

CONFIDENTIAL

Confidential information has been redacted from this version of the notice in accordance with 11 Cal. Code Reg. 999.5(c)(3). Specifically redacted are (a) Schedules 4.21, 4.21(a) and 4.22 to the Affiliation Agreement that is attached as being responsive to the request set forth in 11 Cal. Code Reg. Section 999.5(d)(1)(B) and (b) all signatures on documents included as part of the notice. Schedules 4.21 and 4.21(a) to the Affiliation Agreement have been redacted to maintain privacy regarding sensitive employee information, including employee names and compensation. Schedule 4.22 to the Affiliation Agreement has been redacted to avoid creating any potential prejudice or damage to the applicant relative to any pending or potential litigation. And all signatures have been redacted to help protect the individual signatories against potential identity theft.

NOTICE OF PROPOSED SUBMISSION

AND REQUEST FOR CONSENT BY

EAST BAY INTEGRATED CARE, INC.

D/B/A HOSPICE EAST BAY

IN CONNECTION WITH ITS AFFILIATION AGREEMENT

WITH

CHAPTERS HEALTH SYSTEM, INC.

PREPARED FOR THE OFFICE OF THE ATTORNEY GENERAL

CALIFORNIA DEPARTMENT OF JUSTICE

CHARITABLE TRUSTS DIVISION

NOVEMBER 22, 2024

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November 22, 2024

VIA OVERNIGHT DELIVERY

Office of the Attorney General
Healthcare Rights and Access Section
455 Golden Gate Avenue, Suite 11000
San Francisco, California 94102-7004
Attn: Emilio Varanini,
Supervising Deputy Attorney General

Re: Affiliation Agreement Between East Bay Integrated Care, Inc. (d/b/a) Hospice East Bay and Chapters Health System, Inc.

Dear Mr. Varanini:

This letter and all attachments hereto shall serve as written notice to the California Office of Attorney General of the proposed affiliation (the "Affiliation") of East Bay Integrated Care, Inc. d/b/a Hospice East Bay, a California nonprofit public benefit corporation ("HEB") and Chapters Health System, Inc., a Florida not for profit corporation ("Chapters"), as well as a request for written consent from the Attorney General for approval of the Affiliation.


California Corporations Code Section 5920 requires that any nonprofit corporation that operates or controls a health facility, as defined in Section 1250 of the Health and Safety Code, provide written notice to and obtain the written consent of the Attorney General prior to entering into any agreement that transfers control, responsibility, or governance of a material amount of assets or the operations of the nonprofit corporation to another nonprofit corporation. Pursuant to these requirements, HEB, as a nonprofit corporation that operates a health facility, provides this notice to obtain the Attorney General's written consent prior to the finalization of the Affiliation.

HEB and Chapters have entered into an Affiliation Agreement under which Chapters will become HEB's sole corporate member and, accordingly, HEB will become a part of Chapters' healthcare system. The Affiliation reflects the long-term goals of both organizations that are focused on the preservation of comprehensive, community-based, not-for-profit hospice care. HEB and Chapters believe that the Affiliation will enable their organizations to work collaboratively together to adapt to the ever-changing healthcare environment for the benefit of the communities served by HEB.

Office of the Attorney General
November 22, 2024
Page - 2 -

We respectfully request that the Attorney General provide written consent to the Affiliation as described in more detail by the attachments provided with this letter. We appreciate your consideration of this request and look forward to your reply.

Very truly yours,

A large black rectangular redaction box covering the signature of Dale S. Webber.

Dale S. Webber

Enclosures

Title 11, California Code of Regulations, § 999.5(d)(1)

DESCRIPTION OF THE TRANSACTION

11 Cal. Code Reg. Section 999.5(d)(1)(A)

Full description of the proposed agreement and transaction

This Description of Proposed Affiliation Transaction has been prepared to provide the California Office of Attorney General with information regarding the proposed affiliation between Chapters Health System, Inc., a Florida not for profit corporation (“Chapters”) and East Bay Integrated Care, Inc. d/b/a Hospice East Bay, a California nonprofit public benefit corporation (“Hospice East Bay”). The terms of the proposed affiliation are set forth in an Affiliation Agreement signed by Chapters and Hospice East Bay on October 2, 2024 (the “Affiliation Agreement”). Set forth below is background information on Chapters and Hospice East Bay, as well as a description of the proposed transaction structure and other key terms of the proposed affiliation (the “Transaction”).

I. Description of the Parties:

A. Hospice East Bay:

Founded in 1977, Hospice East Bay has served Bay Area patients and their families for over 47 years. Hospice East Bay’s care teams provide relief from pain and other symptoms, emotional and spiritual support, and practical assistance with end-of-life challenges as they arise, while honoring the needs and wishes of each patient and family. Care teams include physicians, registered nurses, case managers, medical social workers, home health aides, spiritual care and bereavement counselors, and trained volunteers. These team members ensure that family members feel confident in the care provided to their loved one and understand the expected course of end-of-life illness. Hospice East Bay provides grief support and counseling for patients and families from the time of admission through 13 months following the death of the patient. Hospice East Bay’s bereavement services are also made available to the greater community, regardless of whether they have a connection to the hospice. In conjunction with these programs, Hospice East Bay also operates a licensed hospice facility called the Bruns House. The Bruns House offers privacy and quiet that cannot be found in a hospital, and intensive round-the-clock care that cannot be achieved at home.

In 2023 Hospice East Bay served a total of 1,710 patients; achieved overall quality scores of 83% (from Medicare); benefitted from a total of 3,896 volunteer hours; served 3,211 bereavement support clients; and provided a total of \$265,287 in charity care to the Bay Area community. Hospice East Bay is a charitable organization that is exempt from federal income taxes pursuant to Section 501(c)(3) of the Internal Revenue Code.

B. Chapters:

Chapters is the largest not-for-profit chronic illness management and hospice organization in the country. Chapters currently provides hospice and palliative care through its affiliated hospice organizations operating throughout Florida, as well as in Georgia, Virginia, Maryland and Washington D.C.

Chapters is a premier health system solution and partner for addressing today’s personal, social and financial healthcare issues. The organization is on a quest to redefine care for those

with demanding health conditions and help families enjoy a better quality of life long before the end. Through the combination of a business model across the continuum of care, operational enhancements that leapfrog competitors and a brand position that redefines how we think about healthcare needs, Chapters seeks to become the provider of choice in every region it serves.

Chapters is dedicated to delivering innovative care throughout chronic illness progression and beyond. The organization offers choices in palliative medicine, hospice care, grief services and a medical staffing company and pharmacy via affiliate companies.

Grief services provide support to family members and friends navigating the loss of a loved one, while Chapters' Centers for Wellbeing offer behavioral health counseling to individuals facing various life challenges. Additionally, PACE Centers provide older clients with a comprehensive, conveniently located healthcare solution. Chapters' Center for Health Equity is dedicated to ensuring equitable advanced illness care for all regardless of race, ethnicity or sexual orientation. A medical staffing company and pharmacy help increase efficiencies across Chapters' footprint of affiliated healthcare organizations.

Chapters also offers unique services to patients and their families such as children's bereavement camps, the Valor Program honoring Veterans and First Responders, and robotic pet therapy. Through a variety of unique resources, culture shifts, technology and a strong team that believes in the power of change, Chapters is transforming care in the communities served.

Open communication for the more than 3,500 Chapters team members is evidenced by the successful participation in the Great Place to Work Survey. In 2024, the survey yielded resounding results for employee trust and satisfaction, securing the Great Place to Work accolade for the seventh consecutive year. In addition, Chapters was honored with the 2023 Top Workplace USA award by Energage, validated by 15 culture drivers crucial for organizational success. Additionally, Chapters has earned recognition for work-life flexibility for two consecutive years.

Chapters is a charitable organization exempt from federal income taxes pursuant to Section 501(c)(3) of the Internal Revenue Code.

II. Structure of Affiliation Transaction:

The Hospice East Bay Board of Directors has approved a transaction by which Chapters would become the sole member of Hospice East Bay upon the satisfaction of all closing conditions, including obtaining all regulatory consents and approvals. As such sole member, Chapters will hold certain reserved governance powers relative to Hospice East Bay as set forth in Article XIII of the proposed Amended and Restated Bylaws of Hospice East Bay (attached to the Affiliation Agreement as Exhibit 2.2B). Except for the reserved governance powers held by Chapters, Hospice East Bay's operations and affairs will continue to be governed by Hospice East Bay's Board of Directors. The Transaction also would result in few changes to the current composition of Hospice East Bay's Board of Directors. The individuals serving on the Hospice East Bay Board at the time of the closing of the Transaction (the "Closing") are expected to continue to serve on such Board after the Closing. After the Closing, the Chairperson of such Board will be an individual who served on the Hospice East Bay Board immediately prior to the Closing. To help facilitate the integration of Hospice East Bay into the Chapters health system, the Chapters

President/CEO, Chapters Chief Administrative Officer and Chapters Chief Financial Officer will be added to the post-Closing Hospice East Bay Board of Directors. These same Chapters officers also will become the officers of Hospice East Bay.

Hospice East Bay will benefit significantly from Chapters' support services that will be made available to Hospice East Bay after the Closing. These services include financial and accounting; information and telecommunications; regulatory and corporate compliance; human resources; marketing, communications and public affairs; legal; facilities management; development and fundraising; chief medical officer support; and executive management and consulting. As the post-Closing integration process moves forward, Chapters will include Hospice East Bay in Chapters' corporate level shared service contracts, such as those relating to electronic medical records and ancillary health services. These efficiencies will result in lower post-Closing operational costs for Hospice East Bay, which means more resources will be available to support programs and services focused on patient care.

After the Closing Chapters will work with Hospice East Bay to develop additional health services in Hospice East Bay's geographic market that supplement those services now provided by Hospice East Bay. Chapters and Hospice East Bay will evaluate opportunities for such expanded services taking into account Chapters' significant experience providing expanded services in other geographic markets.

III. Primary Transaction Documents; Conditions to Closing:

The primary documents that will govern the Transaction are as follows:

- A. **Affiliation Agreement:** The Affiliation Agreement sets forth the terms of the Transaction between Chapters and Hospice East Bay, the commitments being made by both Chapters and Hospice East Bay, and standard representations, warranties, covenants, and conditions that are consistent with transactions of this nature. Attached to the Affiliation Agreement are numerous disclosure schedules containing information related to Hospice East Bay and Chapters and their respective operations that support the representations and warranties in the Affiliation Agreement.
- B. **Amended and Restated Articles of Incorporation and Amended and Restated Bylaws:** The Articles of Incorporation and Bylaws of Hospice East Bay will be amended and restated to reflect the terms of Hospice East Bay's affiliation with Chapters. The Amended and Restated Articles of Incorporation of Hospice East Bay are attached to the Affiliation Agreement as Exhibit 2.2A and the Amended and Restated Bylaws of Hospice East Bay are attached to the Affiliation Agreement as Exhibit 2.2B.

The conditions to the Closing of the Transaction include the following: (a) obtaining all required consents and approvals of government agencies necessary to close the Transaction (including from the California Office of Attorney General); (b) Chapters and Hospice East Bay shall have complied with all their respective obligations under the Affiliation Agreement; (c) all legal documents shall have been signed and other required actions of Chapters and Hospice East

Bay shall have been taken; and (d) no material adverse change in the financial condition or results of operations of Hospice East Bay shall have occurred.

IV. Protection of Charitable Assets:

Chapters and Hospice East Bay recognize the critical importance of assuring that the charitable assets of Hospice East Bay continue to be used for the benefit of the citizens residing in Hospice East Bay's service area. The Affiliation Agreement specifically provides that Chapters and Hospice East Bay will continue to be bound by and honor the terms of all endowments and/or donor-restricted funds, and the beneficial interests of such parties in any gifts or bequests shall continue. In addition, future contributions to each of the parties whether under will, deed of trust or otherwise, will be treated as contributions to the named party.

In anticipation of the California Attorney General's review, Section 7.3 of the Affiliation Agreement sets forth more specific protections for Hospice East Bay's assets and specialty programs, providing as follows:

"After the Effective Time all assets of Hospice East Bay will continue to be used for qualifying healthcare and charitable purposes. All assets on Hospice East Bay's balance sheet as of the Closing and any proceeds from the sale of any real property or health facility owned by Hospice East Bay as of the Closing net of any gains or losses on invested assets, including, without limitation (i) that certain real property located at 3470 Buskirk Avenue, Pleasant Hill, California 94523 and (ii) the Bruns House inpatient hospice facility located at 2849 Miranda Avenue, Alamo, California 94507, will, unless otherwise decided by vote of the Hospice East Bay board (excluding board members who are also Chapters officers or employees), be irrevocably dedicated to use in [Hospice East Bay's] Service Area. A copy of Hospice East Bay's balance sheet as of the Closing will be attached hereto and made a part hereof as Schedule 7.3. For five (5) years after the Closing, Chapters shall not take any action to restrict, prohibit or limit Hospice East Bay's ability to maintain existing "specialty" programs that include the Bruns House, Veterans Program, Bridge Program (grief services for children and teens) and Music Therapy as long as any operating losses from those programs can be funded through a combination of Hospice East Bay's fundraising efforts and non-reserved investments."

The Affiliation Agreement also provides in Section 7.4 thereof that if, after the Closing, Hospice East Bay engages in retail thrift store operations designed to support local programs, or local fundraising or receives charitable contributions or grants, the net income of all such efforts will, unless otherwise decided by vote of the Hospice East Bay board (excluding board members who are also Chapters officers or employees), be irrevocably dedicated for use in Hospice East Bay's service area.

Chapters recognizes the significant contributions that Hospice East Bay has made to its local community and will work together with Hospice East Bay in connection with the Transaction to honor Hospice East Bay's legacy, continue its tradition of excellence, and grow its ability to have a positive impact on the local community.

V. Formation of Chapters West Region:

In addition to the Affiliation Agreement signed with Hospice East Bay, Chapters recently announced that it has signed agreements to affiliate with Hospice of Santa Cruz County, a California nonprofit public benefit corporation; Willamette Valley Hospice, Inc., an Oregon nonprofit corporation; and The Nathan Adelson Hospice, a Nevada nonprofit corporation. It is anticipated that such three hospices, together with Hospice East Bay, will be the initial hospices operating as part of a new "Chapters West Region." As part of the formation of Chapters Health West, a new "Chapters West Region Advisory Council" will be created and be comprised of representatives from the four hospices affiliating with Chapters. The primary purpose of the Chapters West Region Advisory Council will be to provide a forum for Chapters and the Chapters West hospices to coordinate and plan on matters of strategic and regional importance.

VI. Closing:

At the present time it is expected that Closing will occur in early 2025, or as soon as all conditions to Closing are satisfied.

11 Cal. Code Reg. Section 999.5(d)(1)(B)

Complete copy of all written agreements or contracts to be entered into by the applicant and the transferee that relate to or effectuate any part of the proposed transaction

Attached to this Section are the following documents:

- **Exhibit 1**, a copy of the Affiliation Agreement including all exhibits, schedules, and attachments thereto.
- **Exhibit 2.2A to Affiliation Agreement**, a copy of the Amended and Restated Articles of Incorporation of Hospice East Bay
- **Exhibit 2.2B to Affiliation Agreement**, a copy of the Amended and Restated Bylaws of Hospice East Bay
- **Exhibit 3**, a copy of the Side Letter to the Affiliation Agreement re Enhanced Severance Policies

EXECUTION VERSION

AFFILIATION AGREEMENT

BY AND BETWEEN

CHAPTERS HEALTH SYSTEM, INC.,

and

EAST BAY INTEGRATED CARE, INC.

d/b/a HOSPICE EAST BAY

Dated as of October 2, 2024

TABLE OF CONTENTS

ARTICLE 1 DEFINITIONS; INCORPORATION OF RECITALS 2

 1.1 Definitions..... 2

 1.2 Interpretation..... 10

 1.3 Recitals..... 11

ARTICLE 2 TRANSACTION STRUCTURE AND FUNDING COMMITMENTS 11

 2.1 Transfer of Control..... 11

 2.2 Amendment of Articles of Incorporation and Bylaws..... 11

 2.3 Governance Structure and Board Composition..... 11

 2.3.1 Chapters Board of Directors..... 11

 2.3.2 Hospice East Bay Board of Directors..... 12

 2.4 Operational Enhancements..... 12

 2.5 Preservation of Hospice East Bay’s Legacy..... 12

 2.6 Proposed Chapters West Region..... 13

ARTICLE 3 CLOSING 13

 3.1 Closing..... 13

 3.2 Actions of Hospice East Bay at the Closing..... 13

 3.3 Actions of Chapters at the Closing..... 14

 3.4 Additional Acts..... 15

ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF HOSPICE EAST BAY 15

 4.1 Organization; Capacity..... 15

 4.2 Authority; Noncontravention..... 16

 4.3 Subsidiaries; Minority Interests..... 16

 4.4 No Outstanding Rights..... 17

 4.5 Title to Assets..... 17

 4.6 Binding Agreement..... 17

 4.7 Financial Information..... 17

 4.8 Material Licenses..... 19

 4.9 Accreditation..... 19

 4.10 Government Program Participation; Reimbursement..... 19

 4.11 Third-Party Payor Cost Reports..... 20

 4.12 Regulatory Compliance..... 20

 4.13 Information Privacy and Security Compliance..... 22

 4.14 Medical Staff Matters..... 22

 4.15 Intellectual Property..... 23

 4.16 Contracts..... 23

 4.17 Personal Property..... 24

 4.18 Real Property..... 24

 4.19 Insurance..... 26

 4.20 Employee Benefit Plans..... 27

4.21	Employee Matters	29
4.22	Litigation.....	30
4.23	Tax Matters.....	30
4.24	Environmental Matters.....	31
4.25	Tax-Exempt Bond Debt.....	32
4.26	Other Indebtedness.....	33
4.27	Absence of Changes.....	33
ARTICLE 5 REPRESENTATIONS AND WARRANTIES OF CHAPTERS		34
5.1	Organization; Capacity.....	34
5.2	Authority; Noncontravention.....	34
5.3	Binding Agreement.....	35
5.4	Financial Information.....	35
5.5	Litigation.....	36
5.6	Regulatory Compliance.....	36
5.7	Tax Matters.....	37
ARTICLE 6 PRE-CLOSING COVENANTS OF THE PARTIES		37
6.1	Access to Information.....	37
6.2	Conduct of Business.....	38
6.3	Negative Covenants.....	39
6.4	Notification of Certain Matters.....	41
6.5	Restrictive Contracts.....	41
6.6	Approvals.....	42
6.7	Additional Financial Information.....	42
6.8	Closing Conditions.....	43
ARTICLE 7 POST-CLOSING COVENANTS OF THE PARTIES.....		43
7.1	Employees.....	43
7.2	Restricted Funds.....	44
7.3	Restrictions on Use of Hospice East Bay Assets; Maintenance of Specialty Programs.....	44
7.4	Local Fundraising; Charitable Contributions.....	45
7.5	Access to Information.....	45
ARTICLE 8 CONDITIONS PRECEDENT TO OBLIGATIONS OF CHAPTERS		45
8.1	Representations and Warranties.....	45
8.2	Performance.....	46
8.3	No Material Adverse Effect.....	46
8.4	Pre-Closing Confirmations by Governmental Authorities.....	46
8.5	Action/Proceeding.....	46
8.6	Closing Documents.....	46
8.7	Post-Closing Compliance with Laws and Regulations.....	46
8.8	Tax-Exempt Status of Hospice East Bay.....	46
8.9	Completion of Due Diligence.....	47

8.10	Approvals.....	47
8.11	Schedules, Exhibits, Attachments, and Ancillary Documents.....	47
8.12	Further Assurances.....	47
ARTICLE 9 CONDITIONS PRECEDENT TO OBLIGATIONS OF HOSPICE EAST		
	BAY.....	47
9.1	Representations and Warranties.....	47
9.2	Performance.....	48
9.3	No Material Adverse Effect.....	48
9.4	Pre-Closing Confirmations by Governmental Authorities.....	48
9.5	Action/Proceeding.....	48
9.6	Closing Documents.....	48
9.7	Post-Closing Compliance with Laws and Regulations.....	48
9.8	Tax-Exempt Status of Chapters.....	48
9.9	Completion of Due Diligence.....	49
9.10	Approvals.....	49
9.11	Schedules, Exhibits, Attachments, and Ancillary Documents.....	49
9.12	Chapters West.....	49
9.13	Further Assurances.....	49
ARTICLE 10 TERMINATION.....		
		50
10.1	Termination Prior to Closing.....	50
10.2	Effect of Termination Prior to Closing.....	51
ARTICLE 11 ADDITIONAL AGREEMENTS.....		
		51
11.1	Exclusivity.....	51
11.2	Confidentiality.....	52
11.3	Enforcement of Agreement.....	52
11.4	Injunctive Relief.....	53
ARTICLE 12 GENERAL.....		
		54
12.1	Notice.....	54
12.2	Counterparts.....	55
12.3	Choice of Law; Waiver of Trial by Jury; Venue; Limitation on Damages.....	55
12.4	Benefit; Assignment.....	55
12.5	Reproduction of Documents.....	55
12.6	Costs of Transaction.....	56
12.7	Waiver of Breach.....	56
12.8	Severability.....	56
12.9	No Inferences.....	56
12.10	Sections and Headings.....	56
12.11	No Third-Party Beneficiaries.....	57
12.12	Entire Agreement; Amendment.....	57
12.13	Schedules and Exhibits.....	57
12.14	Further Assurances.....	58

12.15 Waiver of Certain Damages..... 58
12.16 Survival..... 58

List of Exhibits and Schedules

Exhibits

Exhibit 2.2A	Amended and Restated Articles of Incorporation of Hospice East Bay
Exhibit 2.2B	Amended and Restated Bylaws of Hospice East Bay

Schedules

Schedule 1.1	Permitted Liens
Schedule 4.2(b)	Hospice East Bay Approvals and Permits
Schedule 4.2(d)	Exceptions to Noncontravention
Schedule 4.3	Subsidiaries; Minority Interests
Schedule 4.5(a)	Real Property
Schedule 4.7(a)	Hospice East Bay Historical Financial Information
Schedule 4.8	Material Licenses
Schedule 4.9	Accreditation
Schedule 4.10	Government Program and Third Party Payor Program Participation
Schedule 4.10(e)	National Provider Identifiers
Schedule 4.12	Regulatory Compliance
Schedule 4.15	Intellectual Property
Schedule 4.16	Material Contracts
Schedule 4.18(a)	Owned Real Property
Schedule 4.18(b)	Leased Real Property
Schedule 4.18(c)	Third Party Leases
Schedule 4.18(f)	Incomplete Construction Projects

Schedule 4.18(i)	Notices from Governmental Authorities Regarding Real Property Improvements
Schedule 4.19	Insurance Policies
Schedule 4.20(d)	Employee Benefit Plan Obligations
Schedule 4.21(a)	Employee Matters
Schedule 4.21(c)	Employment Matters
Schedule 4.22	Proceedings
Schedule 4.23	Tax Matters
Schedule 4.24	Environmental Matters
Schedule 4.25	Tax-Exempt Bond Debt
Schedule 4.26	Taxable Debt
Schedule 4.27	Absence of Certain Changes
Schedule 5.2(b)	Chapters Approvals and Permits
Schedule 5.4(a)	Chapters Historical Financial Information
Schedule 5.4(b)	Chapters Changes in Accounting Policy or Methodology
Schedule 5.5	Chapters Proceedings Affecting Transaction
Schedule 5.6	Chapters Regulatory Compliance
Schedule 5.7	Chapters Tax Matters
Schedule 6.2	Conduct of Business
Schedule 6.3	Exceptions to Negative Covenants
Schedule 6.3(g)	Permitted Capital Expenditures
Schedule 7.1(b)	Agreements that Create Employment Obligations
Schedule 7.3	Hospice East Bay Closing Balance Sheet
Schedule 8.4	Chapters Pre-Closing Confirmations from Government Authorities
Schedule 9.3	Hospice East Bay Pre-Closing Confirmations from Government Authorities

AFFILIATION AGREEMENT

THIS AFFILIATION AGREEMENT (the "Agreement") is made and entered into to be effective as of October 2, 2024, by and among Chapters Health System, Inc., a Florida not for profit corporation ("Chapters") and East Bay Integrated Care, Inc. d/b/a Hospice East Bay, a California nonprofit public benefit corporation ("Hospice East Bay"). Chapters and Hospice East Bay are collectively referred to herein as the "Parties" and each is referred to as a "Party").

RECITALS

- A. WHEREAS**, Hospice East Bay owns and operates a not for profit hospice licensed to operate in the Counties of Contra Costa, Alameda, and Solano, State of California;
- B. WHEREAS**, Chapters owns and operates not for profit hospices through its Affiliates in several states throughout the United States;
- C. WHEREAS**, Chapters and Hospice East Bay have reviewed each other's mission statements and believe that there is fundamental alignment and compatibility in such statements; and
- D. WHEREAS**, the Parties believe that an affiliation between Chapters and Hospice East Bay (the "Transaction") will allow them to accomplish a number of mutual goals, including the following:
- (a) Preservation of the comprehensive, community-based, not for profit hospice care;
 - (b) Promotion of best practices in the provision of hospice, home health and other healthcare services;
 - (c) Development and implementation of enhanced quality care systems and oversight;
 - (d) Efficient management of key areas of operation;
 - (e) Cost effective management of key administrative functions;
 - (f) Cost effective and efficient purchasing and distribution of supplies and pharmaceuticals;
 - (g) Effective public policy development;
 - (h) Increased opportunities for research, analysis and planning for health care innovation;
 - (i) Minimize disruption to patients and employees; and

- (j) Enhanced understanding, preparedness and leadership in future health care delivery reform.

NOW, THEREFORE, for and in consideration of the premises, the agreements, covenants, representations and warranties herein set forth, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and intending to be legally bound hereby, the Parties hereto agree as follows:

ARTICLE 1
DEFINITIONS; INCORPORATION OF RECITALS

1.1 Definitions.

In addition to the terms defined elsewhere in this Agreement, the terms defined below as used in this Agreement (including the above-referenced recitals) shall have the following meanings:

“Affiliate” means, as to the Person in question, any Person that directly or indirectly controls, is controlled by, or is under common control with, the Person in question and any successors or assigns of such Person.

“Agreement” means this Agreement as may be amended or supplemented together with all Exhibits and Schedules attached or delivered with respect hereto or expressly incorporated herein by reference.

“AHHA” shall have the meaning set forth in Section 11.3.

“Approval” means any approval, authorization, consent, notice, qualification or registration, or any extension, modification, amendment or waiver of any of the foregoing, of or from, or any notice, statement, filing or other communication to be filed with or delivered to, any Governmental Authority.

“Arbitration Notice” has the meaning set forth in Section 11.3.

“Benefit Program and Agreement” is defined in Section 4.20(a)(ii).

“Business” means the ownership and operation of the Hospice East Bay Assets, and all assets and operations ancillary to or associated with any of the foregoing, as currently conducted as of the date hereof and as of the Effective Time.

“CERCLA” means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. §§ 9601 et seq.

“Chapters” is defined in the preamble in this Agreement.

“Chapters Historical Financial Information” is defined in Section 5.4(a) of this Agreement.

“**Chapters West**” refers to a group of not for profit hospices, including Hospice East Bay, operating in the western United States that are independently negotiating to affiliate with Chapters.

“**Closing**” is defined in Section 3.1.

“**Closing Date**” is defined in Section 3.1.

“**CMS**” means the Centers for Medicare and Medicaid Services.

“**COBRA**” means the Consolidated Omnibus Budget Reconciliation Act of 1985, the Public Health Service Act, codified as 42 USC §§ 300bb-1 through 300bb-8, and any similar state or federal continuation of coverage laws.

“**Code**” means the Internal Revenue Code of 1986, as amended, and the Treasury Regulations.

“**Confidentiality Agreement**” is defined in Section 11.2.

“**Contract**” means any legally binding oral or written commitment, contract, lease (including Tenant Leases and Third Party Leases), sublease, license, sublicense or other agreement of any kind relating to the Business, the Hospice East Bay Assets or the operation thereof to which Hospice East Bay is a party or by which any of the Hospice East Bay Assets is bound.

“**EEOC**” means the Equal Employment Opportunity Commission.

“**Effective Time**” is defined in Section 3.1.

“**Encumbrance**” means any claim, charge, easement, encumbrance, encroachment, security interest, mortgage, lien or pledge, whether imposed by Contract, Law, equity or otherwise.

“**Environmental Condition**” means any event, circumstance or condition related in any manner whatsoever to: (a) the current or past presence or spill, emission, discharge, disposal, pumping, leakage, migration, abandonment, release or threatened release of any Hazardous Materials, into the environment; (b) the on-site treatment, storage, disposal or other handling of any Hazardous Material originating on or from the Real Property; (c) the placement of structures or materials into waters of the United States; (d) the presence of any Hazardous Materials in any building, structure or workplace or on any portion of the Real Property; or (e) any violation of Environmental Laws at or on any part of the Real Property or arising from the activities of Hospice East Bay or any other Person involving Hazardous Materials.

“**Environmental Laws**” means any applicable Law, and any Governmental Order or binding agreement with any Governmental Authority: (a) relating to pollution (or the cleanup thereof) or the protection of natural resources, endangered or threatened species, human health or safety, or the environment; (b) concerning the presence of, exposure to, or the management, manufacture, use, containment, storage, recycling, reclamation, reuse, treatment, generation, discharge, transportation, processing, production, disposal or remediation of any Hazardous Materials; or (c) relating to the use, handling, storage, treatment, and disposal of medical, radiological and biological wastes. The term “**Environmental Law**” includes, without limitation,

the following (including their implementing regulations and any state analogs): CERCLA; the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976, as amended by the Hazardous and Solid Waste Amendments of 1984, 42 U.S.C. §§ 6901 et seq.; the Federal Water Pollution Control Act of 1972, as amended by the Clean Water Act of 1977, 33 U.S.C. §§ 1251 et seq.; the Toxic Substances Control Act of 1976, as amended, 15 U.S.C. §§ 2601 et seq.; the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. §§ 11001 et seq.; and the Clean Air Act of 1966, as amended by the Clean Air Act Amendments of 1990, 42 U.S.C. §§ 7401 et seq., the Hazardous Material Transportation Act, 49 U.S.C. §§ 1801-1813, the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. § 136 et seq., the Occupational Safety and Health Act, 29 U.S.C. § 651 et seq. and all state and local environmental laws and regulations.

“**ERISA**” means the Employee Retirement Income Security Act of 1974, as amended, and the regulations promulgated thereunder.

“**Executive Employees**” with respect to any Party shall mean each of the persons then serving as the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Chief Information Officer, Chief Medical Officer, Chief Human Resources Officer and Chief Compliance Officer, or in a similar capacity by whatever title.

“**Exhibits**” means the exhibits to this Agreement.

“**Facilities**” means any healthcare facility, healthcare operations or medical or other clinical practice owned, operated, managed or leased by Hospice East Bay.

“**FTC**” means the Federal Trade Commission.

“**FTC Red Flags Rule**” shall mean the regulations set forth in 16 C.F.R. Part 681.

“**GAAP**” means United States generally accepted accounting principles and practices as in effect from time to time.

“**Government Programs**” means Medicare, Medicaid, and CHAMPUS/TRICARE.

“**Governmental Authority**” means any government or any agency, bureau, board, directorate, commission, court, department, official, political subdivision, tribunal or other instrumentality of any government, whether federal, state or local, domestic or foreign.

“**Governing Documents**” means the documents by which any Person (other than an individual) establishes its legal existence or which govern its internal affairs, including, without limitation, articles of incorporation, bylaws, articles of organization, regulations, limited liability company agreements, operating agreements, partnership agreements, certificates of limited partnership, or similar documents, instruments, or agreements relating to the legal existence or governance of the internal affairs of such Person.

“**Hazardous Materials**” means (a) any material, substance, chemical, waste, product, derivative, compound, mixture, solid, liquid, mineral or gas, in each case whether naturally occurring or man-made, that is hazardous, acutely hazardous, toxic, or words of similar import or

regulatory effect under Environmental Laws; (b) any petroleum or petroleum-derived products, radon, radioactive materials or wastes, asbestos in any form, lead or lead-containing materials, urea formaldehyde foam insulation, per- and polyfluoroalkyl substances, medical waste, mold and polychlorinated biphenyls; and (c) any chemical, material or substance which is prohibited, limited or regulated under any Environmental Law.

“Healthcare Laws” means Title XVIII of the Social Security Act, 42 U.S.C. §§ 1395-1395hhh (the Medicare statute), including specifically, the Ethics in Patient Referrals Act, as amended (the Stark Law), 42 U.S.C. § 1395nn; Title XIX of the Social Security Act, 42 U.S.C. §§ 1396-1396v (the Medicaid statute); the Federal Health Care Program Anti-Kickback Statute, 42 U.S.C. § 1320a-7b(b); the False Claims Act, 31 U.S.C. §§ 3729-3733 (as amended); the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; the Anti-Kickback Act of 1986, 41 U.S.C. §§ 8701-8707; the Civil Monetary Penalties Law, 42 U.S.C. §§ 1320a-7a; the Exclusion Laws, 42 U.S.C. § 1320a-7; HIPAA; the HITECH Act, all Legal Requirements relating to the provision of, or billing or payment for health care items or services, or relating to health care information; and all implementing regulations, rules, ordinances, judgments and order applicable to any Party, as the context of the Agreement may require; and any similar state and local statutes, regulations, rules, ordinances, judgments and orders applicable to any Party as the context of the Agreement may require; and all federal, state and local licensing, certificate of need, regulatory and reimbursement, corporate practice of medicine and fee splitting regulations, rules, ordinances, orders and judgments applicable to any Party, as the context of the Agreement may require, all of the foregoing as enacted or in effect as of the Closing Date.

“HIPAA” means the Health Insurance Portability and Accountability Act of 1996 (Pub. Law 104-191), as amended from time to time, and the regulations promulgated thereunder.

“HITECH” means the Health Information Technology for Economic Clinical Health Act, Division A, Title XIII § 1301 et seq. of the American Recovery and Reinvestment Act of 2009, as amended from time to time.

“Hospice East Bay” is defined in the preamble to this Agreement.

“Hospice East Bay Assets” means all assets of every description, whether real, personal or mixed, tangible or intangible, owned by Hospice East Bay whether used in the operation of the Business or otherwise.

“Hospice East Bay ERISA Affiliate” is defined in Section 4.20(c).

“Hospice East Bay Historical Financial Information” is defined in Section 4.7(a).

“Hospice East Bay Intellectual Property” means all Intellectual Property to the extent owned, licensed or used by Hospice East Bay.

“Hospice East Bay Taxable Debt” shall refer to outstanding financing debt issued for the benefit of or incurred by Hospice East Bay or for which Hospice East Bay is liable to pay that is not tax-exempt debt as identified on Schedule 4.26.

“Hospice East Bay Taxable Debt Documents” is defined in Section 4.26(a).

“Hospice East Bay Tax-Exempt Bond Documents” defined in Section 4.25(a).

“Hospice East Bay Tax-Exempt Bonds” shall refer to outstanding tax-exempt bonds for the benefit of or incurred by Hospice East Bay or for which Hospice East Bay is liable to pay as identified on Schedule 4.25.

“Immigration Act” means the Immigration Reform and Control Act of 1986, as amended, and the regulations promulgated thereunder.

“Information Privacy or Security Laws” means HIPAA and any other governing Law concerning the privacy or security of Personal Information, including state data breach notification laws, state health information privacy laws, the FTC Act, the FTC Red Flags Rule and state consumer protection laws.

“Intellectual Property” means, to the extent owned, licensed or used by Hospice East Bay in the Business and/or the Hospice East Bay Assets, all intellectual property or rights thereto, including patents, trademarks, trade names, service marks, symbols, copyrights and any applications therefor, mask works, net lists, schematics, technology, know-how, trade secrets, ideas, algorithms, processes, internet domain names, computer software programs and applications (in both source code and object code form), and tangible or intangible proprietary information or material and all choses in action arising from or related to the foregoing; provided, however, the term Intellectual Property does not include any open source software, shrink wrap software, or generally available commercial, licensable products.

“Inventory” means all usable inventory and supplies held or used in the Business.

“Justice Department” means the United States Department of Justice.

“Knowledge” when used in the context of knowledge of Chapters means the actual knowledge of any Executive Employee of Chapters within the scope of his or her responsibility. **“Knowledge”** when used in the context of knowledge of Hospice East Bay means the actual knowledge of any Executive Employee of Hospice East Bay within the scope of his or her responsibility.

“Law” means any constitutional provision, statute, law, rule, regulation, code, ordinance, resolution, Order, ruling, promulgation, published policy or guideline, or treaty directive, adopted or issued by any Governmental Authority.

“Leased Real Property” means all real property leased, subleased or licensed to, or for which a right to use or occupy has been granted to, Hospice East Bay.

“Material Adverse Effect” means any event, occurrence, fact, condition or change that is materially adverse to (a) the business, results of operations, financial condition or assets of Hospice East Bay, taken as a whole, or (b) the ability of Hospice East Bay to consummate the Transaction; provided, however, that it does not include any event, occurrence, fact, condition or change, directly or indirectly, arising out of or attributable to: (A) general economic or political conditions; (B) conditions generally affecting the hospice or related industries; (C) any changes in financial, banking or securities markets in general, including any disruption thereof and any decline in the

price of any security or any market index or any change in prevailing interest rates; (D) acts of war (whether or not declared), armed hostilities or terrorism, or the escalation or worsening thereof; (E) any action required or permitted by this Agreement or any action taken (or omitted to be taken) with the written consent of or at the written request of Chapters; (F) any matter of which Chapters is aware as of the execution of this Agreement; (G) any changes in applicable laws, regulations or accounting rules (including GAAP) or the enforcement, implementation or interpretation thereof; (H) the announcement, pendency or completion of the Transaction, including losses or threatened losses of employees, patients, suppliers, distributors or others having relationships with Hospice East Bay; (I) any natural or man-made disaster or acts of God; (J) any epidemics, pandemics, disease outbreaks, or other public health emergencies; or (K) any failure by Hospice East Bay to meet any internal or published projections, forecasts or revenue or earnings predictions (provided that the underlying causes of such failures (subject to the other provisions of this definition) shall not be excluded).

“Material Contracts” is defined in Section 4.16.

“Material Licenses” is defined in Section 4.8.

“Most Recent Financial Statements” is defined in Section 4.7(a)(ii).

“Most Recent Fiscal Month End” is defined in Section 4.7(a)(ii).

“Notice” is defined in Section 12.1.

“OIG” means the United States Department of Health and Human Services Office of Inspector General.

“OFAC” is defined in Section 4.18(g).

“Order” means any judgment, order, writ, injunction, decree, determination, or award of any Governmental Authority.

“Ordinary Course of Business” means an action taken, or omitted to be taken, by any Person in the ordinary course of such Person’s business; provided, that any action taken, or omitted to be taken, that relates to, or arises out of, any pandemic, epidemic, or disease outbreak shall be deemed to be in the Ordinary Course of Business.

“OSHA” means the Occupational Safety and Health Act, 29 U.S.C. § 600, et seq., and the regulations promulgated thereunder.

“Overpayments” means any amount (a) due to a Government Program based on a final adjustment or (b) received from a Government Program in excess of the amount approximately billed.

“Owned Real Property” means all real property owned by Hospice East Bay, together with the interest of Hospice East Bay as landlord in all leases and subleases therein, improvements, buildings or fixtures located thereon or therein, all easements, rights of way, and other appurtenances thereto (including appurtenant rights in and to public streets), all architectural plans

or design specifications relating to the development thereof, and all claims and recorded or unrecorded interests therein, including any and all options to acquire real property.

“**Party**” and “**Parties**” are defined in the preamble to this Agreement.

“**PBGC**” is defined in Section 4.20(d)(v).

“**Permit**” means any license, permit, or certificate, required to be issued or granted by any Governmental Authority.

“**Permitted Encumbrances**” means (a) zoning and building laws, ordinances, resolutions and regulations, (b) liens for Taxes not due and payable on or before the Effective Time, or being contested in good faith by appropriate proceedings, (c) such other title and survey matters acceptable to Chapters that are shown on any Commitments obtained by Chapters, (d) liens that individually or in the aggregate do not materially detract from the value of, or impair in any material manner the use of the Real Property or other Hospice East Bay Assets and (e) Permitted Liens.

“**Permitted Liens**” means those liens described on the attached Schedule 1.1 which includes all (a) existing lines of credit disclosed to Chapters; (b) those liens identified in Hospice East Bay Historical Financial Information; and (c) other liens as Hospice East Bay may have incurred or incur in the Ordinary Course of Business and otherwise consistent with Sections 6.2 and 6.3 of this Agreement, if applicable (all of which shall qualify as Permitted Liens).

“**Person**” means an individual, association, corporation, limited liability company, partnership, limited liability partnership, trust, Governmental Authority or any other entity or organization.

“**Personal Information**” means any information that can reasonably be used to identify an individual, including “individually identifiable health information” as defined in 45 C.F.R. 160.103, demographic information, and social security numbers.

“**Personal Property**” means all tangible and intangible personal property owned, leased or used or held for use in connection with the Business, including all equipment, furniture, fixtures, machinery, vehicles, office furnishings, instruments, leasehold improvements, spare parts, and all rights in all warranties of any manufacturer or vendor with respect thereto.

“**Plan**” is defined in Section 4.20(a)(i).

“**Proceeding**” means any claim, action, arbitration, audit, hearing, investigation, litigation suit or other similar proceeding by or before a Governmental Authority.

“**Program Agreements**” is defined in Section 4.10(a).

“**Proposed Change Notification**” is defined in Section 6.2.

“**Real Property**” means the Owned Real Property and the Leased Real Property.

“Schedules” means, with respect to a specified Party, the disclosure schedules to this Agreement which have been delivered by such Party as the same may be modified, amended or supplemented in accordance with the applicable provisions of this Agreement.

“Service Area” means the Counties of Contra Costa, Alameda, and Solano, State of California, and any additional Counties within the State of California in which Hospice East Bay may be authorized in the future by the California Department of Public Health or any successor state licensing authority to provide hospice or other healthcare services.

“Shared Services” is defined in Section 2.4(b).

“Stark Law” is defined in Section 4.12(b).

“Support Center Services” is defined in Section 2.4(a).

“Taxes” means (a) any and all federal, state, local, foreign and other net income, gross income, gross receipts, sales, use, ad valorem, hospital, provider, unclaimed property, transfer, franchise, profits, license, lease, rent, service, service use, withholding, payroll, employment, excise, severance, privilege, stamp, occupation, premium, property, windfall profits, alternative minimum, estimated, customs, duties or other taxes, fees, assessments or charges of any kind whatsoever, together with any interest and any penalties, additions to tax or additional amounts with respect thereto, (b) any liability for payment of amounts described in clause (a) as a result of transferee liability or otherwise through operation of law, and (c) any liability for the payment of amounts described in clauses (a) or (b) as a result of any tax sharing, tax indemnity or tax allocation agreement or any other express or implied agreement to indemnify any other Person.

“Tax Returns” means any return, declaration, report, claim for refund, or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

“Tenant Lease” means any lease, sublease, license or other contractual obligation pursuant to which Hospice East Bay, as tenant or subtenant, currently leases, subleases, licenses or otherwise occupies all or some portion of the Leased Real Property.

“Third Party Lease” means any lease, sublease, license or other contractual obligation pursuant to which Hospice East Bay, as landlord or sublandlord, currently leases, subleases, licenses or otherwise grants to a third party a right to use all or some portion of the Real Property.

“Title IV Plan” is defined in Section 4.20(d)(v).

“Transaction” means, collectively, the transactions referenced in the recitals to this Agreement as further described by the provisions of this Agreement, including in Article 2 hereof.

“Transaction Documents” means this Agreement and all documents to be delivered by the Parties in connection with the Closing.

“Transfer Taxes” means any real property, excise, sales, use, documentary, transfer, value added, stock transfer, and stamp Taxes, any transfer, recording, registration, and other fees, and

any similar Taxes imposed on the transactions (or deemed transactions) contemplated by, or related to, this Agreement.

“**Treasury Regulations**” means the income tax regulations promulgated under the Code.

1.2 Interpretation.

In this Agreement, unless the context otherwise requires:

- (a) references to this Agreement are references to this Agreement and the Schedules and Exhibits; each Schedule and Exhibit is hereby incorporated by reference into this Agreement and will be considered a part hereof as if fully set forth herein;
- (b) references to sections are references to sections of this Agreement;
- (c) references to any Party to this Agreement shall include references to its respective successors and permitted assigns;
- (d) the terms “hereof,” “herein,” “hereby,” and derivative or similar words will refer to this entire Agreement;
- (e) references to any document (including this Agreement) are references to that document as amended, consolidated or supplemented by the Parties from time to time;
- (f) unless the context requires otherwise, references to any Law are references to that Law as of the Closing Date, and shall also refer to all rules and regulations promulgated thereunder;
- (g) the word “including” shall be interpreted to mean including without limitation;
- (h) references to time are references to Eastern Standard or Daylight time (as in effect on the applicable day) unless otherwise specified herein;
- (i) the gender of all words herein includes the masculine, feminine and neuter, and the number of all words herein includes the singular and plural;
- (j) the terms “date hereof,” “date of this Agreement” and similar terms shall mean the date first written above; and
- (k) the phrases “Parties have delivered,” “Parties have provided,” “Parties have made available” and phrases of similar import shall mean that, prior to the date hereof, the applicable Parties have either (i) delivered to the other Parties a hard or electronic copy of the document or information in question or (ii) made such document or information available to the other Parties via an electronic data room.

1.3 Recitals.

The matters set forth in the Recitals are hereby incorporated into and made a part of this Agreement.

ARTICLE 2 **TRANSACTION STRUCTURE AND FUNDING COMMITMENTS**

2.1 Transfer of Control.

The Parties agree that the Transaction will be facilitated by the Hospice East Bay board of directors taking all such actions as may be necessary or appropriate to restructure Hospice East Bay as of the Effective Time to be a California nonprofit public benefit corporation with Chapters as Hospice East Bay's sole member (as defined in Cal. Corp. Code § 5056). As described in more detail in Section 2.2 and Section 2.3 below, the structure of the Transaction and the resulting allocation of corporate governance authority relating to Hospice East Bay will be facilitated through the Hospice East Bay board of directors' approval of membership rights with Chapters holding reserved powers (described below) with respect to Hospice East Bay as will be set forth in amended and restated Articles of Incorporation and Bylaws of Hospice East Bay.

2.2 Amendment of Articles of Incorporation and Bylaws.

Hospice East Bay agrees to take such actions, as necessary, to amend its Bylaws and Articles of Incorporation effective as of the Effective Time to reflect Chapters as the sole member of Hospice East Bay and grant to Chapters certain reserved powers as will be reflected in amended and restated Articles of Incorporation and Bylaws. As of the Effective Time the Articles of Incorporation and Bylaws of Hospice East Bay shall be amended and restated to be consistent with the forms of such documents set forth and attached as Exhibit 2.2A and Exhibit 2.2B, respectively.

2.3 Governance Structure and Board Composition.

2.3.1 Chapters Board of Directors.

As part of its process for nominating individuals to serve on its board of directors, Chapters will periodically communicate with representatives of Hospice East Bay and the other hospices that become part of Chapters West to identify candidates for the Chapters board of directors whose qualifications are consistent with Chapters' strategic plans. A key focus in nominating individuals to serve on the Chapters board will be the skills and abilities required to govern Chapters on a health system-wide, business enterprise level. Provided that the Transaction has been completed by April 1, 2025, Hospice East Bay will coordinate with the other Chapters West hospices whose affiliation transactions have closed by such date to collectively nominate one individual to serve on the Chapters board. The nomination will be submitted to Chapters as part of its April 2025 board nomination process and, provided that the nominee satisfies Chapters' criteria for board membership, Chapters management will work with the Chapters board to seek such nominee's approval to serve.

2.3.2 Hospice East Bay Board of Directors.

The initial post-Closing boards of directors of Hospice East Bay will consist of those individual serving on such Board immediately prior to the Closing and the following ex-officio voting members: (a) Chapters' President/Chief Executive Officer, Chief Administrative Officer, and Chief Financial Officer, respectively, and (b) non-voting, ex-officio individuals who shall include the following officers of Chapters: Chief Operating Officer, Chief Business Development Officer, Chief Medical Officer, Chief People Officer, Chief Information Officer, Chief Compliance Officer, and Vice President-Foundation. The Hospice East Bay board of directors will serve in accordance with the Bylaws of Hospice East Bay attached as Exhibit 2.2B and shall continue to exercise authority to oversee and direct the corporate activities and affairs of Hospice East Bay, subject to the reserved powers of Chapters.

2.4 Operational Enhancements.

After the Closing, Chapters' support center services and shared services will be made available for the benefit of Hospice East Bay, in accordance with the following:

- (a) Support Center Services. As soon as reasonably practicable after the Closing, Chapters will provide the services available through the Chapters support center office, both as currently offered and as may be offered in the future, for the benefit of Hospice East Bay. Costs associated with the provision of such services will be allocated through a corporate services allocation methodology that is consistent with the comparable methodology utilized from time to time throughout the health system governed by Chapters as will be set forth in a management agreement to be entered into between Chapters and Hospice East Bay, the form of which is attached hereto as Exhibit 2.4(a). The functions and/or departmental services provided through the Chapters support center office at the time of Closing will primarily consist of the following: financial and accounting; information and telecommunications; regulatory and corporate compliance; human resources; marketing, communications and public affairs; legal; facilities management; development and fundraising; chief medical officer support; and executive management and consulting ("Support Center Services").
- (b) Shared Services. After the Effective Time, Hospice East Bay will participate in Chapters' shared services ("Shared Services") programs consistent with the manner in which other of Chapters' affiliated hospices participate in such programs. Costs associated with participation in such Shared Services programs will be reimbursed to Chapters in the same manner as such reimbursements are paid by other Chapters affiliated hospices.

2.5 Preservation of Hospice East Bay's Legacy.

Chapters recognizes the significant contributions that Hospice East Bay has made to its local community and intends to work together with Hospice East Bay following the Effective Time to ensure that Hospice East Bay's legacy within its Service Area is preserved, including without limitation, by continuing to use "Hospice East Bay" as the primary brand for hospice services in

the Service Area; provided, however, that Hospice East Bay may also be publicly referred to after the Effective Time as an Affiliate of Chapters.

2.6 Proposed Chapters West Region.

- (a) The Parties acknowledge that Chapters is independently negotiating with each of the hospices proposed to form the Chapters West region by Chapters becoming the sole member of each such hospice. Subject to completing such affiliation transactions, Chapters anticipates that the Chapters West hospices, including Hospice East Bay, will be functionally structured as a region within Chapters with concomitant regional functions and services, as appropriate, and related regional job titles. The design of Chapters West will be determined by Chapters with substantial input from and collaboration with leadership of the Chapters West hospices, including Hospice East Bay.
- (b) In connection with the Parties' due diligence, Chapters will prior to the date of this Agreement provide Hospice East Bay with information on Chapters' plans to affiliate with other hospice organizations as part of the formation of Chapters West.

ARTICLE 3 **CLOSING**

3.1 Closing.

Subject to the satisfaction or waiver by the appropriate Party of all the conditions precedent to the Closing specified in ARTICLE 8 and ARTICLE 9 hereof, the consummation of the Transaction (the "Closing") shall occur and be effective at such date and time as the Parties hereto may mutually designate in writing (the "Closing Date" and the "Effective Time," respectively). The Parties will endeavor to have the Closing Date occur at the end of a month for ease of transition and the Effective Time at 12:01 a.m. prevailing Pacific Time.

3.2 Actions of Hospice East Bay at the Closing.

At or before the Closing, unless otherwise waived in writing by Chapters, Hospice East Bay shall deliver or cause to be delivered to Chapters (or such other Party as may be indicated below) the following, duly executed by Hospice East Bay, or take the other actions noted, as applicable:

- (a) Amended and Restated Articles of Incorporation and Amended and Restated Bylaws of Hospice East Bay consistent with the forms attached as Exhibit 2.2A and Exhibit 2.2B;
- (b) Copies of resolutions duly adopted by the board of directors of Hospice East Bay authorizing and approving Hospice East Bay's performance of the Transaction and the execution and delivery of this Agreement and the documents described herein, as applicable, certified as true and in full force and effect as of the Closing Date, by the appropriate officers of Hospice East Bay;

- (c) A certificate signed by an authorized officer of Hospice East Bay, certifying that the conditions set forth in Section 8.1 and Section 8.2 have been satisfied;
- (d) A certificate of incumbency for the respective officers of Hospice East Bay executing this Agreement or any other document contemplated herein dated as of the Closing Date;
- (e) A certificate of status for Hospice East Bay evidencing the active status of Hospice East Bay and certified by the California Department of State as of the most recent practicable date prior to the Closing Date;
- (f) Consents and waivers from third parties in form and substance reasonably satisfactory to Chapters from those parties from whom, in the reasonable opinion of Chapters such consents and waivers are required in order to give effect to the Transaction and to assure that all Hospice East Bay Assets and Contract rights remain with Hospice East Bay after the Closing;
- (g) The non-blocked person affidavits of Hospice East Bay as described in Section 4.18(g);
- (h) A roster of those individuals elected by Hospice East Bay to serve on the initial, post-Closing Hospice East Bay boards of directors, together with certified resolutions of the pre-Closing Hospice East Bay board of directors, approving such individuals to so serve, effective as of the Effective Date; and
- (i) Such other instruments and documents as Chapters deems reasonably necessary to complete the Transaction including evidence that all required approvals necessary for Hospice East Bay to be a party to this Agreement as of the Closing and participate in the Transaction have been obtained; provided, that such other instruments or documents shall be consistent with the Parties' existing agreements and covenants hereunder and shall not materially alter such agreements and covenants.

3.3 Actions of Chapters at the Closing.

At or before the Closing and unless otherwise waived in writing by Hospice East Bay, Chapters, as noted below, shall deliver or cause to be delivered to Hospice East Bay the following, duly executed by Chapters, or take the other actions noted, as applicable:

- (a) Copies of resolutions duly adopted by the board of directors of Chapters authorizing and approving Chapters' performance of the Transaction and the execution and delivery of this Agreement and the documents described herein, certified as true and in full force and effect as of the Closing Date by appropriate officers of Chapters;
- (b) A certificate signed by an authorized officer of Chapters certifying that the conditions set forth in Section 9.1 and Section 9.2 have been satisfied;

- (c) A certificate of incumbency for the officers of Chapters executing this Agreement or any other document contemplated herein dated as the Closing Date;
- (d) A certificate of active status of Chapters certified by the Florida Department of State dated the most practicable date prior to the Closing Date;
- (e) A roster of those Chapters representatives and other individuals designated by Chapters who will serve on the board of directors of Hospice East Bay, effective as of the Effective Date; and
- (f) Such other instruments and documents as Hospice East Bay deems reasonably necessary to complete the Transaction including evidence that all required approvals necessary for Chapters to be a party to this Agreement as of the Closing and participate in the Transaction have been obtained; provided, that such other instruments or documents shall be consistent with the Parties' existing agreements and covenants hereunder and shall not materially alter such agreements and covenants.

3.4 Additional Acts.

From time to time after the Closing, each Party shall execute and deliver such other instruments, and take such other actions as the other Party may reasonably request, to evidence the Transaction.

ARTICLE 4 **REPRESENTATIONS AND WARRANTIES OF** **HOSPICE EAST BAY**

As of the date hereof (except with respect to any information or disclosures that may or should be included on the Schedules, all of which are incomplete as of the date hereof) and as of the Closing Date (except to the extent any of the following refers to a specific date and subject to Section 12.13 of this Agreement), Hospice East Bay represents and warrants to Chapters as follows:

4.1 Organization; Capacity.

Hospice East Bay is a corporation duly organized, validly existing and with an active status under the laws of the State of California. Hospice East Bay has no members as described in Cal. Corp. Code §5056(a). All powers and activities of Hospice East Bay are governed and exercised under the authority of the Hospice East Bay board of directors. Hospice East Bay is qualified to do business under all applicable Laws of any Governmental Authority having jurisdiction over the Business and to own its properties and conduct its business in the place and manner now conducted. Hospice East Bay has the requisite power and authority to enter into this Agreement and the other Transaction Documents to which Hospice East Bay is (or at the Closing, will become) a party and to perform its obligations hereunder and thereunder. The execution and delivery by Hospice East Bay of this Agreement and documents described herein to which it is (or at the Closing, will become) a party, the performance by Hospice East Bay of its obligations hereunder and thereunder and the consummation by Hospice East Bay of the Transaction have been, or will

be prior to the Closing, duly and validly authorized and approved by all necessary corporate actions on the part of Hospice East Bay.

4.2 Authority; Noncontravention.

There are no outstanding powers of attorney executed by or on behalf of Hospice East Bay. The execution, delivery and performance of the Agreement and each other Transaction Document by Hospice East Bay thereto and the consummation by Hospice East Bay of the Transaction, as applicable:

- (a) are within the power of Hospice East Bay and are not in contravention or violation of the terms of the articles of incorporation or bylaws of Hospice East Bay and have been, or will be prior to the Closing, approved by all requisite corporate action;
- (b) except as set forth on Schedule 4.2(b), do not require that Hospice East Bay seek or obtain any Approval of, filing or registration with, the issuance of any Permit by, or give any notice to any Governmental Authority;
- (c) assuming the Approvals and Permits set forth on Schedule 4.2(b) are obtained, to the Knowledge of Hospice East Bay, will not conflict in any material respect with, or result in any violation of or default under (with or without notice or lapse of time or both), or give rise to a right of termination, cancellation, acceleration or augmentation of any obligation or to loss of a material benefit under, or result in the creation of any material Encumbrance (other than Permitted Encumbrances) upon any of the Hospice East Bay Assets under (i) any Contract, instrument, indenture, covenant, or understanding to which Hospice East Bay is a party, or (ii) any Order or Law applicable to any of the Hospice East Bay Assets or to which Hospice East Bay is subject; and
- (d) will neither conflict with, nor result in, a material breach or contravention of any agreement, lease, instrument, indenture, covenant, or understanding to which Hospice East Bay is bound or is a party.

4.3 Subsidiaries; Minority Interests.

Except as set forth on Schedule 4.3, Hospice East Bay does not directly or indirectly own any equity, membership or similar interest in, or any interest convertible into or exchangeable or exercisable for any equity, membership or similar interest in, any corporation, partnership, limited liability company, joint venture or other business association or entity other than publicly traded equities or other equity interests held solely for investment. Except as set forth in Schedule 4.3, each interest set forth on Schedule 4.3 is owned by Hospice East Bay free and clear of all Encumbrances except Permitted Encumbrances, is duly authorized, validly existing and non-assessable, and is not subject to any preemptive or subscription rights.

4.4 No Outstanding Rights.

There are no outstanding rights (including any right of first refusal), options, or Contracts giving any Person any current or future right to Hospice East Bay to sell or transfer to such Person or to any third party any interest in Hospice East Bay or any of the Hospice East Bay Assets.

4.5 Title to Assets.

- (a) Schedule 4.5(a) sets forth a materially complete and correct list of the Real Property owned, leased, licensed or operated by Hospice East Bay.
- (b) Hospice East Bay has good and marketable title to, or a valid leasehold interest in, all properties and assets, whether real, personal or mixed, or whether tangible or intangible, used by it, located on its premises, or shown on the Most Recent Balance Sheet, except for properties and assets disposed of in the Ordinary Course of Business for fair market value in arms' length transactions after the date of the Most Recent Balance Sheet.
- (c) The Hospice East Bay Assets (as well as assets leased or licensed by Hospice East Bay) consist of all of the material assets that are necessary to conduct the Business as it is currently conducted.

4.6 Binding Agreement.

This Agreement has been, and each Transaction Document to which Hospice East Bay is (or at the Closing, will become) a party has been, or upon execution thereof will be, duly executed and delivered by Hospice East Bay, and (assuming due authorization, execution, and delivery by Chapters and all other parties thereto) this Agreement and each Transaction Document to which Hospice East Bay is a party constitute legal, valid, and binding obligations of Hospice East Bay enforceable against Hospice East Bay in accordance with the respective terms hereof or thereof, except as enforceability may be restricted, limited or delayed by applicable bankruptcy or other Laws affecting creditors' rights generally and except as enforceability may be subject to general principles of equity.

4.7 Financial Information.

- (a) Schedule 4.7(a) hereto contains the following financial statements and financial information of Hospice East Bay (collectively, the "Hospice East Bay Historical Financial Information"):
 - (i) the audited consolidated balance sheets, statements of operation, statements of changes in net assets, and statements of cash flow (including the accompanying combining schedules of balance sheet information and statement of operation information) for Hospice East Bay as of and for the 12-month periods ended December 31, 2022 and December 31, 2023; and
 - (ii) the most recent unaudited consolidated balance sheet (including the accompanying consolidating schedules of balance sheet information) and

unaudited consolidating statement of operations (including the accompanying combining schedules of statement of operation information) (the "Most Recent Financial Statements") prepared in the Ordinary Course of Business for the fiscal period ending on a date which is not more than sixty (60) calendar days prior to the date of this Agreement (the "Most Recent Fiscal Month End").

For purposes of this Agreement, as of the Closing Date, the term "Hospice East Bay Historical Financial Information" shall include in addition to the above, all financial statements comparable to those referenced in Sections 4.7(a)(i)-(ii) that have been prepared by or on behalf of Hospice East Bay during the period from the Most Recent Fiscal Month End through the Closing Date.

- (b) The Hospice East Bay Historical Financial Information has been prepared in accordance with GAAP throughout the periods covered thereby, applied on a consistent basis during the periods involved (except as may be indicated in the notes thereto) and present fairly the financial condition of Hospice East Bay as of such dates and the results of operations of Hospice East Bay for such periods (subject, in the case of unaudited financial statements, to normal year-end adjustments, the absence of footnotes or complete footnotes, and to any other adjustments described therein, including any notes thereto, or with respect to pro-forma financial information, subject to the qualifications stated therein).
- (c) Except as otherwise referenced on Schedule 4.7(c), Hospice East Bay has not materially changed any accounting policy or methodology during the periods presented in the Hospice East Bay Historical Financial Information (including accounting policies and methodologies for determining the obsolescence of inventory or in calculating reserves, including reserves for uncollected accounts receivable).
- (d) Hospice East Bay has no Knowledge of any material liabilities or obligations of any nature (whether accrued, absolute, fixed, contingent, liquidated, unliquidated, recorded, unrecorded, or otherwise) that would be required by GAAP to be reflected or reserved against on a consolidated balance sheet (or notes thereto) of Hospice East Bay except for (i) liabilities or obligations with respect to or arising from the Transaction contemplated by this Agreement, (ii) liabilities or obligations that have arisen after the Most Recent Fiscal Month End in the Ordinary Course of Business, or (iii) that would not reasonably be expected to have a Material Adverse Effect.
- (e) Hospice East Bay has no liability (and, to Hospice East Bay's Knowledge, there is no basis for any action, suit, proceeding, hearing, investigation, charge, complaint, claim, or deemed against any of them giving rise to any liability) with respect to any reimbursements from the Medicare program, the Medicaid program or any other third-party payment claimed or received by Hospice East Bay in excess of the amount permitted by Law, except as and to the extent that such liability for such

Overpayments has already been satisfied or for which adequate provision has been made in the Hospice East Bay Historical Financial Information.

4.8 Material Licenses.

- (a) Schedule 4.8 contains a materially accurate and complete list of all Permits and Approvals owned or held by Hospice East Bay as of the date of this Agreement (the "Material Licenses"). Hospice East Bay has made available to Chapters materially accurate and complete copies of all Material Licenses listed on Schedule 4.8.
- (b) As of the date of this Agreement, the Material Licenses constitute all of the Permits and Approvals that are necessary for Hospice East Bay to own, lease, or operate their properties and assets and to carry on the Business as currently conducted.
- (c) Hospice East Bay is in compliance in all material respects with the terms of such Material Licenses.
- (d) There are no provisions in, or agreements relating to, any Material Licenses that preclude or limit Hospice East Bay from operating the Hospice East Bay Assets and carrying on the Business as currently conducted.
- (e) There is no pending, or to the Knowledge of Hospice East Bay, threatened, Proceeding by or before any Governmental Authority to revoke, cancel, rescind, suspend, restrict, modify, or refuse to renew any such Material Licenses.
- (f) As of the date of this Agreement, Hospice East Bay has not received any written notice or communication from any Governmental Authority, alleging any violation of any Material Licenses other than any surveys or deficiency reports for which Hospice East Bay has submitted a plan of correction that has been accepted or approved by the applicable Governmental Authority. Hospice East Bay has made available to Chapters materially accurate and complete copies of all survey reports, deficiency notices, plans of correction, and related correspondence received by Hospice East Bay in connection with the Material Licenses.

4.9 Accreditation.

Hospice East Bay is accredited by the agencies or organizations listed on Schedule 4.9 hereto.

4.10 Government Program Participation; Reimbursement.

Except as set forth on Schedule 4.10, for the prior three (3) years:

- (a) The Facilities are certified or otherwise qualified for participation in the Government Programs and have current and valid provider agreements with such Programs (the "Program Agreements"). Hospice East Bay has delivered materially accurate and complete copies of all such Program Agreements to Chapters. The Facilities are in compliance in all material respects with the conditions of

participation in the Government Programs and with the terms, conditions, and provisions of the Program Agreements. The Program Agreements are each in full force and effect, and to the Knowledge of Hospice East Bay no events or facts exist that would cause any Program Agreement to be suspended, terminated, restricted, withdrawn, or subjected to an admissions hold or to not remain in force or effect after the Closing.

- (b) Hospice East Bay has received all approvals or qualifications necessary for reimbursement of the Facilities by the Government Programs. All billing practices of Hospice East Bay, including, but not limited to, those pertaining to Government Programs and private insurance companies, have been conducted in compliance with all applicable Laws and the billing guidelines of such third-party payors.
- (c) Hospice East Bay has not received notice of any Proceeding, survey, or other action pending, and to Hospice East Bay's Knowledge, no such Proceeding, survey, or other action is threatened, involving any of the Government Programs or any other third-party payor programs, including the Facilities' participation in and the reimbursement received by Hospice East Bay from the Government Programs or any such program.
- (d) No third-party payor has terminated any contract or arrangement with Hospice East Bay or modified or altered any such contract or arrangement in a manner materially adverse to Hospice East Bay. The consummation of the Transaction contemplated by this Agreement will not result in the termination or material modification or alteration of any contract or arrangement with any third-party payor.
- (e) Schedule 4.10(e) contains a list of all National Provider Identifiers and all provider numbers of Hospice East Bay under the Government Programs, all of which are in full force and effect.

4.11 Third-Party Payor Cost Reports.

Hospice East Bay has timely filed all required cost reports and all such cost reports accurately reflect the information required to be included therein.

4.12 Regulatory Compliance.

Except as set forth on Schedule 4.12, for the prior three (3) years:

- (a) Hospice East Bay has not been convicted of, or, to the Knowledge of Hospice East Bay, charged with, investigated for or engaged in any conduct that would reasonably be expected to constitute, a violation of Law related to the Medicare or other Federal Health Care Program (as defined in 42 U.S.C. § 1320a-7(b)(f)) or any Law related to fraud, theft, embezzlement, breach of fiduciary duty, kickbacks, bribes, other financial misconduct, obstruction of an investigation or controlled substances. To the Knowledge of Hospice East Bay, none of the officers, directors or employees of Hospice East Bay has been convicted of, charged with,

investigated for or engaged in conduct that would reasonably be expected to constitute a violation of any such Laws.

- (b) To the Knowledge of the Hospice East Bay, Hospice East Bay has complied in all material respects with all applicable Healthcare Laws, including, Title XVIII of the Social Security Act, 42 U.S.C. §§ 1395-1395hhh (the Medicare statute), including specifically, the Ethics in Patient Referrals Act, as amended (the "Stark Law"), 42 U.S.C. § 1395nn; Title XIX of the Social Security Act, 42 U.S.C. §§ 1396-1396v (the Medicaid statute); the Federal Health Care Program Anti-Kickback Statute, 42 U.S.C. § 1320a-7b(b); the False Claims Act, 31 U.S.C. §§ 3729-3733 (as amended); the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; the Anti-Kickback Act of 1986, 41 U.S.C. §§ 8701-8707; the Civil Monetary Penalties Law, 42 U.S.C. §§ 1320a-7a; the Exclusion Laws, 42 U.S.C. § 1320a-7; HIPAA; the HITECH Act, the Controlled Substances Act, 21 U.S.C. §801 et seq.; Information Privacy or Security Laws; and any corresponding state statutes and applicable implementing regulations that address the subject matter of the foregoing.
- (c) Hospice East Bay has not received any written notice or other communication from a Governmental Authority or commercial payor that alleges that Hospice East Bay is not in compliance with any Law, other than statements of deficiencies from a Governmental Authority received in the Ordinary Course of Business.
- (d) To the Knowledge of Hospice East Bay, all of the contracts entered into by Hospice East Bay with physicians, other health care providers, or immediate family members of any physicians or other health care providers or entities in which physicians, other health care providers, or immediate family members of any physicians or other health care providers are equity owners involving services, supplies, payments, or any other type of remuneration, and all of the leases of personal or real property of Hospice East Bay with such physicians, health care providers, immediate family members or entities are in material compliance with all applicable Laws, and when required by such applicable Laws, are in writing, are signed by the appropriate parties, set forth the services to be provided, and provide for fair market value compensation in exchange for such services, space, or goods.
- (e) To the Knowledge of Hospice East Bay, except in compliance with applicable Law, neither Hospice East Bay nor any of its officers, directors or employees is a party to any contract, lease agreement or other arrangement (including any joint venture or consulting agreement) related to Hospice East Bay, or the Hospice East Bay Assets with any physician, physical or occupational therapist, health care facility, hospital, nursing facility, home health agency or other person or entity that is in a position to make or influence referrals to or otherwise generate business for Hospice East Bay.
- (f) To the Knowledge of Hospice East Bay, neither Hospice East Bay nor any of its officers, directors, or managing employees, have engaged in any activities that are prohibited under 42 U.S.C. §§ 1320a-7 et seq., or the regulations promulgated

thereunder, or under any other federal or state statutes or regulations, or which are prohibited by applicable rules of professional conduct.

- (g) Hospice East Bay has conducted its operations in all material respects in accordance with its compliance programs, and Hospice East Bay: (i) has no reporting obligations pursuant to any settlement agreement entered into with any Governmental Authority; (ii) to the Knowledge of Hospice East Bay, has not been the subject of any Government Program investigation conducted by any federal or state enforcement agency (not including routine or random surveys, audits or reviews which do not or reasonably should not be expected to result in findings materially adverse to Hospice East Bay); (iii) has not been a defendant in any qui tam/False Claims Act litigation (other than by reason of a sealed complaint of which Hospice East Bay has no Knowledge); (iv) has not been served with or received any search warrant, subpoena, or civil investigation demand by or from any federal or state enforcement agency (except in connection with medical services provided to third parties who may be defendants or the subject of investigations into conduct unrelated to the Business); and (v) Hospice East Bay is not a party to a corporate integrity agreement with the OIG.

4.13 Information Privacy and Security Compliance.

- (a) To the Knowledge of Hospice East Bay, Hospice East Bay's operations fully comply with HIPAA and the changes thereto imposed by HITECH and is in compliance with all other applicable Information Privacy or Security Laws.
- (b) Hospice East Bay has provided to Chapters materially accurate and complete copies of the compliance policies and/or procedures and privacy notices of Hospice East Bay relating to Information Privacy or Security Laws. To the extent required by Information Privacy or Security Laws, Hospice East Bay provides training to its workforce (as such term is defined in 45 C.F.R. § 160.103) with respect to compliance with Information Privacy or Security Laws.

4.14 Medical Staff Matters.

Hospice East Bay has made available to Chapters materially correct and complete copies of any bylaws and rules and regulations of the medical staff of the Facilities, as well as a materially correct and complete list of all current members of the Facilities' medical staffs. There are no (i) pending or threatened adverse actions with respect to any medical staff member of the Facilities or any applicant thereto, including any adverse actions for which a medical staff member or applicant has requested a judicial review hearing that has not been scheduled or that has been scheduled but has not been completed, (ii) pending or threatened disputes with applicants, staff members or health professional affiliates, and all appeal periods in respect of any medical staff member or applicant against whom an adverse action has been taken have expired, or (iii) medical staff members of the Facilities that have resigned or had their privileges revoked or suspended since the Most Recent Fiscal Month End.

4.15 Intellectual Property.

Except as set forth on Schedule 4.15, for the prior three (3) years:

- (a) Hospice East Bay owns, is licensed or otherwise has the right to use, all Intellectual Property necessary for or material to the conduct of the Business as currently conducted.
- (b) To the Knowledge of Hospice East Bay, Hospice East Bay has not infringed upon or otherwise violated, or is infringing upon or otherwise violating, the Intellectual Property rights of any Person.
- (c) To the Knowledge of Hospice East Bay, no Person or any products or services of any Person is infringing upon or otherwise violating any Intellectual Property rights of East Bay.
- (d) To the Knowledge of Hospice East Bay, there are no royalties, fees or other payments due with respect to any third-party Intellectual Property distributed or used in connection with products or services provided by Hospice East Bay to any Person.
- (e) Hospice East Bay is not, nor will be as a result of the execution and delivery of this Agreement or any of the documents described herein to which Hospice East Bay is (or at the Closing, will become) a party, in material breach of any Contract relating to the Intellectual Property or the Intellectual Property rights of any third party related to any of the Hospice East Bay Assets.
- (f) Hospice East Bay does not own any patents, registered trademarks, registered service marks or registered copyrights related to any of the Hospice East Bay Assets.
- (g) Hospice East Bay has not received written notice of any Proceeding involving a possible infringement or other violation by Hospice East Bay of any Intellectual Property rights by of any Person, and Hospice East Bay has not brought any Proceeding against any Person for infringement of Intellectual Property or breach of any license or Contract involving Intellectual Property.

4.16 Contracts.

- (a) Schedule 4.16 includes a materially complete and accurate description of all Contracts that (i) are entered into by Hospice East Bay with a physician or any other party which to Hospice East Bay's Knowledge is owned in whole or in part by a physician, (ii) contain any restrictive covenant, change of control or other Contract provision that would trigger any modification or termination of the Contract or that require the consent from or notice, to any third party to the Contract as a result of the Transaction, and/or (iii) involve a total financial commitment of more than \$200,000 annually and which cannot be terminated without cause upon less than ninety (90) calendar days' notice, (the Contracts described in Section 4.16(a)(i)-(ii) above are collectively referred to herein as the "Material Contracts"). Schedule

4.16 identifies with respect to each such Material Contract appearing thereon the applicable criteria noted in Section 4.16(a)(i)-(iii) above that requires listing on Schedule 4.16, the date and title of the Material Contract and the parties thereto. Hospice East Bay has delivered or otherwise made available to Chapters materially correct and complete copies of all Material Contracts.

- (b) Each Material Contract is in full force and effect and is a legal, valid and binding agreement of Hospice East Bay and, to the Knowledge of Hospice East Bay, of each other party thereto, enforceable against Hospice East Bay, and, to the Knowledge of Hospice East Bay, against the other party or parties thereto, in each case, in accordance with its terms, except as enforceability may be restricted, limited or delayed by applicable bankruptcy or other Laws affecting creditors' rights generally or by general principles of equity, and Hospice East Bay, is not (with or without notice or lapse of time or both) in breach or default thereunder and, to the Knowledge of Hospice East Bay, no other party to any of the Material Contracts is (with or without notice or lapse of time or both) in breach or default thereunder in any material respect.
- (c) Hospice East Bay has not given or received any written notice with respect to any actual, alleged or potential violation, breach or default under or any demand for renegotiation or termination with respect to any Material Contract.
- (d) No Material Contract contains any (i) non-competition restriction, (ii) take-or-pay arrangement, (iii) change of control or similar provision, or (iv) any term that requires the Business to deal exclusively with a particular party with respect to particular goods or services.
- (e) Each Material Contract was entered into in the Ordinary Course of Business and without the commission of any act, or any consideration having been paid or promised, which is or would reasonably be expected to result in a violation of any Law.

4.17 Personal Property.

To the Knowledge of Hospice East Bay, no Person other than Hospice East Bay owns any tangible personal property situated on the Real Property, except for the following all of which is excluded from the Transaction: (a) items leased by Hospice East Bay pursuant to a lease agreement; (b) furniture and equipment owned or leased by third parties leasing space in the Real Property pursuant to a lease agreement; (c) personal property of employees, patients or visitors of Hospice East Bay; and (d) property owned by third parties but in the possession of Hospice East Bay and held on a consignment basis for sale or other disposition.

4.18 Real Property.

- (a) Schedule 4.18(a) sets forth a materially correct and complete list of the addresses of each parcel of Owned Real Property and all such Owned Real Property is owned by Hospice East Bay free and clear of all Encumbrances, except for Permitted Encumbrances.

- (b) Schedule 4.18(b) sets forth a materially correct and complete list of the addresses of all the Leased Real Property and identifies each Tenant Lease under which such Leased Real Property is occupied or used by Hospice East Bay, including the date of, and name of each of the parties to, such Tenant Lease. Hospice East Bay holds good and marketable leasehold title to each parcel of the Leased Real Property.
- (c) Schedule 4.18(c) sets forth a materially correct and complete list of all existing Third Party Leases, including the following information with respect to each: (i) the premises covered; (ii) the date; (iii) the name of the record tenant, licensee or occupant; (iv) the commencement date and; (v) either the expiration date or its status as a month to month tenancy.
- (d) Hospice East Bay has made available to Chapters materially accurate and complete copies of the Tenant Leases and Third Party Leases, in each case as amended or otherwise modified and in effect, together with any extension notices, as applicable.
- (e) Hospice East Bay has not received written notice from any Governmental Authority of (and otherwise has no Knowledge of): (i) any pending or threatened condemnation Proceedings affecting the Owned Real Property, or any part thereof, or (ii) any material violations of any Laws (including zoning and land use ordinances) with respect to the Real Property, or any part thereof, which have not heretofore been cured.
- (f) Except as set forth on Schedule 4.18(f), as of the Closing there will be no incomplete construction projects affecting the Real Property.
- (g) Hospice East Bay is not, nor will become, a Person or entity with whom U.S. persons are restricted from doing business under regulations of the Office of Foreign Asset Control (“OFAC”) of the United States Department of the Treasury (including those named on OFAC’s Specially Designated and Blocked Persons list) or under any statute, executive Order (including Executive Order November 13224 on Terrorism Financing, effective September 24, 2001), or the United and Strengthening America by Providing Tools Required to Intercept and Obstruct Terrorism Act of 2001, H.R. 3162, Public Law 107-56, or any other governmental action. At the Closing, Hospice East Bay shall execute and deliver to Chapters an affidavit certifying that it is not a “blocked person” under Executive Order 13224, the form of which shall be acceptable to Chapters.
- (h) To the Knowledge of Hospice East Bay, all improvements, including all utilities which are a part of the Real Property, have been substantially completed and installed in accordance with the plans and specifications approved by the Governmental Authorities having jurisdiction, to the extent applicable, or to Hospice East Bay’s Knowledge will be completed and installed in accordance with the plans and specifications approved by the Governmental Authorities.
- (i) Except as set forth on Schedule 4.18(i), Hospice East Bay has not received written notice from any Governmental Authority that the improvements which are a part of

the Real Property, as designed and constructed, do not comply with all Laws applicable thereto, including but not limited to the Americans with Disabilities Act, as amended, and Section 504 of the Rehabilitation Act of 1973.

- (j) To the Knowledge of Hospice East Bay, the existing water, sewer, gas and electricity lines, storm sewer and other utility systems on the Real Property are, as of the date hereof, adequate to serve the utility needs of the Real Property. To the Knowledge of Hospice East Bay, all approvals, licenses and permits required for said utilities have been obtained and are in force and effect. All of said utilities are installed and operating, and all installation and connection charges have been paid in full.
- (k) Hospice East Bay has not received written notice from any Governmental Authority that the location, construction, occupancy, operation and use of the Real Property (including the improvements which are a part of the Real Property) violates any applicable Law or determination of any Governmental Authority or any board of fire underwriters (or other body exercising similar functions), judicial precedent or any restrictive covenant or deed restriction (recorded or otherwise) affecting the Real Property or the location, construction, occupancy, operation or use thereof, including, all applicable Laws.

4.19 Insurance.

Schedule 4.19 sets forth a materially correct and complete list and description of all insurance policies or self-insurance funds maintained by Hospice East Bay as of the date of this Agreement covering the Business and the Hospice East Bay Assets, including the following:

- (a) The name of the insurer, the name of the policyholder and the name of each covered insured;
- (b) The policy number and the period of coverage;
- (c) The scope (including an indication of whether the coverage was on a claims made, occurrence or other basis) and amount (including a description of how deductibles and ceilings are calculated and operate) of coverage; and
- (d) A description of any retroactive premium adjustments or other loss-sharing arrangements.

With respect to each such insurance policy: (A) the policy is legal, valid, binding, enforceable and in full force and effect; (B) neither Hospice East Bay, nor any other party to the policy is in breach or default (including with respect to payment or time that would constitute such a breach or default, or permit termination, modification or acceleration, under the policy); and (C) no party to the policy has repudiated any provision thereof. Hospice East Bay has been covered during the past five (5) years by insurance in scope and amount customary and reasonable for the Business. Schedule 4.19 also describes any self-insurance arrangements affecting Hospice East Bay.

4.20 Employee Benefit Plans.

- (a) Hospice East Bay has provided or made available to Chapters copies of each of the following that is sponsored, maintained or contributed to by Hospice East Bay, or any Hospice East Bay ERISA Affiliate, as defined below, for the benefit of the employees of Hospice East Bay:
 - (i) Each "employee benefit plan" for the benefit of the current or former employees of Hospice East Bay, as such term is defined in § 3(3) of ERISA, including employee benefit plans that are not subject to some or all of the provisions of ERISA (each, a "Plan"); and
 - (ii) To the extent applicable to the employees of Hospice East Bay, each material personnel policy, collective bargaining agreement, bonus plan, incentive award, vacation policy, severance pay plan, policy or agreement, deferred compensation agreement, form of consulting agreement, form of employment agreement, dependent care, life insurance program, and each other material employee benefit plan, agreement, arrangement, program, or practice that is not described in Section 4.20(a)(i) (each, a "Benefit Program and Agreement").
- (b) True, correct and complete copies of each of the Plans and Benefit Programs and Agreements, and related trusts, if applicable, including all amendments thereto, have been furnished or made available to Chapters. Hospice East Bay has also furnished or made available to Chapters, with respect to each Plan required to file such report and description, the most recent report on Form 5500 and the summary plan description.
- (c) For purposes of this Agreement, the term "Hospice East Bay ERISA Affiliate" shall mean any person (as defined in § 3(9) of ERISA) that together with Hospice East Bay would be treated as a single employer under § 4001(b) of ERISA, or would be aggregated with Hospice East Bay under § 414(b), (c), (m) or (o) of the Code or Section 4001(b)(1) of ERISA that includes or included the first entity, trade or business, or that is a member of the same "controlled group" as the first entity, trade or business pursuant to Section 4001(a)(14) of ERISA.
- (d) Except as otherwise set forth on Schedule 4.20(d):
 - (i) All obligations, whether arising by operation of law or by contract, required to be performed by Hospice East Bay in connection with the Plans and the Benefit Programs and Agreements have been performed in all material respects;
 - (ii) Hospice East Bay has provided to Chapters a copy of the most recent favorable determination or opinion letter from the Internal Revenue Service for each Plan intended to be qualified under § 401 of the Code. To the knowledge of Hospice East Bay, since receipt of the most recent favorable determination letters, none of the Plans have been amended or operated in

a way that would reasonably be expected to affect adversely such qualified and exempt status;

- (iii) There are no actions, suits, or claims pending (other than routine claims for benefits) or, to the Knowledge of Hospice East Bay, threatened against, or with respect to, any of the Plans or Benefit Programs and Agreements or their assets, other than with regard to Plans, routine claims for benefits;
 - (iv) All contributions required to be made to the Plans and Benefit Programs and Agreements pursuant to their terms and provisions have been timely made or reserved;
 - (v) As to any Plan subject to Title IV of ERISA (“Title IV Plan”), there has been no event or condition that presents the material risk of any Title IV Plan termination, no funding deficiency, whether or not waived, within the meaning of § 302 of ERISA or §§ 412 and 430 of the Code has been incurred, no reportable event within the meaning of § 4043 of ERISA (for which the disclosure requirements of Regulation §4043.3 promulgated by the Pension Benefit Guaranty Corporation (“PBGC”) have not been waived), other than as a result of the Transaction, has occurred, no notice of intent to terminate any Title IV Plan has been given under § 4041 of ERISA, no Proceeding has been instituted under § 4042 of ERISA to terminate any Title IV Plan, no liability to the PBGC has been incurred, and the assets of each Title IV Plan equal or exceed the actuarial present value of the benefit liabilities under the Plan, determined based on the actuarial assumptions set forth in the most recent actuarial valuation performed with respect to such Plan; and, provided further, there is no material risk that Hospice East Bay iate has any liability with respect to any plan subject to Title IV maintained by any former Hospice East Bay ERISA Affiliate (with respect to that period in which such former Hospice East Bay ERISA Affiliate was a Hospice East Bay ERISA Affiliate);
 - (vi) To the Knowledge of Hospice East Bay, there is no matter pending (other than routine qualification determination filings) with respect to any of the Plans or Benefit Programs or Agreements before the Internal Revenue Service, the Department of Labor or the PBGC;
 - (vii) Hospice East Bay has no any liability, contingent or otherwise, relating to a Title IV Plan that is a “multiemployer plan” as defined in § 3(37) and 4001(a) (3) of ERISA; and
 - (viii) Hospice East Bay does not maintain or contribute to any defined benefit pension plan that is not a Title IV Plan.
- (e) Hospice East Bay is not a party to any agreement, nor has any such entity established any policy or practice, requiring it to make a payment or provide any other form of compensation or benefit to any Person performing services for

Hospice East Bay which would not be payable or provided in the absence of the Transaction.

- (f) In connection with the consummation of the Transaction, no payments have or will be made under the Plans or Benefit Programs and Agreements which, in the aggregate, would result in imposition of the sanctions imposed under section 280G, 4999 or 409A of the Code.
- (g) Hospice East Bay does not maintain, contribute to or have any liability under any funded or unfunded medical, health or life insurance plan or arrangement for present or future retirees or future terminated employees for the benefit of the employees of Hospice East Bay, except as required by the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended. Neither Hospice East Bay nor any Hospice East Bay ERISA Affiliate maintains or contributes to a trust, organization or association for the benefit of the employees of Hospice East Bay or any Hospice East Bay ERISA Affiliate described in any of §§ 501(c)(9), 501(c)(17) or 501(c)(20) of the Code.

4.21 Employee Matters.

- (a) Schedule 4.21(a) contains a list of all current employees of Hospice East Bay, their current salary or wage rates, bonus and other compensation, benefit arrangements, accrued paid time off, periods of service, departments and job titles. Schedule 4.21(a) also indicates whether such employees are part-time, full-time, per diem or on a leave of absence and, if so, the type of leave. Hospice East Bay, and each of the Plans have properly classified individuals providing services to Hospice East Bay as independent contractors or employees, as the case may be. All current employees of Hospice East Bay are employees at-will, unless otherwise specified on Schedule 4.21(a). Except as disclosed on Schedule 4.21(a), Hospice East Bay is not a party to any oral (express or implied) or written employment agreement, severance agreement, or retention agreement with any individual.
- (b) Hospice East Bay is not delinquent in payments to any of its employees for any wages, salaries, commissions, bonuses or other direct compensation for any services performed for it or any other amounts required to be reimbursed to such employees (including accrued paid time off and other benefits) or in the payment to the appropriate Governmental Authority of all required Taxes, insurance, social security and withholding thereon, except to the extent that such delinquency in payment would not, individually or in the aggregate, materially and adversely affect Hospice East Bay.
- (c) Except as set forth on Schedule 4.21(c): (i) there is no pending or threatened employee strike, work stoppage or labor dispute at any of the Facilities; (ii) to the Knowledge of Hospice East Bay, no question exists respecting union representation of any employees of Hospice East Bay, no demand has been made for recognition by a labor organization by or with respect to any employees of Hospice East Bay, no union organizing activities by or with respect to employees of Hospice East Bay

are taking place, and no employees of Hospice East Bay are represented by any labor union or organization; (iii) no collective bargaining agreement exists or is currently being negotiated by Hospice East Bay; (iv) there is no unfair labor practice claim against Hospice East Bay before the National Labor Relations Board pending or, to the Knowledge of Hospice East Bay, threatened against or involving the Business; (v) to the Knowledge of Hospice East Bay, Hospice East Bay is in compliance in all material respects with all Laws and Contracts respecting employment and employment practices, labor relations, terms and conditions of employment, and wages and hours; (vi) Hospice East Bay is not engaged in any unfair labor practices; (vii) there are no material pending or, to the Knowledge of Hospice East Bay, threatened complaints or charges before any Governmental Authority regarding employment discrimination, safety or other employment-related charges or complaints, wage and hour claims, unemployment compensation claims or workers' compensation claims; and (viii) except as otherwise expressly provided in this Agreement, Hospice East Bay will not be subject to any claim or liability for severance pay as a result of the consummation of the Transaction. Hospice East Bay has no reason to believe that any Proceedings may be brought or threatened against Hospice East Bay.

4.22 Litigation.

Schedule 4.22 contains a materially correct and complete list and summary description of all ongoing Proceedings with respect to which Hospice East Bay is a party or that relates to Hospice East Bay, the Business or the Hospice East Bay Assets. Except as set forth on Schedule 4.22, for the prior three (3) years Hospice East Bay has not received written notice of any Proceeding by or before any Governmental Authority against or affecting (i) Hospice East Bay, the Business or the Hospice East Bay Assets, (ii) any current or former employee or agent of Hospice East Bay relating to obligations with respect to the Business or Hospice East Bay Assets, or (iii) any current or former medical staff member, supplier or contractor relating to obligations with respect to the Business or Hospice East Bay Assets.

4.23 Tax Matters.

Except as disclosed on Schedule 4.23:

- (a) To the Knowledge of Hospice East Bay, Hospice East Bay (i) is, and has been since the date of its incorporation, an organization exempt from federal income tax under § 501(a) of the Code an organization that is described in § 501(c)(3), (ii) is not, and has not been since the date of its incorporation, a private foundation within the meaning of § 509(a) of the Code because it is an organization described in §§ 509(a)(1), 509(a)(2) or 509(a)(3), and (iii) is in possession of a determination letter from the Internal Revenue Service to such effect, which determination letter has not been revoked or otherwise modified,
- (b) To the Knowledge of Hospice East Bay, Hospice East Bay (i) is in compliance in all material respects with all applicable Laws pertaining to the operation of an organization described in § 501(c)(3) of the Code, as applicable, and (ii) has not

entered into any transaction that would reasonably be expected to constitute an "excess benefit transaction" within the meaning of § 4958 of the Code.

- (c) To the Knowledge of Hospice East Bay, the interests in the Real Property of Hospice East Bay are, and shall be through the Closing Date, exempt from all real and personal property Taxes, sales and use Taxes and there are no municipal assessments on, related to or under consideration for any of the Real Property.
- (d) Hospice East Bay has filed all Tax Returns that it was required to file and has paid all Taxes shown thereon as owing. Except with respect to waivers or extensions that are no longer in force, Hospice East Bay has not waived any statute of limitations in respect of Taxes or agreed to any extension of time with respect to a Tax assessment or deficiency other than ordinary course extensions of time within which to file any Tax Return.
- (e) Hospice East Bay has withheld and paid all material Taxes required to have been withheld and paid by it in connection with amounts paid or owing to any employee, independent contractor, creditor or other third party, and all Internal Revenue Service Forms W-2 and 1099 required with respect thereto have been properly completed and timely filed (taking into account all extensions).
- (f) No Liens for Taxes exist with respect to any of the Hospice East Bay Assets, except for Permitted Encumbrances.
- (g) Hospice East Bay has not received any written notice from any Governmental Authority of deficiency or assessment, or proposed adjustment or assessment, in respect of Taxes of Hospice East Bay. To the Knowledge of Hospice East Bay, there are no pending or threatened Proceedings relating to any liability in respect of Taxes of Hospice East Bay.

4.24 Environmental Matters.

- (a) Except as disclosed on Schedule 4.24, for the prior three (3) years: (i) Hospice East Bay has no Knowledge that Hospice East Bay, the Real Property or any improvements on the Real Property are in violation of any Environmental Laws; (ii) Hospice East Bay has not received any written notice that remains outstanding from a Governmental Authority or any other Person that alleges that Hospice East Bay is in violation of or liable pursuant to applicable Environmental Laws; and (iii) Hospice East Bay has no Knowledge of any facts which would reasonably be expected to form the basis for any such liability.
- (b) Hospice East Bay has been duly issued, and currently has and will maintain through the Closing Date, all material Approvals and Permits required under any Environmental Law with respect to any of the Real Property.
- (c) To the Knowledge of Hospice East Bay, the Real Property contains no underground improvements, including treatment or storage tanks or underground piping associated with such tanks, used currently or in the past for the management of

Hazardous Materials, and Hospice East Bay has not used any portion of the Real Property as a dump or landfill.

- (d) Hospice East Bay will promptly furnish to Chapters written notice of any material Environmental Condition or of any actions or notices described in this Section 4.24 arising or received after the date hereof prior to the Effective Time.

4.25 Tax-Exempt Bond Debt.

- (a) Schedule 4.25 sets forth a materially correct and complete list of all of the Hospice East Bay Tax-Exempt Bonds, including any trust indenture, loan agreement or other agreement entered into in connection with the Hospice East Bay Tax-Exempt Bonds (the "Hospice East Bay Tax-Exempt Bond Documents"). Hospice East Bay has made available to Chapters correct and complete copies of the Hospice East Bay Tax-Exempt Bond Documents.
- (b) Except as set forth on Schedule 4.25, to the Knowledge of Hospice East Bay, Hospice East Bay is not in violation of any of the terms and conditions of any Hospice East Bay Tax-Exempt Bond Documents, and no event or condition exists that constitutes an event of default under any such documents or that with the passing of time or the giving of notice, or both, would constitute an event of default under any such documents.
- (c) Hospice East Bay is not aware of any event or condition, that has occurred or exists that would adversely affect the tax-exempt status under federal law of the interest payable on any Hospice East Bay Tax-Exempt Bonds and no inquiry or notice has been received from the Internal Revenue Service and no Proceeding by or before any Governmental Authority is pending or, to the Knowledge of Hospice East Bay, threatened, which challenges the tax-exempt status under federal law of the interest payable on any Hospice East Bay Tax-Exempt Bonds.
- (d) Any arbitrage rebate payments required to be paid with respect to the Hospice East Bay Tax-Exempt Bonds under § 148(l) of the Code and the Treasury Regulations thereunder have been paid to the United States, in the manner on the dates and in the amounts required by § 148(f) of the Code and the Treasury Regulations thereunder.
- (e) Between the date hereof and the Closing Date, Hospice East Bay will use its commercially reasonable efforts to ensure that Hospice East Bay does not take any action or fail to act if such action or failure to act would reasonably be expected to adversely affect the tax-exempt status under federal law of the interest payable on any Hospice East Bay Tax-Exempt Bonds or would, with the passage of time, reasonably be expected to constitute an event of default with respect to any Hospice East Bay Tax-Exempt Bond Documents. Nothing contained in this subsection will restrict the ability of Hospice East Bay to retire the Hospice East Bay Tax-Exempt Bonds.

- (d) Hospice East Bay has not entered into, and between the date of this Agreement and the Closing, Hospice East Bay will not enter into, any lease, management contract, service agreement, or other similar arrangement with a private entity or person which would be considered a private use of facilities financed with the proceeds of Hospice East Bay Tax-Exempt Bonds if such private use, combined with any other private uses with respect to the Hospice East Bay Tax-Exempt Bonds, would reasonably be expected to cause any Hospice East Bay Tax-Exempt Bonds to cease qualifying for tax-exempt status under Code § 103.

4.26 Other Indebtedness.

- (a) Schedule 4.26 sets forth a materially correct and complete list of all Hospice East Bay Taxable Debt, including any trust indenture, loan agreement or other agreement entered into in connection with Hospice East Bay Taxable Debt (the "Hospice East Bay Taxable Debt Documents"). Hospice East Bay has made available to Chapters correct and complete copies of the Hospice East Bay Taxable Debt Documents.
- (b) Except as set forth as Schedule 4.26, to the Knowledge of Hospice East Bay, Hospice East Bay is not in violation of any of the terms and conditions of any Hospice East Bay Taxable Debt Documents and no event or condition exists that constitutes an event of default under any such documents or that with the passing of time or the giving of notice, or both, would constitute an event of default under any such documents.

4.27 Absence of Changes.

Except as set forth on Schedule 4.27, since July 31, 2024, there has been no:

- (a) Material Adverse Effect;
- (b) material damage, destruction or loss with respect to or affecting any of the Hospice East Bay Assets, whether or not covered by insurance;
- (c) strike, work stoppage, lockout or other significant labor dispute or, to Hospice East Bay's Knowledge, commencement of organization activity with respect to the workforce of Hospice East Bay;
- (d) sale, transfer or other disposal of any of the Hospice East Bay Assets, except in the Ordinary Course of Business;
- (e) Encumbrance imposed on any of the Hospice East Bay Assets, except for Permitted Encumbrances;
- (f) change in any accounting policy or methodology, except as may have been required in accordance with GAAP;

- (g) transaction or other action by Hospice East Bay outside the Ordinary Course of Business or not otherwise permitted by this Agreement; or
- (h) agreement, whether in writing or otherwise, by Hospice East Bay to take any of the actions set forth in this Section 4.27 or not otherwise permitted by this Agreement.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES OF CHAPTERS

As of the date hereof and as of the Closing Date (except to the extent any of the following refers to any other specific date and subject to Section 12.13 of this Agreement), Chapters represents and warrants to Hospice East Bay, as follows:

5.1 Organization; Capacity.

Chapters is a corporation duly organized, validly existing and with an active status under the laws of the State of Florida. Chapters is qualified to do business under all applicable Laws of any Governmental Authority having jurisdiction over its businesses and to own its properties and conduct its business in the place and manner now conducted. Chapters has the requisite power and authority to enter into this Agreement and the other Transaction Documents to which Chapters is (or at the Closing, will become) a party and to perform its obligations hereunder and thereunder. The execution and delivery by Chapters of this Agreement and documents described herein to which it is (or at the Closing, will become) a party, the performance by Chapters of its obligations under this Agreement and documents described herein to which it is a (or at the Closing, will become) Party and the consummation by Chapters of the Transaction, as applicable, have been, or will be prior to the Closing, duly and validly authorized and approved by all necessary corporate actions on the part of Chapters, none of which actions have been modified or rescinded and all of which actions remain in full force and effect.

5.2 Authority; Noncontravention.

There are no outstanding powers of attorney executed by or on behalf of Chapters. The execution, delivery and performance of this Agreement and each other Transaction Document by Chapters thereto and the consummation by Chapters of the Transaction, as applicable:

- (a) are within Chapters' powers and are not in contravention or violation of the terms of the articles of incorporation or bylaws of Chapters and have been, or will be prior to the Closing, approved by all requisite corporate action;
- (b) except as set forth on Schedule 5.2(b), do not require that Chapters seek or obtain any Approval of, filing or registration with, the issuance of any material Permit by, or give any Notice to, any Governmental Authority;
- (c) assuming the Approvals and Permits set forth on Schedule 5.2(b) are obtained, to the Knowledge of Chapters, will not conflict in any material respect with, or result in any violation of or default under (with or without notice or lapse or both), or give

rise to a right of termination, cancellation, acceleration or augmentation of any obligation or to loss of any material benefit under, (i) any Contract, instrument, indenture, covenant, or understanding to which Chapters is bound or is a party, or (ii) any Order or Law to which Chapters may be subject; and

- (d) to the Knowledge of Chapters, will neither conflict with, nor result in, a material breach or contravention of any agreement, lease, instrument, indenture, covenant, or understanding to which Chapters is bound or is a party.

5.3 Binding Agreement.

This Agreement has been, and each Transaction Document to which Chapters is (or at the Closing, will become) a party has been, or upon execution thereof will be, duly executed and delivered by Chapters and (assuming due authorization, execution, and delivery by Hospice East Bay and all other parties thereto) this Agreement and each Transaction Document to which Chapters is a party constitute legal, valid, and binding obligations of Chapters enforceable against Chapters in accordance with the respective terms hereof and thereof, except as enforceability may be restricted, limited or delayed by applicable bankruptcy or other Laws affecting creditors' rights generally and except as enforceability may be subject to general principles of equity.

5.4 Financial Information.

- (a) Schedule 5.4(a) hereto contains the following financial statements and financial information of Chapters (the "Chapters Historical Financial Information"):
 - (i) the audited consolidated balance sheets, statements of operation, statements of changes in net assets, and statements of cash flow (including the accompanying consolidating schedules of balance sheet information and statement of operation information) for Chapters as of, and for the twelve-month periods ended December 31, 2023, and December 31, 2022.
 - (ii) the unaudited consolidated balance sheet (including the accompanying consolidating schedules of balance sheet information) and unaudited consolidated statement of operations (including the accompanying consolidating schedules of statement of operation information) prepared in the Ordinary Course of Business for the fiscal period ending on a date which is not more than sixty (60) calendar days prior to the date of this Agreement.
- (b) The consolidated financial statements included in the Chapters Historical Financial Information have been prepared in accordance with GAAP, applied on a consistent basis throughout the periods indicated (subject, in the case of the unaudited Chapters Historical Financial Information, to the absence of notes and normal year-end audit adjustments, the effect of which is not material to Chapters), and are based on the information contained in the books and records of Chapters and its Affiliates. Chapters has not materially changed any accounting policy or methodology during the periods presented in the Chapters Historical Financial Information (including accounting policies and methodologies for determining the obsolescence of

inventory or in calculating reserves, including reserves for uncollected accounts receivable).

5.5 Litigation.

Except as set forth on Schedule 5.5: (i) there is no Proceeding or Order pending or, to the Knowledge of Chapters, threatened against or affecting Chapters before any court or Governmental Authority that has or would reasonably be expected to have a material adverse effect on Chapters' ability to perform this Agreement; and (ii) Chapters is not subject to any Order that would materially and adversely affect the consummation of the Transaction.

5.6 Regulatory Compliance.

Except as set forth on Schedule 5.6, for the prior three (3) years:

- (a) Neither Chapters, nor to Chapters' Knowledge, any of its respective officers, directors or employees, has been convicted of, charged with, investigated for, or has engaged in conduct that would reasonably be expected to constitute, a Medicare or other Federal Health Care Program (as defined in 42 U.S.C. § 1320a-7(b)(1)) related offense or convicted of, charged with, investigated for, or engaged in conduct that would constitute a violation of any Law related to fraud, theft, embezzlement, breach of fiduciary duty, kickbacks, bribes, other financial misconduct, obstruction of an investigation or controlled substances. Neither Chapters, nor to Chapters' Knowledge, any officer, director or employee of Chapters has been excluded from participating in any Government Program, subject to sanction pursuant to 42 U.S.C. § 1320a-7a or § 1320a-8 or been convicted of a crime described at 42 U.S.C. § 1320a-7b, nor are any such exclusions, sanctions or charges threatened or pending.
- (b) Chapters (i) is not a party to a corporate integrity agreement with the OIG; (ii) has no reporting obligations pursuant to any settlement agreement entered into with any Governmental Authority; (iii) has not been formally notified that it is the subject of any Government Program investigation conducted by any federal or state enforcement agency (not including routine or random surveys, audits or reviews which do not or reasonably should not result in findings materially adverse to the relevant Chapters); and (iv) has not been formally notified that it is a defendant in any qui tam/False Claims Act litigation (other than by reason of a sealed complaint of which Chapters may have no Knowledge).
- (c) Except in compliance with applicable Law, neither Chapters, nor to Chapters' Knowledge, any of their officers, directors or employees is a party to any contract, lease agreement or other arrangement (including any joint venture or consulting agreement) related to Chapters with any physician, physical or occupational therapist, health care facility, hospital, nursing facility, home health agency or other person or entity that is in a position to make or influence referrals to or otherwise generate business for Chapters with respect to its assets, to provide services or lease space or equipment.

5.7 Tax Matters.

Except as set forth on Schedule 5.7:

- (a) To the Knowledge of Chapters, Chapters (i) is, and has been since the date of its incorporation, an organization exempt from federal income tax under § 501(a) of the Code as an organization that is described in § 501(c)(3), (ii) is not, and has not been since the date of its incorporation, a private foundation within the meaning of § 509(a) of the Code because it is an organization described in §§ 509(a)(1), 509(a)(2) or 509(a)(3), (iii) is in possession of a determination letter from the Internal Revenue Service to such effect, which determination letter has not been revoked or otherwise modified, (iv) is in compliance in all material respects with all applicable Laws pertaining to the operation of an organization described in § 501(c)(3) of the Code, and (v) has not entered into any transaction that would reasonably be expected to constitute an “excess benefit transaction” within the meaning of § 4958 of the Code.
- (b) Chapters has filed all Tax Returns required to be filed by it. All Taxes due and owing by Chapters (whether or not shown on any Tax Return), have either been paid or are being contested in good faith by appropriate Proceedings for which adequate reserves have been established. Except with respect to waivers or extensions that are no longer in force, Chapters has not waived any statute of limitations in respect of Taxes or agreed to any extension of time with respect to a Tax assessment or deficiency other than ordinary course extensions of time within which to file any Tax Return.
- (c) Chapters has withheld and paid all material Taxes required to have been withheld and paid by it in connection with amounts paid or owing to any employee, independent contractor, creditor or other third party, and all Internal Revenue Service Forms W-2 and 1099 required with respect thereto have been properly completed and timely filed (taking into account all extensions).
- (d) Chapters has not received any written notice from any Governmental Authority of deficiency or assessment, or proposed adjustment or assessment, in respect of Taxes of Chapters. To the Knowledge of Chapters, there are no pending or threatened Proceedings relating to any liability in respect of Taxes of Chapters.

ARTICLE 6 PRE-CLOSING COVENANTS OF THE PARTIES

The covenants of the Parties set forth in this Article 6 shall apply to the period between the date of this Agreement and the Closing.

6.1 Access to Information.

Subject to the terms of the Confidentiality Agreement agreed upon by the Parties, (i) Hospice East Bay shall provide to Chapters and its authorized representatives such reasonable and customary access to and an opportunity to inspect, investigate and review all facilities, books and records of

Hospice East Bay and shall cause the directors, employees, accountants, and other agents and representatives of Hospice East Bay to reasonably cooperate in connection with Chapters' due diligence investigation of Hospice East Bay's assets, contracts, liabilities, operations, records and other aspects of the operations, business and affairs of Hospice East Bay, and (ii) Chapters shall provide to Hospice East Bay and its authorized representatives such reasonable and customary access to and an opportunity to inspect, investigate and review all facilities, books and records of Chapters and shall cause the directors, employees, accountants, and other agents and representatives of Chapters to reasonably cooperate with Hospice East Bay's due diligence investigation of Chapters' assets, contracts, liabilities, operations, records and other aspects of the operations, business and affairs of Chapters. All due diligence will be conducted by each Party in a manner that will not unreasonably interfere with the other Party's ongoing operations.

6.2 Conduct of Business.

From the date hereof until the Effective Time, except in the Ordinary Course of Business and consistent with past practices, or as otherwise approved in writing by Chapters, Hospice East Bay will:

- (a) carry on the Business in substantially the same manner as it has heretofore and not make any material change in operations, finance, accounting policies, or the Hospice East Bay Assets other than in the Ordinary Course of Business;
- (b) not make any change in employees or other personnel (excluding voluntary terminations and retirements) that is at a level of executive vice-president or above;
- (c) maintain the Hospice East Bay Assets and all parts thereof in as good working order and condition as at present, ordinary wear and tear excepted;
- (d) make all normal and planned capital expenditures and other capital expenditures for emergency repairs or replacement;
- (e) perform in all material respects all of its obligations and enforce the performance in all material respects of any party's obligations under the Material Contracts;
- (f) keep in full force and effect present insurance policies or other comparable insurance on the Hospice East Bay Assets;
- (g) use commercially reasonable efforts to maintain and preserve intact its business organizations with respect to the Hospice East Bay Assets, retain its present employees at the Facilities and maintain its relationships with physicians, medical staff, suppliers, customers and others having business relations with the Facilities;
- (h) permit and allow reasonable access by Chapters to physicians, medical staff and others that have business relations with Hospice East Bay;
- (i) use commercially reasonable efforts to correct any requirements for improvement cited by any Governmental Authority or accreditation agency in the most recent surveys conducted by each or develop and timely implement evidence of standards

- compliance that is acceptable to any Governmental Authority or accreditation agency;
- (j) comply in all material respects with all Laws applicable to the conduct of the Business;
 - (k) continue to collect accounts receivable and pay accounts payable with respect to the Business in the Ordinary Course of Business; and
 - (l) comply with all obligations, covenants and requirements set forth in the Hospice East Bay Tax-Exempt Bond Documents and the Hospice East Bay Taxable Debt Documents.

From and after the date of this Agreement, Hospice East Bay shall notify Chapters as and when Hospice East Bay proposes to vary from, or to not take, any action described in subsections (a) through (1) of this Section 6.2 (each, a “Proposed Change Notification”). Thereafter, any such proposed change may be undertaken by Hospice East Bay as permitted by this Section 6.2 including if consented to in writing by Chapters, which consent shall be deemed to have been given if no objection by Chapters is received by Hospice East Bay within three (3) calendar days following the date of Chapters’ receipt of the Proposed Change Notification; for purposes of clarification, Andrew K. Molosky, President and CEO of Chapters and Rhonda White, COO of Chapters, are each independently authorized to approve of such action under the Proposed Change Notification. Each Proposed Change Notification shall be in writing (which may be in the form of email) addressed to Andrew Molosky at MoloskyA@chaptershealth.org and Rhonda White at RWhite@chaptershealth.org and shall identify the proposed change and set forth a description of the proposed change in sufficient detail to allow Chapters to make an informed determination. In the event Hospice East Bay takes an action described in subsections (a) through (1) of this Section 6.2 without first obtaining the consent of Chapters, Chapters shall have the right to terminate this Agreement within ten (10) calendar days after Chapters becomes aware of such action by Hospice East Bay. Under no event will an action of Hospice East Bay described in this Section 6.2 constitute a breach of this Agreement, and Chapters sole remedy shall be to terminate this Agreement during such ten (10) calendar day period.

6.3 Negative Covenants.

From the date hereof to the Effective Time, except in the Ordinary Course of Business, upon the written approval of Chapters (which approval shall not be unreasonably withheld, conditioned or delayed), as may be required by applicable Law, or as contemplated or permitted by this Agreement, Hospice East Bay will not, with respect to the Business or otherwise regarding the Hospice East Bay Assets:

- (a) enter into any Contract (i) that involves direct or indirect payments to or from physicians or, to the Knowledge of Hospice East Bay, other potential sources of referrals (or Persons owned or controlled, in whole or in part, by physicians or, to the Knowledge of Hospice East Bay, potential sources of referrals, including those

in a position to influence referrals) of a base compensation or fee of more than \$100,000 annually (or \$100,000 in the case of a Contract renewal), (ii) that is an employment agreement that commits to the payment of annual base compensation greater than \$100,000 and that is for a term greater than one year (regardless of whether such agreement satisfies the standards described in Section 6.3(a)(i)), (iii) that will restrict the ability of Hospice East Bay to compete in any manner in any geographic area, (iv) that is with a union or other collective bargaining group, or (v) that is with a managed care payor or other third-party payor;

- (b) enter into any other Contract except for Contracts that satisfy each of the following requirements: (i) the Contract does not contain any restrictive covenant, change of control or other Contract provision that would trigger any modification or termination of the Contract or that requires the consent from or notice to any third party to the Contract as a result of the Transaction, and (ii) the Contract does not involve the payment or receipt of more than \$100,000 annually (or \$100,000 in the case of a Contract renewal);
- (c) amend or terminate any Contract that is of the type referenced in either Section 6.3(a) or Section 6.3(b) above;
- (d) materially increase compensation payable to, or to become payable to, or make or agree to make a bonus payment to, any employee, physician, director, or officer or under any consulting or independent contractor Contract, except in the Ordinary Course of Business in accordance with existing personnel policies or as necessary to comply with Contracts that are binding on Hospice East Bay as of the date of this Agreement;
- (e) (i) by action or inaction, abandon, terminate, cancel, forfeit, waive or release any material rights of Hospice East Bay, in whole or in part, with respect to the Hospice East Bay Assets or encumber any of the Hospice East Bay Assets (other than purchase money security interests or vendor financing entered into in the Ordinary Course of Business); (ii) effect any corporate merger, business combination, reorganization or similar transaction or take any other action, corporate or otherwise; or (iii) settle any dispute or threatened dispute with any Governmental Authority regarding the Hospice East Bay Assets in a manner that materially and adversely affects the Business;
- (f) except for an emergency capital expenditure, make any material unbudgeted capital expenditure commitment for additions to property, plant, equipment, intangible or capital assets or for any other purpose, other than for emergency repairs or replacement;
- (g) fail to maintain the books, accounts and records of Hospice East Bay in accordance with GAAP consistently applied;

- (h) amend the Articles of Incorporation, Bylaws or other comparable charter or organizational documents of Hospice East Bay, except as required by this Agreement;
- (i) adopt or amend any new or existing Plans of Hospice East Bay (other than such routine amendments as may be necessary for regulatory compliance);
- (j) apply for or become subject to the appointment of a receiver, trustee or liquidator, make an assignment for benefit of its creditors, admit in writing its inability to pay its debts as they become due, or file a voluntary petition in any court of competent jurisdiction seeking protection from creditors or declaring itself insolvent and unable to meet its obligations when due;
- (k) incur any unbudgeted long-term indebtedness;
- (l) alter title to the Owned Real Property as it exists on the date of this Agreement, between the date of this Agreement and Closing; or
- (m) sell, assign or otherwise transfer any lease of the Leased Real Property or enter into any sublease, license or occupancy agreement with respect to all or any portion of the Leased Real Property.

6.4 Notification of Certain Matters.

- (a) From the date hereof to the Effective Time, Hospice East Bay shall give prompt written notice to Chapters of (i) the occurrence, or failure to occur, of any event that causes any representation or warranty of Hospice East Bay contained in this Agreement to be untrue in any material respect, and (ii) any failure of Hospice East Bay to comply with or satisfy, in any material respect, any covenant, condition or agreement to be complied with or satisfied by it under this Agreement.
- (b) From the date hereof to the Closing Date, Chapters shall give prompt notice to Hospice East Bay of (i) the occurrence, or failure to occur, of any event that causes any representation or warranty of Chapters contained in this Agreement to be untrue in any material respect, and (ii) any failure of Chapters to comply with or satisfy, in any material respect, any covenant, condition or agreement to be complied with or satisfied by it under this Agreement. Such notice shall provide a reasonably detailed description of the relevant circumstances, based on facts known to Chapters.

6.5 Restrictive Contracts.

- (a) With regard to any Material Contract that contains a restrictive covenant, change of control or other Material Contract provision that would trigger a modification or termination of the Material Contract or that requires consent from or notice to any third party to the Material Contract as a result of the Transaction, Hospice East Bay shall be responsible for and shall use its commercially reasonable efforts to obtain all such consents and provide all such notices. If any such consent cannot be

obtained despite such commercially reasonable best efforts, Hospice East Bay shall upon the reasonable request of Chapters cooperate in any reasonable arrangement designed to preserve benefits under any such Material Contract, including enforcement of any and all rights of Hospice East Bay against the other party or parties thereto arising out of the breach or cancellation by such other party or otherwise.

- (b) Anything contained in this Agreement to the contrary notwithstanding, this Agreement shall not be deemed to constitute an agreement that would restrict the actions, purchasing power or options, or other contracting rights of Chapters or its Affiliates with respect to any entity, facility, business or operations other than Hospice East Bay and the Hospice East Bay Assets. If a Contract contains such a restriction, Hospice East Bay shall reasonably cooperate in any reasonable arrangement designed to preserve benefits under any such Contract without the application of such restrictions or limitations to Chapters or its Affiliates.

6.6 Approvals.

Between the date hereof and the Closing Date, Hospice East Bay and Chapters shall use their respective commercially reasonable best efforts to obtain all Approvals and Permits and deliver all Notices necessary for the completion of the Transaction and the operation of the Business following the Closing. Chapters and Hospice East Bay agree to reasonably cooperate with each other and to provide such information and communications to each other or to any Governmental Authority as may be reasonably requested by one another or any Governmental Authority in order to obtain the Approvals and Permits and deliver the Notices contemplated above or as otherwise necessary to consummate the Transaction. Subject to any limitations required by applicable Law, Chapters and Hospice East Bay will, and will cause their respective counsel to, supply to each other copies of all material correspondence, filings or written communications by such Party with any Governmental Authority or staff members thereof, with respect to the Transaction.

6.7 Additional Financial Information.

Within thirty (30) days following the end of each calendar month prior to the Closing Date, Hospice East Bay will deliver to Chapters, copies of the unaudited consolidated balance sheets and the related unaudited combined income statements relating to the Business for each month then ended. Within ten (10) days of receipt, Hospice East Bay will deliver to Chapters for fiscal years ending prior to the Closing Date audited consolidated balance sheets, statements of operation, statements of changes in net assets, and statements of cash flow (including the accompanying consolidating schedules of balance sheet information and statement of operation information). Such financial statements shall have been prepared from and in accordance with Hospice East Bay's books and records, shall be true, correct and complete in all material respects and fairly present the financial position and results of operations of the Business as of the date and for the period indicated, and shall be prepared in accordance with GAAP, consistently applied, except that in the case of the unaudited monthly statements, such financial statements need not include required footnote disclosures, nor reflect normal year-end adjustments or adjustments that may be required as a result of the Transaction.

6.8 Closing Conditions.

Between the date of this Agreement and the Effective Time, Hospice East Bay and Chapters will use their commercially reasonable efforts (unless another standard is provided for herein) to cause the conditions specified in ARTICLE 8 and ARTICLE 9 hereof over which Hospice East Bay and Chapters, respectively, have control, including the receipt of all required Approvals and Permits set forth on Schedules 8.4 and 9.4, to be satisfied as soon as reasonably practicable, but in all events on or before the Effective Time.

ARTICLE 7 **POST-CLOSING COVENANTS OF THE PARTIES**

The covenants of the Parties set forth in this Article 7 shall apply to the period that commences on the Effective Time.

7.1 Employees.

- (a) Subject only to Chapters standard hiring practices and policies, Chapters shall offer employment to all of Hospice East Bay's employees who are employed and in good standing as of the Closing. All such employees will continue to be employed for an interim period of at least twelve (12) weeks after the Closing (except for any such employees who voluntarily resign). Subject to Section 7.1(c), for a period of fifty-two (52) weeks commencing with the date of this Agreement, all regular full-time and part-time non-exempt and exempt salaried employees of Hospice East Bay as of the Closing Date will in the event of termination of employment, other than termination due to performance or a voluntary termination, be eligible to receive severance benefits described as follows: (i) regular full-time and part-time non-management employees (excluding temporary or "PRN" employees), three (3) months; (ii) manager level employees, four (4) months; (iii) director level employees, six (6) months; and (iv) vice-president level employees, eight (8) months. Temporary or "PRN" employees will not be eligible for severance benefits. Any severance benefits potentially payable under this Section 7.1(a) to a Hospice East Bay employee will not be impacted by any post-Closing change in title or income level, nor will any such severance benefits become payable or adjusted solely because a Hospice East Bay managerial employee becomes employed by Chapters or a pre-Closing Chapters Affiliate (in which case severance benefits will be paid only if the managerial employee's position with Chapters or such pre-Closing Chapters Affiliate is eliminated). Eligibility of each manager, director and vice president level employee to potentially receive the severance benefits provided for in this Section 7.1(a) will be conditioned upon Chapters and Hospice East Bay receiving from such Hospice East Bay employee prior to the payment of any severance a duly executed and effective separation and release agreement in a form mutually acceptable to Chapters and Hospice East Bay in which such employee agrees to keep the terms associated with their severance benefits confidential and to fully release Hospice East Bay and Chapters from any and all liabilities and obligations upon the payment of severance benefits to which such employee may become entitled. Any severance benefits to be paid to

employees of Hospice East Bay pursuant to this Section 7.1(a) will be paid out of Hospice East Bay's pre-Closing assets. In anticipation of potentially paying the severance benefits described in this Section 7.1(a), Hospice East Bay will prior to the Closing reserve on its financial statements the following amounts: (a) five percent (5%) of the maximum potential aggregate amount of severance benefits that could become due and payable to Hospice East Bay's regular full-time and part-time non-management employees; and (b) fifty percent (50%) of the maximum potential aggregate amount of severance benefits that could become due and payable to Hospice East Bay's manager level, director level and vice-president level employees. Hospice East Bay's managerial employees that remain in good standing will continue to participate in any existing Hospice East Bay bonus incentive plan that may exist for 2024 and any bonus earned for 2024 will be paid in accordance with the terms of that plan. Commencing with calendar year 2025, Hospice East Bay's executive employees will participate in Chapters' bonus incentive plan and any bonuses that are paid will be in accordance with such plan.

- (b) Attached as Schedule 7.1(b) is a list of all employment agreements, severance agreements and plans, retention agreements, and plans, and all other similar agreements and plans of every kind and nature that create outstanding obligations owed by Hospice East Bay to any employee or former employee of Hospice East Bay.
- (c) Notwithstanding anything to the contrary, those employees represented by the National Union for Health Care Workers or any other labor union or organization shall receive the compensation, benefits, and other protections, including without limitation any severance benefits, as contemplated under the applicable collective bargaining agreement or similar agreement, if any. If no such collective bargaining agreement or similar agreement exists as of the Closing, then such employees represented by the National Union for Health Care Workers or any other labor union or organization shall be eligible for the severance benefits described in Section 7.1(a) until a collective bargaining agreement or similar agreement takes effect.

7.2 Restricted Funds.

Chapters and Hospice East Bay will continue to be bound by and honor the terms of all endowments and/or donor-restricted funds, and the beneficial interests of the Parties in any gifts or bequests shall continue. Future contributions to each of the Parties, whether under will, deed of trust or otherwise, shall be treated as contributions to the named Party.

7.3 Restrictions on Use of Hospice East Bay Assets; Maintenance of Specialty Programs.

After the Effective Time all assets of Hospice East Bay will continue to be used for qualifying healthcare and charitable purposes. All assets on Hospice East Bay's balance sheet as of the Closing and any proceeds from the sale of any real property or health facility owned by Hospice East Bay as of the Closing net of any gains or losses on invested assets, including, without limitation (i) that certain real property located at 3470 Buskirk Avenue, Pleasant Hill, California 94523 and (ii) the Bruns House inpatient hospice facility located at 2849 Miranda Avenue, Alamo.

California 94507, will, unless otherwise decided by vote of the Hospice East Bay board (excluding board members who are also Chapters officers or employees), be irrevocably dedicated to use in the Service Area. A copy of Hospice East Bay's balance sheet as of the Closing will be attached hereto and made a part hereof as Schedule 7.3. For five (5) years after the Closing, Chapters shall not take any action to restrict, prohibit or limit Hospice East Bay's ability to maintain existing "specialty" programs that include the Bruns House, Veterans Program, Bridge Program (grief services for children and teens) and Music Therapy as long as any operating losses from those programs can be funded through a combination of Hospice East Bay's fundraising efforts and non-reserved investments.

7.4 Local Fundraising; Charitable Contributions.

To the extent that after the Effective Time Hospice East Bay engages in retail thrift store operations designed to support local programs, or local fundraising or receives charitable contributions or grants, the net income of all such efforts will, unless otherwise decided by vote of the Hospice East Bay board (excluding board members who are also Chapters officers or employees), be irrevocably dedicated for use in the Service Area.

7.5 Access to Information.

The Parties acknowledge that, subsequent to the Effective Time, Chapters and Hospice East Bay may need access to information and documents in the control or possession of the other for purposes of completing the Transaction, audit preparation, compliance with Laws and other legitimate business purposes. The Parties agree that they will provide such information and documents in their possession or control to the other Parties, their attorneys and independent auditors as shall be reasonably necessary or appropriate for the purposes described in this Section 7.3, subject to all applicable Laws, specifically including the Laws pertaining to antitrust and competition.

ARTICLE 8 **CONDITIONS PRECEDENT TO OBLIGATIONS OF CHAPTERS**

The obligations of Chapters hereunder are subject to the satisfaction, on or prior to the Closing Date, of the following conditions unless waived in writing by Chapters:

8.1 Representations and Warranties.

The representations and warranties of Hospice East Bay contained in this Agreement and in any document, instrument or certificate delivered hereunder shall be true and correct in all material respects at and as of the date of this Agreement and on the Closing Date with the same force and effect as if made as of the Closing (except to the extent expressly made as of an earlier date, in which case as of such earlier date).

8.2 Performance.

Hospice East Bay shall have performed and complied, in all material respects, with all agreements, obligations and covenants contained in this Agreement that are required to be performed or complied with by Hospice East Bay at or prior to the Closing.

8.3 No Material Adverse Effect.

No Material Adverse Effect shall have occurred.

8.4 Pre-Closing Confirmations by Governmental Authorities.

Chapters shall have obtained documentation or other evidence reasonably satisfactory to Chapters that the Parties have received all those Approvals and Permits set forth on Schedule 8.4.

8.5 Action/Proceeding.

No court or any other Governmental Authority shall have issued an Order restraining or prohibiting the Transaction (that, if not permanent, has not been lifted or vacated or otherwise is no longer in effect); no Governmental Authority shall have commenced or threatened in writing to commence any Proceeding before any court of competent jurisdiction or other Governmental Authority that seeks to restrain or prohibit the consummation of the Transaction or otherwise seeks a remedy which would reasonably be expected to materially and adversely affect the operation of the Business; and none of the Justice Department, FTC, California Attorney General, California Department of Public Health, or California Office of Health Care Affordability shall have requested, orally or in writing, that Chapters delay, postpone or forebear from the Closing.

8.6 Closing Documents.

Hospice East Bay shall have executed and delivered to Chapters all of the documents and other items required to be delivered by Hospice East Bay as contemplated by Section 3.2 or otherwise pursuant to any term or provision of this Agreement.

8.7 Post-Closing Compliance with Laws and Regulations.

Chapters shall have received such reasonable assurances as it determines to be reasonably necessary to confirm that the Transaction described in this Agreement and the post-Closing operations and affairs of Chapters and Hospice East Bay will comply with all applicable Laws, including those relating to antitrust and competition, and that all other outstanding substantive and regulatory issues have been resolved to the satisfaction of Chapters.

8.8 Tax-Exempt Status of Hospice East Bay.

Chapters shall have received such reasonable assurances as it deems reasonably necessary to confirm that, since the date of this Agreement, (i) no changes in Law shall have occurred and (ii) no changes in facts and circumstances (excluding these that were either reasonably foreseeable or caused by or within the control of Chapters) shall have transpired, that in either case cause the

Code § 501(c)(3) federal income tax-exempt status of Hospice East Bay to be placed in jeopardy by the Closing of the Transaction.

8.9 Completion of Due Diligence.

Chapters shall have completed such due diligence of Hospice East Bay, and the Hospice East Bay Assets as it deems appropriate and shall be satisfied with the results thereof in its sole discretion.

8.10 Approvals.

All actions to be taken by Hospice East Bay in connection with the execution, delivery, and performance of this Agreement and the ancillary documents, the consummation of the Transaction contemplated hereby or thereby, and all consents, certificates, documents, instruments, agreements and government approvals required to effect the Transaction contemplated hereby or thereby shall be reasonably satisfactory in form and substance to Chapters.

8.11 Schedules, Exhibits, Attachments, and Ancillary Documents.

The Schedules delivered by Hospice East Bay shall be complete to the reasonable satisfaction of Chapters and all Exhibits, attachments, and ancillary documents shall be in the form and substance reasonably satisfactory to Chapters.

8.12 Further Assurances.

Chapters shall have received such consents, certificates, documents, instruments, and agreements as may reasonably be required by it to carry out and consummate the Transaction contemplated hereby and to evidence the fulfillment of the agreements herein contained and the performance of all the conditions to the consummation of the Transaction.

ARTICLE 9

CONDITIONS PRECEDENT TO OBLIGATIONS OF HOSPICE EAST BAY

The obligations of Hospice East Bay hereunder are subject to the satisfaction, on or prior to the Closing Date, of the following conditions unless waived in writing by Hospice East Bay:

9.1 Representations and Warranties.

The representations and warranties of Chapters contained in this Agreement and in any document, instrument or certificate delivered hereunder shall be true and correct in all material respects at and as of the date of this Agreement and on the Closing Date with the same force and effect as if made as of the Closing (except to the extent expressly made as of an earlier date, in which case as of such earlier date).

9.2 Performance.

Chapters shall have performed and complied, in all material respects, with all agreements, obligations and covenants contained in this Agreement that are required to be performed or complied with by Chapters at or prior to the Closing.

9.3 No Material Adverse Effect.

No Material Adverse Effect shall have occurred.

9.4 Pre-Closing Confirmations by Governmental Authorities.

Hospice East Bay shall have obtained documentation or other evidence reasonably satisfactory to Hospice East Bay that the Parties have received such Approvals and Permits as set forth on Schedule 9.4.

9.5 Action/Proceeding.

No court or any other Governmental Authority shall have issued an Order restraining or prohibiting the Transaction (that, if not permanent, has not been lifted or vacated or otherwise is no longer in effect); no Governmental Authority shall have commenced or threatened in writing to commence any Proceeding before any court of competent jurisdiction or other Governmental Authority that seeks to restrain or prohibit the consummation of the Transaction or otherwise seeks a remedy which would reasonably be expected to materially and adversely affect the operation of the Business; and none of the Justice Department, FTC, California Attorney General, or California Department of Public Health, or California Office of Health Care Affordability shall have requested, orally or in writing, that Hospice East Bay delay, postpone or forebear from the Closing.

9.6 Closing Documents.

Chapters shall have executed and delivered to Hospice East Bay all of the documents and other items required to be delivered by Chapters as contemplated by Section 3.3 or otherwise pursuant to any term or provision of this Agreement.

9.7 Post-Closing Compliance with Laws and Regulations.

Hospice East Bay shall have received such reasonable assurances as it determines to be reasonably necessary to confirm that the Transaction described in the Agreement and the post-Closing operations and affairs of Chapters and Hospice East Bay will comply with all applicable Laws, including those relating to antitrust and competition, and that all other outstanding substantive and regulatory issues have been resolved to the satisfaction of Hospice East Bay.

9.8 Tax-Exempt Status of Chapters.

Hospice East Bay shall have received such reasonable assurances as it deems reasonably necessary to confirm that, since the date of this Agreement, (i) no changes in Law shall have occurred and (ii) no changes in facts and circumstances (excluding those that were either reasonably foreseeable or caused by or within the control of Hospice East Bay) shall have

transpired, that in either case cause the Code § 501(c)(3) federal income tax-exempt status of Chapters, to be placed in jeopardy by the Closing of the Transaction.

9.9 Completion of Due Diligence.

Hospice East Bay shall have completed such due diligence of Chapters as Hospice East Bay deems appropriate and shall be satisfied with the results thereof in its sole discretion.

9.10 Approvals.

All actions to be taken by Chapters in connection with the execution, delivery, and performance of this Agreement and the ancillary documents, the consummation of the Transaction contemplated hereby or thereby, and all consents, certificates, documents, instruments, agreements and governmental approvals required to effect the Transaction contemplated hereby or thereby shall be reasonably satisfactory in form and substance to Hospice East Bay.

9.11 Schedules, Exhibits, Attachments, and Ancillary Documents.

The Schedules delivered by Chapters shall be complete to the reasonable satisfaction of Hospice East Bay and all Exhibits, attachments, and ancillary documents shall be in the form and substance reasonably satisfactory to Hospice East Bay.

9.12 Chapters West.

Hospice East Bay shall have received such evidence as it deems reasonably satisfactory to confirm that (i) at least two (2) independent not for profit hospice organizations in addition to Hospice East Bay have entered into binding affiliation agreements to affiliate with Chapters and participate in Chapters West and (ii) if such affiliation transactions have not closed by the Closing Date, Chapters has no knowledge of any violation, breach, default or other condition related to such affiliation agreements that could reasonably be expected to result in a failure to close the transactions contemplated by such affiliation agreements.

9.13 Further Assurances.

Hospice East Bay shall have received such consents, certificates, documents, instruments and agreements as may reasonably be required by it to carry out and consummate the Transaction contemplated hereby and to evidence the fulfillment of the agreements herein contained and the performance of all of the conditions to the consummation of such Transaction.

ARTICLE 10
TERMINATION

10.1 Termination Prior to Closing.

This Agreement may be terminated and the Transaction may be abandoned at any time prior to the Closing only as follows:

- (a) by mutual consent in writing of Chapters and Hospice East Bay;
- (b) by Hospice East Bay, if Chapters breaches in any material respect any of the representations, warranties, covenants or other agreements of Chapters contained in this Agreement, which breach has not been waived in writing or cannot be or has not been cured within thirty (30) calendar days after the giving of written notice by Hospice East Bay to Chapters specifying such breach;
- (c) by Chapters, if Hospice East Bay breaches in any material respect any of the representations, warranties, covenants or other agreements of Hospice East Bay contained in this Agreement, which breach has not been waived in writing or cannot be or has not been cured within thirty (30) calendar days after the giving of written notice by Chapters to Hospice East Bay specifying such breach;
- (d) by Chapters or Hospice East Bay, if any court or any other Governmental Entity issues an order restraining or prohibiting such Party from consummating the Transaction and such order becomes final and non-appealable;
- (e) by Hospice East Bay, if satisfaction of any of the conditions in ARTICLE 9 is or becomes impossible and Hospice East Bay has not waived such condition in writing; provided that in each case the failure to satisfy the applicable condition or conditions has occurred by reason other than (A) through the failure of Hospice East Bay to comply with its obligations under this Agreement, or (B) Chapters' failure to provide its closing deliveries on the Closing Date is as a result of Hospice East Bay not being ready, willing and able to close the Transaction on the Closing Date;
- (f) by Chapters, if satisfaction of any of the conditions in ARTICLE 8 is or becomes impossible and Chapters has not waived such condition in writing; provided that in each case the failure to satisfy the applicable condition or conditions has occurred by reason other than (A) through the failure of Chapters to comply with their obligations under this Agreement, or (B) Hospice East Bay's failure to provide its closing deliveries on the Closing Date is as a result of Chapters not being ready, willing and able to close the Transaction on the Closing Date; or
- (g) by either Chapters or Hospice East Bay, if the Closing has not occurred (other than through the failure of any Party seeking to terminate this Agreement to comply in all material respects with its obligations under this Agreement) on or before December 31, 2024, or such other date as mutually agreed in writing by the Parties.

10.2 Effect of Termination Prior to Closing.

In the event that this Agreement is terminated by either Chapters or Hospice East Bay pursuant to Section 10.1, this Agreement shall forthwith become void and have no effect, and all rights and obligations of the Parties under this Agreement shall terminate, without any liability or obligation of any Party to any other Party of any nature or kind whatsoever (whether at law or in equity or otherwise), except that the provisions of this ARTICLE 10, ARTICLE 11 and Section 12.6 shall survive such termination, and nothing contained in this Agreement shall relieve any Party hereto from liability for damages resulting from any failure to perform any of its covenants or obligations set forth in this Agreement.

ARTICLE 11 **ADDITIONAL AGREEMENTS**

11.1 Exclusivity.

During the period from the date of this Agreement to the earlier of (i) the Closing Date or (ii) the date on which discussions with respect to a potential Transaction have been terminated by either Party pursuant to Section 10.1 and any applicable cure periods have expired:

- (a) Hospice East Bay will not (i) offer for lease, sale, divestiture or other disposition its assets and operations (or any material portion thereof), or any ownership or membership interest in Hospice East Bay; (ii) solicit offers to lease, sell, divest or otherwise dispose of its assets and operations (or any material portion thereof), or any ownership or membership interest in Hospice East Bay; (iii) hold discussions with any party (other than Chapters) looking toward any such transaction, offer or solicitation such as those referenced in subsections (i) and (ii) above; (iv) enter into any agreement with any party (other than Chapters) with respect to the lease, sale, divestiture or other disposition of its assets and operations (or any material portion thereof) or with respect to any ownership or membership interest in Hospice East Bay, or with respect to any merger, consolidation or other fundamental transaction, or (v) furnish or cause to be furnished any information with respect to Hospice East Bay, its assets or operations to any party that Hospice East Bay knows or has reason to believe is in the process of considering any such acquisition, lease, sale, membership substitution, merger, consolidation or other transaction. Hospice East Bay shall immediately cease and cause to be terminated any existing discussions or negotiations with any third parties conducted heretofore with regard to any of the foregoing.
- (b) Chapters, solely with respect to any transaction involving hospice services in the Counties of Contra Costa, Alameda or Solano in the State of California, will not (A) hold discussions with any other party (other than Hospice East Bay) looking toward any transaction, offer or solicitation such as the types of transactions referenced in subsections (i) and (ii) of the preceding sentence; (B) enter into any agreement with any party (other than Hospice East Bay) with respect to the lease, sale, divestiture or other disposition of its assets and operations (or any material portion thereof) or with respect to any ownership or membership interest in any

entity, or with respect to any merger, consolidation or other fundamental transaction, or (C) furnish or cause to be furnished any information with respect to Chapters, its assets or operations to any party that Chapters knows or has reason to believe is in the process of considering any such acquisition, lease, sale, membership substitution, merger, consolidation or other transaction. Chapters shall immediately cease and cause to be terminated any existing discussions or negotiations with any third parties conducted heretofore with respect to any of the foregoing.

11.2 Confidentiality.

Each Party agrees to remain subject to and bound by the terms of that certain mutual non-disclosure agreement dated as of March 1, 2024 (the "Confidentiality Agreement"), which is incorporated by reference into this Agreement, until the Closing; provided, however, that if this Agreement is terminated pursuant to Section 10.1 herein, the Confidentiality Agreement shall survive any such termination and shall continue in full force and effect thereafter in accordance with its terms, conditions, and other provisions with the exception of any exclusive dealing covenants which shall be deemed terminated and no longer of any force or effect. Neither Party will make any public disclosure or issue any press releases pertaining to the existence or terms and conditions of this Agreement or the Transaction between the Parties without having first obtained the written consent of the other Party, except for communications with governmental or regulatory agencies as may be legally required, necessary or appropriate solely with respect to the Transaction, and which are not inconsistent with the prompt consummation of a Transaction as contemplated by this Agreement. Neither Party will encourage any third party to make any public comment concerning the Transaction. All public communications regarding the Transaction will be made only in accordance with a mutually agreed upon communication plan. The Parties will coordinate with one another as to any communications to their respective employees and medical staff, as applicable, relating to the Transaction prior to the communication of the same.

11.3 Enforcement of Agreement.

- (a) To the extent that a dispute develops with regard to the Agreement and does not implicate issues related to compliance with law or concerns regarding patient safety or clinical care standards, the Parties agree that prior to filing a suit in court either Party may initiate arbitration by providing notice to the other Party (an "Arbitration Notice"), which shall specify the issues to be resolved in such arbitration. Unless otherwise agreed by the Parties, the arbitration will be before a single mutually acceptable independent, impartial and conflicts-free arbitrator selected in accordance with Rule 3.2 of the AMLA Rules of Procedure for Commercial Arbitration. The arbitration hearing will be conducted in the Service Area on a date that is no more than forty-five (45) calendar days after the selection of the arbitrator.
- (b) The arbitration process shall include a pre-hearing exchange of exhibits and summary of witness testimony upon which each Party is relying, proposed rulings and remedies on each issue, and a brief in support of each Party's proposed rules and remedies not to exceed twenty (20) pages in length. The pre-hearing exchange must be completed no later than ten (10) calendar days prior to the hearing date.

Any disputes relating to the pre-hearing exchange shall be resolved by the arbitrator. The arbitration shall be a "baseball style" arbitration by which the arbitrator shall not be required to adopt in its entirety the proposed ruling and remedy of one of the Parties on each disputed issue but may adopt one Party's proposed rulings and remedies on some issues and the other Party's proposed rulings and remedies on other issues. The arbitrator shall not have the power to commit errors of law or decline to enforce the terms of this Agreement. The arbitrator shall rule within fourteen (14) calendar days following the hearing and shall issue a written opinion sufficient to clearly inform the Parties of the arbitrator's decision.

- (c) The arbitrator shall be paid a reasonable fee plus expenses. Such fee and expenses, along with the AHLA's fees and the reasonable legal fees and the expenses of the prevailing Party (including all expert witness fees and expenses), the fees and expenses of a court reporter, and any expenses for a hearing room, shall be paid as follows: (i) if the arbitrator rules in favor of one Party on all disputed issues in the arbitration, the losing Party shall pay one hundred percent (100%) of all such fees and expenses; (ii) if the arbitrator rules in favor of one Party on some issues and the other Party on the other issues, the arbitrator shall issue with the rulings a written determination as to how such fees and expenses shall be allocated between the Parties. The arbitrator shall allocate fees and expenses in a way that bears a reasonable relationship to the outcome of the arbitration, with the Party prevailing on more issues, or on issues of greater value or gravity, recovering a relatively larger share of its legal fees and expenses.
- (d) The Parties agree that the Hospice East Bay board (excluding board members who are also Chapters officers or employees) may by majority vote authorize and direct Hospice East Bay to initiate arbitration proceedings in accordance with this Section 11.3.

11.4 Injunctive Relief.

- (a) Chapters agrees that Hospice East Bay would be damaged irreparably in the event that Chapters breaches any of the provisions of this Agreement or fails to perform such provisions in accordance with their specific terms. Accordingly, Chapters agrees that Hospice East Bay shall be entitled to an injunction or injunctions to prevent breaches of the provisions of this Agreement and to enforce specifically this Agreement and the terms and provisions hereof in any action instituted in any court of the United States or any state thereof, or in any arbitration, having jurisdiction over the Parties and the matter, in addition to any other remedy to which it may be entitled, at law or in equity.
- (b) Hospice East Bay agrees that Chapters would be damaged irreparably in the event that Hospice East Bay breaches any of the provisions of this Agreement or fails to perform such provisions in accordance with their specific terms. Accordingly, Hospice East Bay agrees that Chapters shall be entitled to an injunction or injunctions to prevent breaches of the provisions of this Agreement and to enforce specifically this Agreement and the terms and provisions hereof in any action

instituted in any court of the United States or any state thereof, or in any arbitration, having jurisdiction over the Parties and the matter, in addition to any other remedy to which it may be entitled, at law or in equity.

ARTICLE 12
GENERAL

12.1 Notice.

Any notice, demand or communication required, permitted, or desired to be given under this Agreement ("Notice") shall be deemed effectively given (a) when personally delivered (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by email (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next business day if sent after normal business hours of the recipient; or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications, must be sent to the respective Parties at the following addresses (or at such other address as shall be specified in a Notice given in accordance with this Section 12.1):

If to Chapters: Chapters Health System, Inc.
12470 Telecom Drive, Suite 300 West
Temple Terrace, FL 33637
Attention: Andrew K. Molosky, President & CEO
Email: moloskya@chaptershealth.org

with copy to
(which shall not
constitute notice): Buchanan Ingersoll & Rooney PC
401 E. Jackson Street, Suite 2400
Tampa, FL 33602
Attention: Dale S. Webber, Esquire
Email: dale.webber@bipc.com

If to Hospice East Bay: East Bay Integrated Care, Inc.
d/b/a Hospice East Bay
3470 Buskirk Avenue
Pleasant Hill, CA 94523
Attention: Bill Musick, Interim President & CEO

with a copy to:
(which shall not
constitute notice): Hooper, Lundy & Bookman, P.C.
1875 Century Park East, Suite 1600
Los Angeles, CA 90067
Attention: Robert F. Miller, Esquire
Email: rmiller@hooperlundy.com

12.2 Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement, binding on all of the Parties hereto. One or more of such counterparts may be delivered via facsimile, email or other electronic format, and the Parties intend that they shall have the same legal force and effect as an original counterpart hereof.

12.3 Choice of Law; Waiver of Trial by Jury; Venue; Limitation on Damages.

- (a) The Parties agree that this Agreement shall be governed by and construed in accordance with the laws of the State of California without giving effect to any choice or conflicts of law provision or rule thereof (whether of the State of California or any other jurisdiction). Any legal proceeding, action or suit arising out of or related to the Transaction may be instituted in the federal courts of the United States of America located in the Northern District of California or the courts of the State of California located in the County of Contra Costa, and each Party irrevocably submits to the exclusive jurisdiction of such courts in any such proceeding, action or suit.
- (b) EACH PARTY ABSOLUTELY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY AND ALL RIGHTS TO TRIAL BY JURY IN CONNECTION WITH ANY PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTION.
- (c) NOTWITHSTANDING ANYTHING TO THE CONTRARY ELSEWHERE IN THIS AGREEMENT, NO PARTY TO THIS AGREEMENT (OR ANY OF ITS AFFILIATES) SHALL, IN ANY EVENT, BE LIABLE TO THE OTHER PARTIES (OR ANY OF THEIR AFFILIATES) FOR SPECIAL, CONSEQUENTIAL, PUNITIVE, EXEMPLARY, INCIDENTAL OR INDIRECT DAMAGES, COSTS, EXPENSES, CHARGES OR CLAIMS.

12.4 Benefit; Assignment.

Subject to any specific provisions of this Agreement to the contrary, this Agreement is not assignable by any Party hereto without the prior written consent of the other Party.

12.5 Reproduction of Documents.

This Agreement and all documents relating hereto, including (a) consents, waivers and modifications which may hereafter be executed, (b) the documents delivered at the Closing, and (c) certificates and other information previously or hereafter furnished by one Party to the others, may, subject to the provisions of Section 11.2 hereof, be reproduced by any photographic, photostatic, microfilm, photographic or other similar process. Hospice East Bay and Chapters agree and stipulate that any such reproduction shall be admissible in evidence as the original itself

in any judicial, arbitral or administrative Proceeding (whether or not the original is in existence) and that any enlargement, facsimile or further reproduction of such reproduction shall likewise be admissible in evidence.

12.6 Costs of Transaction.

Except as otherwise provided herein, the Parties agree as follows:

- (a) whether or not the Transaction shall be consummated, Hospice East Bay will pay the fees, expenses and disbursements of Hospice East Bay and its agents, representatives, accountants, and counsel incurred in connection with the Transaction or this Agreement; and
- (b) whether or not the Transaction shall be consummated, Chapters will pay the fees, expenses and disbursements of Chapters and its agents, representatives, accountants, and counsel incurred in connection with the Transaction or this Agreement.

12.7 Waiver of Breach.

No waiver by any Party of any provision of this Agreement or any breach or violation of any provision of this Agreement, whether intentional or not, shall be valid unless the same shall be in writing and signed by the Party making such waiver. The waiver by any Party of any breach or violation of any provision of this Agreement shall not operate as, or be construed to constitute, a waiver of any subsequent breach of the same or other provision hereof.

12.8 Severability.

In the event any provision of this Agreement is held to be invalid, illegal or unenforceable for any reason and in any respect, such invalidity, illegality, or unenforceability shall in no event affect, prejudice or disturb the validity of the remainder of this Agreement, unless doing so would result in an interpretation of this Agreement that is manifestly unjust.

12.9 No Inferences.

Inasmuch as this Agreement is the result of negotiations between sophisticated Parties of equal bargaining power represented by counsel, no inference in favor of, or against, either Party shall be drawn from the fact that any portion of this Agreement has been drafted by or on behalf of such Party.

12.10 Sections and Headings.

The division of this Agreement into sections and subsections and the use of captions and headings in connection therewith are solely for convenience and shall have no legal effect in construing the provisions of this Agreement.

12.11 No Third-Party Beneficiaries.

The terms and provisions of this Agreement are intended solely for the benefit of Chapters and Hospice East Bay and their respective permitted successors or assigns, and it is not the intention of the Parties to confer, and this Agreement shall not confer, third-party beneficiary rights upon any other Person.

12.12 Entire Agreement; Amendment.

Except for the Confidentiality Agreement, this Agreement (together with the Schedules and Exhibits attached hereto) constitutes the entire agreement of the Parties with respect to the subject matter hereof, and supersedes all prior or contemporaneous statements, communications, disclosures, failures to disclose, agreements, understandings, representations, warranties, promises, or covenants, whether oral, written, or otherwise, between or among the Parties with respect to such subject matter hereof other than those expressly set forth in this Agreement and the Confidentiality Agreement, as applicable. No modification or amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by all of the Parties

12.13 Schedules and Exhibits.

Schedules and Exhibits referred to in this Agreement shall be attached hereto and incorporated herein by reference. Notwithstanding any other provision hereof, should any Schedule or Exhibit not be completed and attached hereto as of the date hereof, Chapters and Hospice East Bay shall promptly and in good faith prepare and finalize such Schedule and Exhibit as soon as reasonably practical, but no later than ten (10) calendar days prior to the Closing. The Parties shall also have the right to modify their respective Schedules and Exhibits after being submitted to the reviewing Party, provided that any such update shall be provided to the reviewing Party at least ten (10) calendar days prior to the Closing. In the event that any Schedule or Exhibit, or updated Schedule or Exhibit materially changes the terms of the Transaction, the reviewing Party may terminate this Agreement by giving written notice thereof to the other Party within five (5) calendar days after such reviewing Party has received any such Schedule or Exhibit. If such reviewing Party does not terminate this Agreement in accordance with the provisions of this Section 12.13 after such reviewing Party has received any such Schedule or Exhibit, such reviewing Party shall have been deemed to have accepted such Schedule or Exhibit, and any representation or warranty to which it relates shall be deemed qualified and amended to include the matters contained in such Schedule or Exhibit, and to have cured any misrepresentation or breach thereof that otherwise might have existed or occurred hereunder or thereunder or in respect thereof. All Schedules and Exhibits and updated Schedules and Exhibits to be provided pursuant to this Section 12.13 shall be submitted to the reviewing Party in accordance with the notice provisions set forth in Section 12.1 of this Agreement. Nothing in this Section 12.13 is intended as a waiver of either Party's conditions precedent to Closing under ARTICLE 8 or ARTICLE 9, respectively.

12.14 Further Assurances.

On and after the Closing Date, Chapters and Hospice East Bay will take all appropriate action and execute all documents, instruments or conveyances of any kind which may be reasonably necessary or advisable to carry out the terms and conditions of this Agreement.

12.15 Waiver of Certain Damages.

In no event shall any Party be entitled to recover or make a claim under this Agreement for any amounts in respect of, and in no event shall any damages, liabilities, costs, expenses, losses, or other adverse consequences be deemed to include, (a) punitive damages (unless payable to a third party), (b) consequential, incidental, special, or indirect damages, or (c) lost profits, loss of future revenue or income, or any diminution of value or similar damages based on "multiple of profits" or "multiple of cash flow" or other valuation methodology, whether or not such damages were reasonably foreseeable or the Parties contemplated that such damages would be a probable result of a breach of this Agreement.

12.16 Survival.

None of the representations and warranties in this Agreement or in any instrument delivered pursuant to this Agreement shall survive the Effective Time. No Party shall have any liability (whether in contract or in tort or otherwise) from and after the Effective Time arising out of or relating to any representation or warranty of such Party contained herein or in any instrument delivered pursuant hereto; and, from and after the Effective Time, each Party hereby waives, to the fullest extent permitted by Law, any and all claims, rights or remedies such Party may have (whether at law or in equity or otherwise) against another Party arising out of or relating to any breach or misrepresentation by such other Party of any its representations or warranties in this Agreement or in any instrument delivered pursuant to this Agreement. This Section 12.16 shall not limit any covenant or agreement of the Parties which by its terms contemplates performance after the Effective Time.

[Remainder of Page Intentionally Left Blank]

[Signatures on the Following Page]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their authorized officers, all as of the date and year first above written.

CHAPTERS:

**CHAPTERS HEALTH SYSTEM, INC., a
Florida not for profit corporation**

DocuSigned by:
By:  _____
302582014 CAZ

Name:
Andrew K. Molosky

Title:
President and CEO

HOSPICE EAST BAY:

**EAST BAY INTEGRATED CARE, INC.
d/b/a HOSPICE EAST BAY, a California
nonprofit public benefit corporation**

DocuSigned by:
 _____
302582014 CAZ

Name:
Bill Musick

Title:
Interim CEO

Certificate Of Completion

Envelope Id: 908EH55A1D2E4CF79B5B3D07994F239C
Subject: Complete with DocuSign; Chapters Hospice East Bay Affiliation Agreement
Source Envelope:
Document Pages: 36 Signatures: 2
Certificate Pages: 5 Initials: 0
AutoNav: Enabled
Envelope Stamping: Enabled
Time Zone: (UTC-05:00) Eastern Time (US & Canada)

Status: Completed

Envelope Originator:
Kelly Hahn
kelly.hahn@bipc.com
IP Address: 170.55.152.10

Record Tracking


Status: Original
10/2/2024 10:16:04 AM
Holder: Kelly Hahn
kelly.hahn@bipc.com

Location: DocuSign

Signer Events

Andrew K. Molosky
Moloskya@chaptershealth.org
President and CEO
Security Level: Email, Account Authentication (None)

Signature


DocuSigned by:

Signature Adoption: Pre-selected Style
Using IP Address: 163.116.250.48

Timestamp

Sent: 10/2/2024 10:26:36 AM
Viewed: 10/2/2024 11:07:14 AM
Signed: 10/2/2024 11:07:31 AM

Electronic Record and Signature Disclosure:
Accepted: 10/2/2024 11:07 14 AM
ID: 1f75bab7-f4e4-452e-aeb1-u71a280494c2

Bill Musick
billm@hospiceeastbay.org
Interim CEO
Hospice East Bay
Security Level: Email, Account Authentication (None)

DocuSigned by:

Signature Adoption: Pre-selected Style
Using IP Address: 12.172.78.2

Sent: 10/2/2024 10:26:36 AM
Viewed: 10/3/2024 4:05:26 PM
Signed: 10/4/2024 11:21:22 AM

Electronic Record and Signature Disclosure:
Accepted: 10/3/2024 4:05:26 PM
ID: 71287e2e-f7b9-41e4-b79c-5f35e0ab0079

In Person Signer Events

Signature

Timestamp

Editor Delivery Events

Status

Timestamp

Agent Delivery Events

Status

Timestamp

Intermediary Delivery Events

Status

Timestamp

Certified Delivery Events

Status

Timestamp

Carbon Copy Events

Status

Timestamp

Dale Webber
Dale.webber@bipc.com
Security Level: Email, Account Authentication (None)



Sent: 10/4/2024 11:21:23 AM
Viewed: 10/4/2024 3:06:31 PM

Electronic Record and Signature Disclosure:
Not Offered via DocuSign

Witness Events

Signature

Timestamp

Notary Events

Signature

Timestamp

Envelope Summary Events

Status

Timestamps

Envelope Sent

Hashed/Encrypted

10/2/2024 10:25:37 AM

Certified Delivered

Security Checked

10/3/2024 4:05:26 PM

Signing Complete

Security Checked

10/4/2024 11:21:22 AM

Completed

Security Checked

10/4/2024 11:21:23 AM

Payment Events

Status

Timestamps

Electronic Record and Signature Disclosure

**DISCLOSURE SCHEDULES TO
AFFILIATION AGREEMENT**

by and between

CHAPTERS HEALTH SYSTEM, INC.,

and

**EAST BAY INTEGRATED CARE, INC.,
d/b/a HOSPICE EAST BAY**

September [●], 2024

THESE DISCLOSURE SCHEDULES (these “**Disclosure Schedules**”) have been prepared in connection with the execution and delivery of the Affiliation Agreement, dated as of September [●], 2024 (the “**Agreement**”), by and between Chapters Health System, Inc., a Florida not for profit corporation (“**Chapters**”) and East Bay Integrated Care, Inc. d/b/a Hospice East Bay, a California nonprofit public benefit corporation (“**Hospice East Bay**”). Chapters and Hospice East Bay are sometimes referred to individually in these Disclosure Schedules as a “**Party**” and collectively as the “**Parties**.” Capitalized terms used but not otherwise defined in these Disclosure Schedules have the respective meanings assigned to them in the Agreement.

These Disclosure Schedules are arranged according to the numbered sections contained in the Agreement, and the disclosure in any section of these Disclosure Schedules shall qualify (a) the corresponding section of the Agreement and (b) all other sections of the Agreement to which such disclosure may apply, so long as application to such section is reasonably apparent from such disclosure.

Nothing in these Disclosure Schedules constitutes an admission of any liability or obligation of either Party to any third party, nor an admission of any liability or obligation to any third party against the interests of either Party. In disclosing this information, the Parties do not waive any attorney-client privilege associated with any such information or any protection afforded by the “work product doctrine” with respect to any of the matters disclosed or discussed in these Disclosure Schedules.

Headings have been inserted on Sections of these Disclosure Schedules for the convenience of reference only and shall not affect the construction or interpretation of any of the provisions of the Agreement or these Disclosure Schedules. Any attachments to these Disclosure Schedules shall be deemed incorporated by reference into these Disclosure Schedules in their entirety.

Schedule 1.1

Permitted Liens

None.

Schedule 4.2(b)

Hospice East Bay Approvals and Permits

Notice or approval of the following agencies is expected to be required for this transaction:

- Change of ownership filings with the California Department of Public Health and the Centers for Medicare and Medicaid Services.
- Waiver or approval by California Attorney General
- Material change transaction filing with the California Office of Health Care Affordability
- Notice to Community Health Accreditation Partner

Schedules 4.2(c) and 4.2(d)

Hospice East Bay Exceptions to Noncontravention

None

Schedule 4.3

Subsidiaries; Minority Interests

None

Schedule 4.4

No Outstanding Rights

None

Schedule 4.5

Title to Assets

Owned Property:

- The office located at 3470 Buskirk Avenue, Pleasant Hill, CA 94523.
- The hospice inpatient facility located at 2849 Miranda Avenue, Alamo, CA 94507.

Leased Property:

1.	8th Amendment to Lease Premises: 444&442 Diablo Road (3700 SF) Dated: August 2, 2000 Signed: June 21, 2022 Green Valley Shopping Center Limited, a California Partnership ("Landlord") Hospice of East Bay ("Tenant")
2.	Standard Shopping Center Lease Premises: Green Valley Shopping Center, 444 Diablo Road, Danville, CA 94526 Green Valley Shopping Center, LTD ("Landlord") Hospice of Contra Costa Foundation ("Tenant")
3.	First Amendment to Lease (relative to Landlord's and Tenant's Work) Premises: Unit 1536, 1536-1560 Newell Avenue, Walnut Creek, California 94596 Dated: November 1, 2023 El Pinal Associates Newell, LLC ("Landlord") East Bay Integrated Care, Inc. ("Tenant")
4.	Lease Premises: Unit 1536, 1536-1560 Newell Avenue, Walnut Creek, California 94596 (3896 SF) Pro rata share: 18.9642% Dated: October 9, 2023 El Pinal Associates Newell, LLC ("Landlord") East Bay Integrated Care, Inc. ("Tenant")
5.	Morello/Martinez Shopping Center Lease Premises: 550 Morello Avenue, Suite A (4750 SF) Tenant's proportionate share shall be 55% Dated: September 28, 2012
6.	General Lease Triple Net Premises: 3162 Danville, Blvd., Suite A, Alamo, CA (2010 SF) Dated: December 1, 2005 The Lineweaver Trust ("Landlord") Hospice of Contra Costa Foundation ("Tenant")

7.	<p>First Addendum to Lease Dated December 1, 2005 Dated: March 16, 2010 The Linweaver Trust ("Landlord") Hospice of Contra Costa Foundation ("Tenant")</p>
8.	<p>Amendment to Lease Dated: August 10, 1998 Premises: Property #1155 - 5350 Clayton Road, Concord, CA Dated: March 25, 2013 *A copy of a letter dated November 28, 2007 extending the Term of the Lease until August 31, 2013 was attached. Kin Properties, Inc. ("Landlord") Hospice Foundation of the East Bay formerly known as Hospice of Contra Costa, Inc. ("Tenant")</p>
9.	<p>Air Commercial Real Estate Association Standard Industrial/ Commercial Multi-Tenant Lease -- Gross Premises: 2355 Whitman Road, Suite C, Concord, CA 94518 2765 SF Pro rata share: 7.3% Dated: March 5, 2014 Hofmann Plastering Company ("Lessor") East Bay Integrated Care, Inc. ("Lessee")</p>
10.	<p>Office Lease Bay Center Offices Emeryville, CA Premises: Suite 265, consisting of the 2nd floor of the Building 2,200 SF. Pro rata share 1.81% Dated: April 24, 2020 Bay Center Investor LLC ("Landlord") East Bay Integrated Care, Inc. ("Tenant")</p>
11.	<p>First Amendment and Extension of Lease Premises: 2,550 square feet of floor space located at 959 Contra Costa Blvd. Dated: December 20, 2021 Marie Gomes Farms, Inc. ("Landlord") East Bay Integrated Care, Inc. dba Hospice of the East Bay ("Tenant")</p>
12.	<p>Retail Lease Agreement Premises: 2,550 square feet of floor space located at 959 Contra Costa Blvd. (Casa Del Sol Shopping Center) Pro rata share: 11.9% Dated: January 13, 2017 Marie Gomes Farms, Inc. ("Landlord") East Bay Integrated Care, Inc. dba Hospice of the East Bay ("Tenant")</p>

Schedule 4.7

Financial Information

(i)

East Bay Integrated Care, Inc. Balance Sheets December 31, 2023 and 2022		
	2023	2022
Assets		
Current Assets		
Cash and cash equivalents	\$ 2,980,362	\$ 2,814,765
Patient accounts receivable, net	4,559,662	4,210,407
Interest and dividends receivable	114,784	119,451
Prepaid expenses and other	607,697	470,627
Total current assets	8,263,495	7,615,250
Noncurrent Assets		
Beneficial interest in charitable trust	203,013	169,460
Investments	27,005,464	25,854,128
Property and equipment, net	7,124,993	7,364,542
Right of use assets - operating	2,037,652	2,172,761
Deposits	308,124	221,832
Total noncurrent assets	27,344,346	35,782,723
Total assets	\$ 45,607,851	\$ 43,397,973
East Bay Integrated Care, Inc. Balance Sheets December 31, 2023 and 2022		
	2023	2022
Liabilities and Net Assets		
Current Liabilities		
Line of credit	\$ -	\$ 338,508
Accounts payable	727,729	720,801
Accrued expenses	1,636,514	1,807,546
Funds held for others	4,851	5,078
Operating lease liability	632,804	703,555
Total current liabilities	3,001,898	3,575,488
Noncurrent Liabilities		
Operating lease liability, net of current portion	1,493,486	1,493,648
Total liabilities	4,495,384	5,069,136
Net Assets		
Without donor restrictions	30,451,039	26,737,660
With donor restrictions	1,653,228	1,591,177
Total net assets	41,112,267	38,328,837
Total liabilities and net assets	\$ 45,607,851	\$ 43,397,973

East Bay Integrated Care, Inc. Statements of Operations Years Ended December 31, 2023 and 2022		
	2023	2022
Revenues, Gains, and Other Support Without Donor Restrictions		
Patient service revenue	\$ 27,795,852	\$ 28,771,370
Retail revenue	3,188,188	3,242,546
Special events, net	155,451	176,861
Other income	152	42
Net assets released from restriction for operation	211,049	246,040
Total revenues, gains, and other support	31,461,591	32,447,931
Expenses		
Salaries and benefits	22,817,805	23,781,514
Contract labor and services	2,442,545	2,473,099
Occupancy	2,170,875	2,204,535
Medical supplies and equipment	1,211,895	1,464,164
Other expenses	887,489	845,827
Pharmacy, therapies, hospital and laboratory	794,651	824,570
Professional fees	935,269	556,401
Depreciation	604,517	553,140
Inpatient facility	251,535	242,844
Patient related transportation	126,052	268,350
General liability insurance	291,725	233,367
Printing and office supplies	155,969	183,196
Education	98,588	133,070
Total expenses	32,878,866	33,594,017
Operating loss	(1,417,274)	(1,146,086)
Other Income (Expense)		
Rental income	17,971	61,029
Investment income (loss)	3,346,371	(7,316,909)
Unrestricted contributions and grants	833,320	1,050,137
Total other income, net	4,198,662	(1,203,733)
Revenues in Excess of (less than) Expenses and Change in Net Assets Without Donor Restrictions	\$ 2,721,379	\$ (2,454,819)

East Bay Integrated Care, Inc. Statements of Changes in Net Assets Years Ended December 31, 2023 and 2022		
	2023	2022
Net Assets Without Donor Restrictions		
Revenues in excess of (less than) expenses and change in net assets without donor restrictions	\$ 2,721,379	\$ (2,454,819)
Net Assets With Donor Restrictions		
Contributions restricted by donors	291,405	188,023
Change in beneficial interest in charitable trust	38,558	(41,657)
Investment income (loss)	43,142	(38,020)
Net assets released from restrictions	(311,049)	(246,040)
Change in net assets with donor restrictions	62,051	(135,704)
Change in Net Assets	2,783,430	(2,590,543)
Net Assets, Beginning of Year	38,328,837	40,919,360
Net Assets, End of Year	\$ 41,112,267	\$ 38,328,817

East Bay Integrated Care, Inc.
Statements of Cash Flows
Years Ended December 31, 2023 and 2022

	2023	2022
Operating Activities		
Change in net assets	\$ 2,743,470	\$ (2,559,523)
Adjustments to reconcile change in net assets to net cash from operating activities		
Net realized and unrealized (gain) loss on investments	(2,504,662)	3,119,161
Depreciation	624,512	553,149
Gain on disposal of capital asset	(823)	
Change in beneficial interest of charitable trust	(18,553)	41,667
Changes in assets and liabilities		
Patient accounts receivable, net	(349,555)	(709,362)
Interest and dividends receivable	4,367	(19,715)
Contributions receivable		160,000
Prepaid expenses and other	(137,070)	25,469
Deposits	(86,292)	25,553
Accounts payable	6,923	50,908
Accrued expenses	(171,032)	(170,570)
Funds held for others	(227)	(976)
Operating lease assets and liabilities	4,196	24,442
Unearned revenue		(21,874)
Net Cash from Operating Activities	155,519	476,900
Investing Activities		
Purchases of investments	(11,051,889)	(8,982,439)
Donated securities	154,235	(75,114)
Proceeds from sales of investments	11,559,451	6,387,799
Purchases of property and equipment	(380,865)	767,589
Proceeds from sales of property and equipment	26,725	
Net Cash from (Used for) Investing Activities	368,180	(2,437,763)
Financing Activity		
Increase (decrease) in line of credit	(333,506)	333,506
Net Change in Cash and Cash Equivalents	166,197	(2,670,355)
Cash and Cash Equivalents, Beginning of Year	2,814,765	5,485,120
Cash and Cash Equivalents, End of Year	<u>\$ 2,980,962</u>	<u>\$ 2,814,765</u>
Supplemental Disclosure of non-cash Investing and Financing Activity		
Lease liabilities arising from obtaining right of use assets	<u>\$ 83,246</u>	<u>\$ -</u>

(ii)

Consolidated Income Statement								
(\$ in Thousands, 000's)	July				YTD July			
	Actual vs Budget			Actual vs Prior Month		YTD Actual vs YTD Budget		
	Actual	Budget	Var.	Prior Month	Var.	YTD Actual	YTD Budget	Var.
Revenue	\$ 2,243	\$ 2,570	\$ (327)	\$ 2,258	\$ (21)	\$ 17,569	\$ 17,635	\$ (66)
Direct Labor	\$ 1,069	\$ 1,157	\$ (88)	\$ 1,108	\$ (49)	\$ 8,339	\$ 7,649	\$ (690)
Direct Patient Related Expenses	\$ 186	\$ 206	\$ (20)	\$ 190	\$ (14)	\$ 1,404	\$ 1,417	\$ (13)
Total Direct Expenses	\$ 1,255	\$ 1,393	\$ (128)	\$ 1,326	\$ (71)	\$ 9,743	\$ 9,063	\$ (681)
Indirect Labor	\$ 378	\$ 368	\$ (10)	\$ 383	\$ (5)	\$ 3,546	\$ 3,767	\$ (221)
Administrative Expenses	\$ 291	\$ 293	\$ (2)	\$ 271	\$ (20)	\$ 1,777	\$ 2,010	\$ (233)
Facility Related Expenses	\$ 199	\$ 176	\$ (23)	\$ 173	\$ (26)	\$ 1,265	\$ 1,204	\$ (61)
Total Indirect Expenses	\$ 1,368	\$ 1,404	\$ (36)	\$ 1,377	\$ (10)	\$ 9,588	\$ 9,450	\$ (138)
Total Operating Expenses	\$ 2,633	\$ 2,827	\$ (195)	\$ 2,703	\$ (70)	\$ 19,331	\$ 18,543	\$ (788)
Operating Income/(Loss)	\$ (390)	\$ (298)	\$ (92)	\$ (437)	\$ (47)	\$ (1,763)	\$ (908)	\$ (854)

Balance Sheet		
(\$ in Thousands, 000's)	Current Month	Prior Period
	Jul 24	Jun 24
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 1,944	\$ 686
Total AR-Net	\$ 4,201	\$ 5,951
Inventory	\$ 1	\$ -
Prepaid Expenses	\$ 596	\$ 970
Other Current Assets	\$ 718	\$ 306
Total Current Assets	\$ 7,460	\$ 7,913
Fixed Equipments		
Property Plant & Equipment	\$ 12,484	\$ 12,484
Accumulated Depreciation	\$ (5,607)	\$ (5,556)
Rights of Use Asset (net)	\$ 2,415	\$ 2,480
Total Fixed Assets	\$ 9,292	\$ 9,408
Investments	\$ 20,368	\$ 29,983
Total Assets	\$ 46,792	\$ 46,927
Liabilities & Equities		
Current Liabilities		
Accounts Payable	\$ 536	\$ 1,000
Accrued Payroll and Bonuses	\$ 819	\$ 824
Accrued PPO	\$ 775	\$ 946
Other Accrued Liabilities	\$ 318	\$ 40
Total Current Liabilities	\$ 2,672	\$ 2,967
Long Term Liabilities		
Other LT Liabilities	\$ -	\$ -
LT Capital Lease Liability	\$ 2,122	\$ 2,122
Total Liabilities	\$ 4,994	\$ 5,082
Fund Balances		
Fund Balance	\$ 39,459	\$ 39,459
Current Year Earnings	\$ 687	\$ 733
Temporarily Restricted	\$ 1,153	\$ 1,153
Permanently Restricted	\$ 600	\$ 600
Total Fund Balance	\$ 41,799	\$ 41,845
Total Liabilities & Fund Balance	\$ 46,792	\$ 46,927

4.7(c) N/A

Schedule 4.8**Material Licenses**

AGENCY	TYPE OF LICENSE / PERMIT	ENTITY HOLDING LICENSE	LICENSE NUMBER	EFFECTIVE DATE	EXPIRATION DATE
State of California Department of Public Health	Hospice Facility Bed Classification / Services / Stations "6 Hospice"	East Bay Integrated Care, Inc. – Bruns House 2849 Miranda Avenue Alamo, CA 94507-1443	020000650	03/25/2024	03/24/2025
State of California Department of Public Health	Hospice Approved Services: Palliative Care - Pilot	Hospice of the East Bay 3470 Buskirk Avenue Pleasant Hill, CA 94523-4316 Approved Other Hospice Locations Hospice of the East Bay 6425 Christie Avenue, Suite 265 Emeryville, CA 94608	070000568	11/01/2022	10/31/2024
State of California Department of Public Health	Hospice	Hospice of the East Bay 3470 Buskirk Avenue Pleasant Hill, CA 94523-4316 Approved Other Hospice Locations Hospice of the East Bay 6425 Christie Avenue, Suite 265 Emeryville, CA 94608	070000568	11/01/2022	10/31/2024
City of Emeryville	Administration Office	East Bay Integrated Care, Inc. 6425 Christie Ave. Suite 265 Emeryville, CA	18800062	01/01/2024	12/31/2024
City of Walnut Creek	Miscellaneous- Retail	The Hospice Shoppe - Walnut Creek 1345 Newell Ave. A Walnut Creek, CA 94596-5317	16501257	07/01/2024	06/30/2025
City of Concord	Business license	Hospice Of The East Bay 5350 Clayton Rd. Concord, CA 94521-3205	98044478	8/31/2024	09/30/2025
Town of Danville	Retail	East Bay Integrated Care, Inc.	000057	07/01/2024	06/30/2025

		444 Diablo Rd. Danville, CA 94526-3503			
City of Martinez	Exempt-Non profit Activities	East Bay Integrated Care Inc. 550 Morello Ave. Martinez, CA 94553-6870	02503707	01/01/2024	12/31/2024
City of Pleasant Hill	8091 Health 7 Allied Services	Hospice of The East Bay 3470 Buskirk Ave. Pleasant Hill, CA 94523	35117	01/01/2024	12/31/2024

Schedule 4.9

Accreditation

AGENCY	TYPE OF LICENSE / PERMIT	ENTITY HOLDING LICENSE	LICENSE NUMBER	EFFECTIVE DATE	EXPIRATION DATE
Community Health Accreditation Partner	Full Accreditation Hospice and Palliative Care Certification	East Bay Integrated Care, Inc. dba Hospice of the East Bay 3470 Buskirk Avenue Pleasant Hill, CA 94523 Bruns House (IPU) 2849 Miranda Avenue Alamo, CA 94507 East Bay Integrated Care Inc. 6425 Christy Avenue, Suite 265 Emeryville, CA 94608	CCN/PTAN: 05-1547 Customer ID 2011430	10/18/2022	10/18/2025

Schedule 4.10

Government Program Participation; Reimbursement

(c) HEB received notice of a RAC audit in 2024. The details are below:

ADR Set	Number of Claims Requested	Initial Financial Risk	Current Status	Current Denial Financial Loss
RAC Audit	1	\$10,510	Approved	0
RAC Audit	2	\$39,182	Approved	0
RAC Audit	3	\$5,114	Pending	\$865

(e)

Fast Bay Integrated Care, Inc. d/b/a Hospice of the East Bay Home Health: 1205946555

Fast Bay Integrated Care, Inc. d/b/a Hospice of the East Bay Internal Medicine: 1659769826

Schedule 4.12

Hospice East Bay Regulatory Compliance

(a)

HEB has been going through a Targeted Probe and Educate (TPE) review. The details are below:

ADR Set	Number of Claims Requested	Initial Financial Risk	Current Appeal Stage	Current Denial Financial Loss
NGS TPE, Round 1	25	\$193,592	Completed	\$33,814
NGS TPE, Round 2	20	\$166,295	Completed	\$41,633
NGS TPE, Round 3	20	\$169,300	Pending ALJ submission	\$34,737
Noridian Audit	98	\$703,000	ALJ Submission	\$311,461

Schedule 4.13

Information Privacy and Security Compliance

None

Schedule 4.14

Medical Staff Matters

None

Schedule 4.15

Intellectual Property

None

Schedule 4.16

Material Contracts

#	Name / Type Agreement / Date	Parties	Notice Address	Applicable subsections of Section 4.16(a)
1.	Pharmacy Services Agreement (Exclusive Provider) Dated: November 25, 2019	Enclara Pharmacia, Inc. ("Enclara") Hospice of the East Bay ("Hospice")	Enclara Pharmacia, Inc. 1601 Cherry Street Suite 1800 Philadelphia, PA 19102 Attn: Andrew Horowitz, CEO With a copy to the Legal Department	(i & iii)
2.	Horizon Oxygen and Medical Equipment Inc. Contract Amendment #1 Dated: September 1, 2023	Horizon Oxygen and Medical Equipment, Inc. ("Provider") East Bay Integrated Care, Inc. dba Hospice of the East Bay ("Hospice")	---	(ii & iii)
3.	Business Associate Agreement Dated: May 6, 2021	East Bay Integrated Care, Inc. dba Hospice of the East Bay ("Covered Entity") Medline Industries, Inc. ("Business Associate")	---	(ii & iii)
4	John Muir Health Family Medicine Residency Program Independent Educational Sites - Program Letter of Agreement (uploaded twice to data room) Dated: December 11, 2017	John Muir Health ("JMHI") East Bay Integrated Care, Inc. dba Hospice of the East Bay ("IEB")	---	(ii)
5.	Chief Medical Officer / Medical Director Services Agreement Dated: June 2, 2023	East Bay Integrated Care, Inc. dba Hospice of the East Bay and Palliative Care of the East Bay ("Hospice") Mina Chang, MD ("CMO")	Mina Chang, MD 222 Overhill Road Orinda, CA 94563	(iii)
6.	Provider Agreement • Dated: May 31, 2017	East Bay Integrated Care, Inc. dba Hospice of the East Bay ("Provider") Aetna Health of California Inc. and Aetna Health Management, LLC ("Company")	Aetna Regional Network Contracting and Operations, F953 2850 Shadelands Drive, Suite 200 Walnut Creek, CA 94598	(ii & iii)

7.	<p>First Amendment to Medical Services Agreement between Alameda Alliance for Health and Hospice of the East Bay (to amend the Services to include Outpatient Adult Palliative Care Services to Medi-Cal Members)</p>	<p>Hospice of the East Bay ("HEB")</p> <p>Alameda Alliance for Health ("Alameda")</p>	---	(ii & iii)
8	<p>Anthem Blue Cross Medi-Cal Management Care Program Ancillary Provider Agreement</p> <p>Location: Hospice of the East Bay 3470 Buskirk Avenue Pleasant Hill, CA 94523</p> <p>Dated: February 18, 2019</p>	<p>Medicaid Division of Blue Cross of California dba Anthem Blue Cross ("Anthem")</p> <p>East Bay Integrated Care, Inc. ("Provider")</p>	<p>Blue Cross of California Dba Anthem Blue Cross 2221 Edward Holland Drive Richmond, VA 23230</p>	(ii & iii)
9.	<p>Anthem Blue Cross Facility Agreement with East Bay Integrated Care, Inc.</p> <p>Location: Hospice of the East Bay 3470 Buskirk Avenue Pleasant Hill, CA 94523</p> <p>Dated: February 18, 2019</p>	<p>Blue Cross of California dba Anthem Blue Cross ("Anthem")</p> <p>East Bay Integrated Care, Inc. ("Facility")</p>	<p>Blue Cross of California Dba Anthem Blue Cross 2221 Edward Holland Drive Richmond, VA 23230</p>	(ii & iii)
10.	<p>Ancillary Provider Services Agreement</p> <p>(Agreement is subject to the Approval of the California Department of Managed Health Care and the Department of Health Care Services)</p> <p>Dated: November 18, 2019</p>	<p>Blue Shield of California Promise Health Plan ("Plan")</p> <p>Hospice of the East Bay ("Provider")</p>	<p>Blue Shield of California Promise Health Plan 601 Potrero Grande Drive Monterey Park, CA 91755 Attn: Director of Contracting</p>	(ii & iii)
11.	<p>Amendment #3 to HMO & PPO Hospice Agreement</p> <p>Location: 3470 Buskirk Avenue, Pleasant Hill, CA 94523</p> <p>(Payment Premiums – Payment of Member premiums by Hospice</p>	<p>California Physicians' Service d/b/a Blue Shield of California ("Blue Shield")</p> <p>Hospice of the East Bay ("Hospice")</p>	<p>Blue Shield of California 6300 Canoga Avenue, 12th Floor Woodland Hills, CA 91367 Attn: Vice President, Provider Network Management, Care 1st and Specialty Networks</p>	(ii & iii)

	shall be deemed a material breach of the Agreement) Dated: August 1, 2018			
12.	Memorandum of Understanding for adding Palliative Care Services and Rates Location: 3470 Buskirk Avenue, Pleasant Hill, CA 94523 Dated: December 29, 2017	Contra Costa Health Plan ("Plan") East Bay Integrated Care (Hospice of the East Bay)	---	(ii & iii)
13.	Amendment to Participating Provider Agreement dated July 1, 2020 Dated: January 27, 2017	Cigna HealthCare of California, Inc. and Cigna Health and Life Insurance Company (collectively "Cigna") Hospice of the East Bay ("Hospice")	---	(ii & iii)
15.	Contra Costa Health Plan reapplication to participate as an Organizational Provider has been approved letter dated July 29, 2013 (Health Plan Requirements dated August 29, 2016 attached but not signed)	Contra Costa Health Plan ("Plan") East Bay Integrated Care, Inc. ("Hospice")	---	(ii & iii)
16.	Coventry Health Care Provider Network Location: 2849 Miranda Street, Alamo, CA 94507 Dated: August 6, 2013	Coventry Health Care, Inc. ("Plan") East Bay Integrated Care, Inc. ("Hospice")	Coventry Health Care National Network, Inc. 750 Riverpoint Drive West Sacramento, CA 95605	(ii & iii)
17.	Provider Participation Agreement Location: 3476 Buskirk Pleasant Hill, CA 94523 Dated: March 15, 2019	East Bay Integrated Care, Inc. dba Hospice of the East Bay ("Provider") Health Net, Inc. ("Health Net")	Director, Provider Network Management, Ancillary Contracts Health Net of California, Inc. 101 N. Brand Blvd., 15 th Floor Glendale, CA 91203 With a copy to: Regional Health Plan Officer And	(ii & iii)

			Vice President and Deputy General Counsel Health Net of California, Inc. 21281 Burbank Blvd. Woodland Hills, CA 91367	
18.	Interim Agreement to Provide Services Dated: June 26, 1996	PriMed Management Consulting Services, Inc. on behalf of Hill Physicians Medical Group, Inc. and Summit Medical Center Bay Area Hospice Network ("Provider")	PriMed Management Consulting Services, Inc. 2401 Crow Canyon Road San Ramon, CA 94583-0980	(ii & iii)
19.	John Muir Select	---	---	(ii & iii)
20.	First Amendment to the Health Care Services Agreement dated January 1, 2012 Dated: September 12, 2014	Kaiser Foundation Hospitals ("KFH") East Bay Integrated Care, Inc	---	(ii & iii)
21.	Health Care Services between Partnership Health Plan of California Dated: October 15, 2019	Partnership HealthPlan of California ("Partnership") East Bay Integrated Care, Inc. dba Palliative Care of the East Bay ("Provider")	---	(ii & iii)
22.	TriCare for Life Letter dated February 12, 2010 regarding new claims processing software	Department of Veterans Affairs VA Northern California Health Care System	Department of Veterans Affairs VA Northern California Health Care System 201 Walnut Ave. Marine Island, CA 94592	(ii & iii)
23.	Hospice All Payer Appendix Dated 05/15/2017	Hospice of the East Bay United Health Care	---	(ii & iii)
24.	Veteran's Care Agreement	Department of Veterans Affairs Veterans Health Administration Hospice East Bay	Office of VA Community Care Attn: Mail Code OCC 4150 Clement Street San Francisco, CA 94103	(ii & iii)
25.	8 th Amendment to Lease Premises: 444&442 Diablo Road (3700 SF) Dated: August 2, 2000 Signed: June 21, 2022	Green Valley Shopping Center I limited, a California Partnership ("Landlord") Hospice of East Bay ("Tenant")	---	(i & iii)
26.	Standard Shopping Center Lease	Green Valley Shopping Center, LTD ("Landlord")	Green Valley Shopping Center, Ltd. 11750 Sorrento Valley Road	(ii & iii)

	<p>Premises: Green Valley Shopping Center, 444 Diablo Road, Danville, CA 94526</p>	<p>Hospice of Contra Costa Foundation ("Tenant")</p>	<p>San Diego, CA 92121 Attn: President, Asset Management Group</p>	
27.	<p>First Amendment to Lease (relative to Landlord's and Tenant's Work)</p> <p>Premises: Unit 1536, 1536-1560 Newell Avenue, Walnut Creek, California 94596</p> <p>Dated: November 1, 2023</p>	<p>El Pinal Associates Newell, LLC ("Landlord")</p> <p>East Bay Integrated Care, Inc. ("Tenant")</p>	---	(ii & iii)
28	<p>Lease</p> <p>Premises: Unit 1536, 1536-1560 Newell Avenue, Walnut Creek, California 94596 (3896 SF) Pro rata share: 18.9642%</p> <p>Dated: October 9, 2023</p>	<p>El Pinal Associates Newell, LLC ("Landlord")</p> <p>East Bay Integrated Care, Inc. ("Tenant")</p>	<p>El Pinal Associates Newell, LLC 655 3rd Street #66 Oakland, CA 94607 Attn: Manager</p> <p>With a copy to:</p> <p>Kho & Patel Certified Public Accountants 160 E. Arrow Highway San Dimas, CA 91773 Attn: Jay Patel</p> <p>With a copy to: SPM Properties, Inc. 1330 North Broadway Suite C Walnut Creek, CA 94596 Attn: Steily Calderon</p>	(ii & iii)
29.	<p>Morello/Martinez Shopping Center Lease</p> <p>Premises: 550 Morello Avenue, Suite A (4750 SF) Tenant's proportionate share shall be 55%</p> <p>Dated: September 28, 2012</p>	<p>Constantine and Jeanie B. Christopoulos as Trustee of the Christopoulos Family Trust Dated March 25, 1997 ("Landlord")</p> <p>Hospice of the East Bay ("Hospice")</p>	<p>C&H Development Co. 43 Panoramic Way Walnut Creek, CA 94595 Attn: Basil Christopoulos</p>	(ii & iii)
30	<p>Third Amendment to Lease Agreement</p> <p>Dated: May 19, 2023</p>	<p>Chestnut Martinez, LLC successor in interest to Jeanie B Christopoulos and Basil Christopoulos as Trustees of the Christopoulos Survivor's Trust dated June 10, 2017 ("Landlord")</p>	---	(ii & iii)

		Hospice of the East Bay ("Tenant")		
31.	General Lease Triple Net Premises: 3162 Danville, Blvd., Suite A, Alamo, CA (2010 SF) Dated: December 1, 2005	The Lineweaver Trust ("Landlord") Hospice of Contra Costa Foundation ("Tenant")	The Lineweaver Trust PO Box 680 263 Stone Valley Way Alamo, CA 94507	(ii & iii)
32	First Addendum to Lease Dated December 1, 2005 Dated: March 16, 2010	The Lineweaver Trust ("Landlord") Hospice of Contra Costa Foundation ("Tenant")	---	(ii & iii)
33	Third Addendum to Lease Dated December 1, 2005 Dated: July 30, 2020	The Lineweaver Trust ("Landlord") Hospice of Contra Costa Foundation ("Tenant")	---	(ii & iii)
34.	Third Amendment to Lease dated August 10, 1998 Premises: Property #1155 - 5350 Clayton Road, Concord, CA Dated: November 7, 2018	Kin Properties, Inc. ("Landlord") Hospice Foundation of the East Bay formerly known as Hospice of Contra Costa, Inc. ("Tenant")	---	(ii & iii)
35	Amendment to Lease dated August 10, 1998 Premises: Property #1155 - 5350 Clayton Road, Concord, CA Dated: March 25, 2013 *A copy of a letter dated November 28, 2007 extending the Term of the Lease until August 31, 2013 was attached.	Kin Properties, Inc. ("Landlord") Hospice Foundation of the East Bay formerly known as Hospice of Contra Costa, Inc. ("Tenant")	---	(ii & iii)
36.	Air Commercial Real Estate Association Standard Industrial/ Commercial Multi-Tenant Lease -- Gross	Hofmann Plastering Company ("Lessor") East Bay Integrated Care. Inc. ("Lessee")	Hofmann Plastering Company PO Box 907 Concord, CA 94522	(ii & iii)

	<p>Premises: 2355 Whitman Road, Suite C, Concord, CA 94518 2765 SF Pro rata share: 7.3%</p> <p>Dated: March 5, 2014</p>			
37.	<p>Office Lease Bay Center Offices Emeryville, CA</p> <p>Premises: Suite 265, consisting of the 2nd floor of the Building 2,200 SF</p> <p>Pro rata share 1.81%</p> <p>Dated: April 24, 2020</p>	<p>Bay Center Investor LLC ("Landlord")</p> <p>East Bay Integrated Care, Inc. ("Tenant")</p>	<p>Bay Center Investor LLC c/o Harvest Properties 180 Grand Avenue, Suite 1400 Oakland, CA 94610 Attn: Project Manager</p>	(ii & iii)
38.	<p>First Amendment and Extension of Lease</p> <p>Premises: 2,550 square feet of floor space located at 959 Contra Costa Blvd.</p> <p>Dated: December 20, 2021</p>	<p>Marie Gomes Farms, Inc. ("Landlord")</p> <p>East Bay Integrated Care, Inc. dba Hospice of the East Bay ("Tenant")</p>	---	(ii & iii)
39.	<p>Retail Lease Agreement</p> <p>Premises: 2,550 square feet of floor space located at 959 Contra Costa Blvd. (Casa Del Sol Shopping Center)</p> <p>Pro rata share: 11.9%</p> <p>Dated: January 13, 2017</p>	<p>Marie Gomes Farms, Inc. ("Landlord")</p> <p>East Bay Integrated Care, Inc. dba Hospice of the East Bay ("Tenant")</p>	<p>Cardoza Properties, Inc. 101 Ellinwood Drive Pleasant Hill, CA 94523</p>	(ii & iii)
40.	<p>Trella Health, LLC</p> <p>July 2024</p>	<p>Trella Health, LLC</p> <p>Hospice of the East Bay ("Hospice")</p>	<p>Trella Health, LLC PO. Box 19239, Atlanta GA, 31126</p>	Neither i, ii, iii applies
41.	<p>Overlook Networks Global Technology Solutions</p> <p>August 2024</p>	<p>Overlook Networks Global Technology Solutions</p> <p>Hospice of the East Bay ("Hospice")</p>	<p>Overlook Networks 16185 Los Gatos Blvd, Ste 205, Los Gatos, CA 95032</p>	Neither i, ii, iii applies
42.	<p>Netsmart Technologies, Inc</p> <p>April 2018</p>	<p>Netsmart Technologies, Inc</p> <p>Hospice of the East Bay ("Hospice")</p>	<p>Netsmart Technologies, Inc 11100 Nall Ave. Overland Park, KS 66211</p>	(ii & iii)
43.	<p>ADP, Inc</p> <p>July 2022</p>	<p>ADP, Inc</p> <p>Hospice of the East Bay ("Hospice")</p>	<p>ADP, Inc One ADP Boulevard Roseland, NJ 07068</p>	(ii & iii)

44.	Omniceil, Inc April 2023	Omniceil, Inc Hospice of the East Bay ("Hospice")	Omniceil, Inc 500 Cranberry Woods Dr, Cranberry USP., PA 16066	(i)
45.	NorthStar Solutions Group June 2021	NorthStar Solutions Group Hospice of the East Bay ("Hospice")	NorthStar Solutions Group 2366 Oak Valley Dr. Ann Arbor, MI 48103	(ii & iii)

Schedule 4.17

Personal Property

None

Schedule 4.18

Real Property

Owned Property:

- The office located at 3470 Buskirk Avenue, Pleasant Hill, CA 94523.
- The hospice inpatient facility located at 2849 Miranda Avenue, Alamo, CA 94507.

Schedule 4.19

Insurance

Named Insured:

- East Bay Integrated Care, Inc. d/b/a Hospice of the East Bay
- Palliative Care of the East Bay
- Hospice Foundation of the East Bay
- Hospice House d/b/a Bruns House
- The Hospice Shoppe
- Hospice Thrift Shoppe

Property	Amount	Co-insurance	Location	Policy No.	Effective Date	Expiration Date
Blanket Building	\$ 16,258,039	\$ 2,500	Philadelphia	PH062514878-01	5/1/2024	7/1/2025
Blanket Business Personal Property	\$ 2,870,000	\$ 2,500				
Blanket Business Income and Extra Expense	\$ 300,000	72 Hours	the east bay			
General Liability			BETA	PH062514878	5/1/2024	7/1/2025
General Aggregate	\$ 10,000,000					
Each Claim	\$ 5,000,000					
Products Liability Aggregate	\$ 5,000,000					
Advertising & Personal Injury	\$ 1,000,000					
Fire Damage	\$ 1,000,000					
Medical Expense	\$ 5,000					
Professional Liability						
General Aggregate	\$ 10,000,000					
Each Claim	\$ 5,000,000					
Covered Physician Sublimit - each claim	\$ 1,000,000					
Covered Physician Sublimit - aggregate	\$ 3,000,000					
Employee Benefits Liability						
General Aggregate	\$ 10,000,000					
Each Claim	\$ 5,000,000					
Sexual Physical Abuse or Misstatement						
Aggregate	\$ 5,000,000					
Each Claim	\$ 1,000,000					