidential and proprietary nature. Each of the parties hereto agrees that prior to the Closing it will maintain the confidentiality of all such confidential information, documents, or instruments delivered to it by each of the other parties hereto or their agents in connection with the negotiation of this Agreement or in compliance with the terms, conditions, and covenants hereof and will only disclose such information, documents, and instruments to its duly authorized officers, members, directors, representatives, and agents (including consultants, attorneys, and accountants of each party) and applicable governmental authorities in connection with any required notification or application for approval or exemption therefrom. Each of the parties hereto further agrees that if the transactions contemplated hereby are not consummated, it will return all such documents and instruments and all copies thereof in its possession to the other parties to this Agreement. The Parties acknowledge and agree that they remain subject to and bound by the terms of that certain Mutual Non-Disclosure Agreement dated December 5, 2023 (the "Confidentiality Agreement").
- 14.3 Governing Law and Dispute Resolution.** This Agreement shall be governed by and construed in accordance with the domestic substantive laws of the State of California, without giving effect to any choice or conflict of law provision or rule

that would cause the application of the domestic substantive laws of any other jurisdiction. Venue for any dispute shall be in Alameda County, State of California.

- 14.4 Injunctive Relief.** The Parties acknowledge and agree that in the event of the violation of Section 14.2, a nonbreaching Party could not be fully or adequately compensated in damages and that, in addition to any other relief to which such party may become entitled, such Party shall be entitled to temporary and permanent injunctive and other equitable relief without the necessity of posting a bond.
- 14.5 Costs and Expenses.** Except as may otherwise be agreed by the Parties to the extent each of Party separately engages counsel, accountants and advisors, each Party shall be responsible for its own costs and expenses incurred in connection with the Transaction referred to herein (whether or not the Transaction is consummated).
- 14.6 Assignment.** No Party to this Agreement may assign its rights or responsibilities without the prior written approval of the other Party.
- 14.7 No Third-Party Beneficiary.** None of the provisions contained in this Agreement are intended by the Parties, nor shall they be deemed, to confer any benefit, on any person (including without limitation any faculty member, physician or employee) not a Party to this Agreement, as third-party beneficiary or otherwise.
- 14.8 Compliance with Law.** In the event that any part of this Agreement is determined to violate federal, state or local laws, rules or regulations, the Parties agree to negotiate in good faith to revise the provision or provisions that are in violation. In the event the Parties are unable to agree to new or modified terms as required to bring the entire Agreement into compliance, either Party may terminate this Agreement upon ten (10) days' written notice to the other Party.
- 14.9 Entire Agreement.** With the exception of the Confidentiality Agreement and the Transitional Services Agreement, this Agreement supersedes all previous contracts, and constitutes the entire agreement of whatsoever kind or nature existing between or among the parties respecting the within subject matter, and no party shall be entitled to benefits other than those specified herein. As between or among the Parties, no oral statements or prior written material not specifically incorporated herein shall be of any force and effect. The Parties specifically acknowledge that in entering into and executing this Agreement, the parties rely solely upon the representations and agreements contained in this Agreement and no others. All prior representations or agreements, whether written or verbal, not expressly incorporated herein are superseded, and no changes in or additions to this Agreement shall be recognized unless and until made in writing and signed by all parties hereto. This Agreement may be executed in two or more counterparts, each and all of which shall be deemed an original and all of which together shall constitute but one and the same instrument.
- 14.10 Amendment or Modification, etc.** The Parties may not amend, modify or waive any provision of this Agreement except in such manner as may be agreed upon

by a written instrument executed by each Party. No waiver of any provision of this Agreement shall be deemed or shall constitute a waiver of any other provision of this Agreement (whether or not similar), nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

- 14.11 Responsibility of Parties.** Each Party is an informed and sophisticated entity and has engaged expert advisors experienced in the evaluation of and affiliation with health care entities such as contemplated hereunder. Each Party has undertaken such investigation and has been provided with and has evaluated such documents and information as it has deemed necessary to enable it to make an informed and intelligent decision with respect to the execution, delivery, and performance of this Agreement. Each Party acknowledges that the other Parties have made no representation or warranty as to its prospects, financial or otherwise, except as expressly set forth herein. Each of AHS and SRH agree to affiliate with the other Party as such other Party exists on the Closing Date based upon its own inspection, examination and determination with respect to such other Party as to all matters, and without reliance upon any express or implied representations or warranties of any nature made by or on behalf of or imputed to such other Party except as expressly set forth in this Agreement and the other Transaction Agreements and schedules, exhibits and attachments thereto.
- 14.12 Execution; Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument. The Parties hereby acknowledge and agree that electronic signatures that comply with the eSign Act (15 U.S.C. Ch. 96) (such as DocuSign signatures), or signatures transmitted by electronic mail in so-called "PDF" format or by fax shall be legal and binding and shall have the same full force and effect as if an original of this Agreement had been delivered.
- 14.13 Headings.** Section and subsection headings are not to be considered part of the Transaction Agreements, are included solely for convenience and are not intended to be full or accurate descriptions of the content thereof.
- 14.14 Schedules and Exhibits.** The Parties are working to complete and approve all exhibits and schedules referred to in this Agreement. Upon the completion of such schedules and exhibits, the exhibits and schedules shall be attached hereto, become part of the Agreement, and incorporated herein by reference. The completion and approval of the exhibits and schedules shall be a condition precedent to each party's obligation to close the transactions contemplated by this Agreement.
- 14.15 Severability.** In the event that any provision of the Transaction Agreements would, under applicable law, be invalid or unenforceable, such provision shall, to the extent permitted under applicable law, be construed by modifying or limiting it so as to be valid and enforceable to the maximum extent possible under applicable law. The provisions of the Transaction Agreements are severable, and in the event that any provision thereof should be held invalid or unenforceable in any respect, it shall not invalidate, render unenforceable or otherwise affect any other provision thereof.

14.16 Other Remedies; Specific Performance. Any and all remedies herein expressly conferred upon a Party will be deemed cumulative with and not exclusive of any other remedy conferred hereby, or by law or equity upon such party, and the exercise by a Party of any one remedy will not preclude the exercise of any other remedy. The Parties agree that irreparable damage would occur in the event that any provision of this Agreement is not performed in accordance with its specific terms or is otherwise breached. It is accordingly agreed that each Party shall be entitled to seek an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof in any court located within Alameda County, California having jurisdiction, this being in addition to any other remedy to which they are entitled at law or in equity.

15.0 DEFINITIONS. For purposes of this Agreement:

15.1 For the purposes of this Agreement, the terms defined in this Section 15 shall refer to either St. Rose Hospital or Alameda Health System and their respective Affiliates, as the case may be and as the context of the provision requires.

“Action” shall mean any and all actions, causes of action, demands, suits, arbitration, inquiry, proceeding, mediation, litigation or investigation by or before any Governmental Authority.

“Affiliate” shall mean, with respect to any Person, any other Person, directly or indirectly, controlling, controlled by or under common control with such Person. For the purposes of this definition, “control,” when used with respect to any Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“Alecto Hayward” shall mean Alecto Healthcare Services Hayward LLC, a Delaware limited liability company.

“Articles of Incorporation” or “Articles” shall mean (a) the original articles of incorporation or any other instrument filed or issued under any statute to form a domestic or foreign corporation, as amended, supplemented or restated by articles of amendment, merger or consolidation or other certificates or instruments filed or issued under any statute; or (b) a special act or charter, or a County ordinance, creating a domestic or foreign corporation, or hospital authority, as amended, supplemented or restated.

“Assets” shall mean the real property, personal property, and all other assets owned by SRH and SRMB.

“Business” shall mean the business and operations of St. Rose Hospital and/or its Subsidiaries as the context requires.

“Business Day” shall mean a day other than Saturday, Sunday, or other day on which the banks located in California are authorized or required by law to close.

“Bylaws” shall mean the bylaws relating to the management, governance or internal regulation of a Person, as from time to time in effect.

“Code” shall mean the federal Internal Revenue Code of 1986 or any successor statute, and the rules and regulations thereunder, and in the case of any referenced section of any such statute, rule or regulation, any successor section thereof, collectively and as from time to time amended and in effect.

“Contract(s)” shall mean, with respect to any Person or Persons, all oral or written contracts, agreements, deeds, mortgages, Leases, licenses, or other instruments, to which any such Person is a party or otherwise subject or bound or to which any asset of any such Person is subject.

“Current SRH Organizational Documents” shall mean the Amended and Restated Articles of Incorporation of Hayward Sisters Hospital dated August 30, 2005 and the Amended and Restated Bylaws of Hayward Sisters Hospital.

“Current SRMB Organizational Documents” shall mean the Amended and Restated Articles of Incorporation of Saint Rose Medical Building, Inc., dated December 7, 2012 and the Amended and Restated Bylaws of Saint Rose Medical Building, Inc., date.

“Environment” shall mean real property and any improvements thereon, and also includes, but is not limited to, ambient air, surface water, drinking water, groundwater, land surface, subsurface strata and water body sediments.

“Environmental Law” shall mean any federal, state, local or common law, regulation or Legal Requirement relating to pollution, or protection or cleanup of the Environment, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (“CERCLA”), the Resource Conservation and Recovery Act of 1976, as amended (“RCRA”), the Federal Clean Air Act, as amended, the Federal Clean Water Act, as amended, the Occupational Safety and Health Act, as amended, and any other law or Legal Requirement, as now or hereinafter in effect, relating to: (a) the Release, containment, removal, remediation, response, cleanup or abatement of any Hazardous or Chemical Substance; (b) the manufacture, generation, formulation, processing, labeling, distribution, introduction into commerce, use, treatment, handling, storage, recycling, disposal or transportation of any Hazardous or Chemical Substance; (c) exposure of persons, including employees, to any Hazardous or Chemical Substance; or, (d) the physical structure or condition of a building, facility, fixture or other structure, including, without limitation, those relating to the management, use, storage, disposal, cleanup or removal of asbestos, asbestos-containing materials, polychlorinated biphenyls or any other Hazardous or Chemical Substance. In the event that any Environmental Law is amended so as to broaden the meaning of any term defined thereby, such broader meaning shall apply subsequent to the effective date of such amendment and, provided further, to the extent that the laws of the State of Georgia establish a meaning for “hazardous substance”, “release”, “solid waste”, or “disposal” (or “disposed”) which is broader than that specified in either CERCLA or RCRA, such broader meaning shall apply.

“Environmental Liabilities and Costs” shall mean all liabilities, damages and costs incurred, whether directly or indirectly: (i) pursuant to or in order to comply with any Environmental Law; (ii) as a result of a Release of any Hazardous or Chemical Substance; or, (iii) as a result of any environmental, health or safety conditions present at, created by or arising out of the past or present operations of St. Rose Hospital and/or its Affiliates or of any prior operator of a facility or site at which St. Rose Hospital and/or its Affiliates now own, operate or occupy.

“Environmental Permit” shall mean any Permit or authorization from any Authority required under, issued pursuant to, or authorized by any Environmental Law.

Generally Accepted Accounting Principles” or “GAAP” shall mean generally accepted accounting principles, as defined by the Financial Accounting Standards Board and as consistently applied and consistently followed, subject to normal year-end audit adjustments.

“Governmental Authority” shall mean any federal, state, municipal, national, local or other governmental department or division, court, commission, board, bureau, agency or instrumentality or political subdivision thereof, or any entity or officer exercising executive, legislative or judicial, regulatory or administrative functions of or pertaining to any government or any court, in each case, whether of the United States or a state, territory or possession thereof, a foreign sovereign entity or country or jurisdiction or the District of Columbia, and including any entity contracting with any of the foregoing (such as carriers, fiscal intermediaries, and fiscal agents).

“Guarantee” shall mean (i) any guarantee of the payment or performance of any Indebtedness or other obligation of any obligor and (ii) any other arrangement whereby credit is extended to one or more obligors on the basis of any promise or undertaking of another Person, whether that promise or undertaking is expressed in terms of an obligation to pay the Indebtedness of any such obligor, or to purchase any obligation owed by any such obligor, or to purchase or Lease assets under circumstances that would enable such obligor to discharge one or more of its obligations, or to maintain the capital, working capital, solvency or general financial condition of any such obligor, whether or not such arrangement is disclosed in the balance sheet of such other Person or is referred to in a footnote thereto.

“Hazardous or Chemical Substance” shall mean any substance, material or waste, which is identified, regulated or limited under any Environmental Law, as now and hereinafter in effect, or other comparable laws or, even if not so identified, regulated or limited, poses a hazard to the health or safety of the occupants of the Property. The term includes but is not limited to any: (i) pollutant, contaminant, chemical, raw material, intermediate, product, by-product, slag, construction debris; (ii) industrial, solid, toxic or hazardous substance, material or waste, (iii) oil or petroleum or any fraction thereof; (iv) asbestos or asbestos-containing material; (v) polychlorinated biphenyl; (vi) chlorofluorocarbons; (vii) medical waste and, (viii) urea formaldehyde foam insulation.

“Improvements” shall mean buildings, structures and other improvements made to the Property of St. Rose Hospital and its Subsidiaries.

“Indebtedness” or “St. Rose Hospital Debt” shall mean all obligations, contingent or otherwise, which in accordance with GAAP would be required to be presented upon the obligor’s balance sheet as liabilities, but in any event including liabilities secured by any Lien existing on property owned or acquired by the obligor or an Affiliate thereof, whether or not the liability secured thereby shall have been assumed, capitalized Lease obligations and all Guarantees, endorsements and other contingent obligations in respect of Indebtedness of others.

“Liabilities and Obligations” shall mean the liabilities and obligations of SRH and SRMB including those liabilities reflected on the Financial Statements and the Interim Financial Statements and any Indebtedness.

“Leases” shall mean any leases, subleases, licenses and other occupancy agreements or arrangements, including all amendments thereto and modifications thereof.

“Leased Locations” shall mean all or any portion of Properties which St. Rose Hospital and its Subsidiaries are the leasehold titleholder.

“Legal Requirement” shall mean any federal, state, local or foreign law, statute, standard, ordinance, code, order, rule, regulation, resolution, promulgation, or any order, judgment, or decree of any court, arbitrator, tribunal or Governmental Authority, or any similar provision having the force and effect of law.

“Lien” shall mean any mortgage, pledge, lien, charge, security interest or other similar encumbrance of any kind upon any property or assets of any character, or upon the income or profits therefrom. The term “Lien” shall not mean (a) the lien of current taxes, payments of which are not yet delinquent, (b) carriers’, warehousemen’s, materialmen’s, and similar liens for monies not yet due, or (c) liens arising from purchase money security interests provided that each lien arising from a purchase money security interest shall at all times be confined to the item or items purchased and secured by such lien.

“Management Services Agreement” shall mean that certain Amended Management Services Agreement dated October 29, 2012 by and among SRH, SRMB, and Alecto Hayward and any amendments thereto.

“Material Adverse Effect” shall mean any change, event, occurrence, fact, state of facts, development or effect that, individually or in the aggregate, (a) prevents, materially delays or materially impairs the ability of the applicable Party to consummate the transactions contemplated by this Agreement or the other Transaction Agreements and perform its obligations thereunder, or (b) has or would reasonably be expected to have a material adverse effect upon the financial condition, business, assets or results of operations of such Party and its Subsidiaries, taken as a whole; provided, however, that none of the following shall constitute, and no event, occurrence, effect, change or development to the extent resulting from any of the following shall constitute, or be taken into account in determining whether there has been, a Material Adverse Effect: (a) the execution of this Agreement or the public disclosure or consummation of the transactions contemplated by this Agreement or any of the Transaction Agreements, including the loss or departure of employees, physicians or other providers, or the termination, reduction or any other adverse development in such Party’s relationship with any of its customers, suppliers or other business partners, (b) any action or inaction of such Party or any of its Affiliates required or contemplated by this Agreement or any Transaction Agreement, or taken or not taken upon the express written request of the other Party; (c) (A) financial, banking, credit, securities or commodities markets in the U.S. or any location in which such Party operates, or (B) general economic conditions in the industries and markets in which such Party operates, including the health care market or hospitals generally or locally; (d) acts of war (whether or not declared) or terrorism (or the escalation of the foregoing) or natural disasters or other force majeure events; (e) legislative or regulatory conditions (including, for the avoidance of doubt, actual or anticipated changes in any Legal Requirement) or in accounting requirements (including, for the avoidance of doubt, actual or anticipated changes in GAAP, as to , or the interpretation thereof); (f) any matters set forth in the Schedules to this Agreement to the extent set forth as to the matter in question, (g) requirements, reimbursement rates, policies or procedures of third party payors or accreditation commissions or organizations that are generally applicable to hospitals or health care facilities, and any matter for which consent has been granted pursuant to the terms of this Agreement;

provided, further, that, the exceptions set forth in clauses (c), (d) or (e) shall not apply to the extent that such matters have a disproportionate effect on such Party relative to other comparable companies in the industry in which such Party operates.

“Owned Real Property” shall mean the real property or improvements owned by SRH or SRMB including the real property and improvements identified on Schedule 15.1.

“Order” shall mean any judgment, order, award, preliminary or permanent injunction or decree of any Governmental Authority.

“Pension Plan” shall mean each pension plan (whether or not defined in Section 3(2) of ERISA) established or maintained, or to which contributions are or were made, by an Employer.

“Permitted Encumbrances” shall mean (i) any lien for taxes not yet due and payable, (ii) any lease obligations under the Contracts, (iii) easements, restrictions and other matters of record, so long as such matters do not, collectively or individually, materially interfere with the operations of the Business in a manner consistent with the current use by SRH and SRMB, (iv) zoning regulations and other governmental laws, rules, regulations, codes, orders and directives affecting the Owned Real Property, (v) unrecorded easements, discrepancies, boundary line disputes, overlaps, encroachments and other matters that would be revealed by an accurate survey or inspection of the Owned Real Property, so long as such matters do not, collectively or individually, materially interfere with the operations of the Business in a manner consistent with the current use by SRH and SRMB, (vi) any encumbrances or defects that do not materially interfere with the operations of the Business in a manner consistent with the current use by SRH and SRMB, (vii) any liens, encumbrances or other restrictions arising under the Contracts, (viii) the matters described on Schedule 15.2, and (ix) with respect to any leased real property, any encumbrances which encumber the fee interest in such property (collectively, the “Permitted Encumbrances”)

“Person” shall mean an individual, partnership, corporation, limited liability company, limited liability partnership, company, association, trust, joint venture, unincorporated organization, entity, or a government, governmental department or agency or political subdivision thereof.

“Property” shall mean all real property owned, leased, or otherwise occupied by St. Rose Hospital and its Subsidiaries or in which a St. Rose Hospital and its Subsidiaries have any rights or interest of any nature.

“Regulatory Agreement” shall mean that certain Regulatory Agreement dated as of May 1, 2009, by and among SRH, SRMB, the Foundation, ABAG Finance Authority for Non-Profit Corporations, and the Department of Healthcare Access and Information, as amended from time to time.

“Release” shall mean any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing of any Hazardous or Chemical Substance into the Environment of any kind whatsoever (including the abandonment or discarding of barrels, containers, tanks or other receptacles containing or previously containing any Hazardous or Chemical Substance).

“Stark Law” shall mean the Ethics in Patient Referrals Act, as amended, 42 U.S.C. 1395nn, et seq. and the regulations promulgated thereunder.

“Subsidiary” shall mean (a) any entity controlling, controlled by or under common control with a Person and (b) any entity in which a Person has any other interest and that is consolidated with such Person for financial reporting purposes. When used in the singular in connection with St. Rose or SRH it shall mean SRMB.

“Tax Liabilities” shall mean liabilities for all federal, state, local or foreign taxes, payments in lieu of taxes, and other governmental assessments and imposts arising under or imposed by any Legal Requirement, including without limitation all interest, penalties and additions assessed with respect to any of the foregoing and any taxes later determined by the IRS and or state or local taxing authorities to be due.

“Transaction Agreements” shall mean collectively, this Agreement, the Transitional Services Agreement, the Confidentiality Agreement and all other agreements related to the Transaction.

“Welfare Plan” shall mean each welfare plan (whether or not defined in Section 3(1) of ERISA) established or maintained, or to which any contributions are or were made, by an Employer.

Signature Page Follows

IN WITNESS WHEREOF, the Parties hereto, intending to be legally bound by the terms hereof, have executed this Agreement as of the Effective Date.

AHS:

ALAMEDA HEALTH SYSTEM

Signed by:
By: David Sayen
David Sayen
Board Chair

Signed by:
By: James Jackson
James Jackson
Chief Executive Officer

SRH:

HAYWARD SISTERS HOSPITAL

Signed by:
By: Garrett Contreras
Garrett Contreras
Board Chair