AGENDA
CITY OF EL CENTRO
CITY COUNCIL
MONDAY, JULY 28, 2025

City Hall	Special Meeting	3:15 PM

CITY HALL
COUNCIL CHAMBERS
1275 MAIN STREET
EL CENTRO, CA 92243

Notice is hereby given that the Mayor of the City of El Centro has called a Special Meeting of the El Centro City Council to consider the item(s) on this agenda.

The public may attend in person. Any member of the public attending in person and wishing to make a comment is asked to complete a speaker slip and follow the instructions below regarding “Notice to the Public”. Any member of the public is invited to submit public comments in advance of the meeting to be answered at the meeting. Please email your questions to CityClerk@cityofelcentro.org or call 760-337-4515 by July 28, 2025.

COUNCIL MEMBERS, STAFF AND THE PUBLIC MAY ATTEND VIA ZOOM.

To participate and make a public comment in person, via Zoom or telephone, please raise your hand, speak up and introduce yourself.

Join Zoom Meeting:
https://us06web.zoom.us/j/4180375132?pwd=Rmo5UjZ1cWdyV1VoWUhSZWp6R0tVZz09&omn=88634461428

Optional dial-in number: (669) 444-9171
Meeting ID: 418 037 5132 Passcode: 5iHJYM

Public comments via Zoom are subject to the same time limits as those in person.

Mayor and Council Members may be reached at (760) 336-8989.

Mayor:	**Sonia Carter**	**Acting City Manager: Robert Sawyer**
Mayor Pro-Tem:	**Marty Ellett**	**City Attorney: Elizabeth Martyn Evans**
Council Members:	**Sylvia Marroquin**	**City Clerk: Norma Wyles**
	Claudia Camarena	
	Michael Crankshaw	

3:15 PM - CLOSED SESSION - CONFERENCE ROOM "A":

ROLL CALL:

CLOSED SESSION PUBLIC COMMENT:

Any member of the public wishing to address the City Council on any matter appearing on this agenda is asked to complete a "Speaker Slip" and submit it to the City Clerk prior to the start of the meeting. No comments on non-agenda items will be heard at this special meeting.

CITY COUNCIL ADJOURNS INTO CLOSED SESSION:

<u>CITY COUNCIL CLOSED SESSION:</u>

CLOSED SESSION PURSUANT TO GOVT. CODE SECTION 54957

Public Employee Appointment
City Manager

CLOSED SESSION PURSUANT TO GOVT. CODE SECTION 54957.6

City Representative: City Council
Negotiating with: Unrepresented City Manager candidate
Under negotiation: salary and fringe benefits

CONFERENCE WITH REAL PROPERTY NEGOTIATOR PURSUANT TO GOVT. CODE SECTION 54956.8

Property: 1415 Ross and associated parcels
Negotiators: Eric Newsom, Megan Rooney
Under negotiation: Price and terms

CLOSED SESSION PURSUANT TO GOVT. CODE SECTION 54956.9(d)(2)

Possible litigation against the City - one case

NOTICE TO THE PUBLIC

This is a public meeting. If there is an item on the agenda on which you wish to be heard, you are asked to complete a blue speaker slip and submit it to the City Clerk prior to the start of the meeting. **Persons wishing to address the Council are not required to identify themselves (Gov't Code § 54953.3); however, this information assists the Mayor by ensuring that all persons wishing to address the Council are recognized and also assists the City Clerk in preparing the City Council meeting minutes.** When the item is announced and your name is called by the Mayor, please step to the podium and state your name for the record. Unless the Mayor extends the time, there is a three (3) minute time limit for each public presentation. If you wish to address the Council concerning any other matter not appearing on the agenda, you may do so during the public comment portion of the agenda. **However, you may not show a visual presentation without review of that material. If you do so, you will be considered out of order.**

* Any information provided on the "Speaker Slip" is voluntary and will be public record

4:15 PM - OPEN SESSION:

ALL TIMES ARE APPROXIMATE AND MAY VARY:

CALL TO ORDER:

ROLL CALL BY CITY CLERK:

PLEDGE OF ALLEGIANCE:

INVOCATION:

CITY ATTORNEY REPORT ON CLOSED SESSION:

(TIME MAY VARY) PUBLIC COMMENTS:

The City Council welcomes your input. At this time, members of the public may address the City Council on any matter not listed on the posted agenda. Pursuant to the Brown Act, no action will be taken on any issue brought forth under Public Comments. We ask that you please complete a “Speaker Slip” and submit it to the City Clerk prior to the start of the meeting. Although you are not required to identify yourself (Gov’t Code §54953.3); this information on the “Speaker Slip” assists the Mayor that all persons wishing to address the Council are recognized and also assists the City Clerk in preparing the City Council meeting minutes. Unless the Mayor extends the time, there is a three (3) minute time limit for each public presentation.
* Any information provided on the “Speaker Slip” is voluntary and will be public record.

NEW BUSINESS:

1.

Approval of Asset Transfer Agreement by and Among the City of El Centro, El Centro Regional Medical Center and Imperial Valley Healthcare District.

Presentation: Robert Sawyer, Acting City Manager

Recommendation:
Adopt Resolution No. 25-   , APPROVING THE ASSET TRANSFER AGREEMENT BETWEEN THE CITY OF EL CENTRO, EL CENTRO REGIONAL MEDICAL CENTER AND THE IMPERIAL VALLEY HEALTHCARE DISTRICT.

ADJOURNMENT:

Materials related to an item on this Agenda submitted to the City Council after distribution of the agenda packet will be available for public inspection at the Office of the City Clerk, 1275 Main Street, El Centro, California 92243, Monday-Friday during normal business hours.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, you should contact the office of the City Clerk at (760) 337-4515. Notification at least 48 hours prior to the meeting will enable the City to make reasonable arrangement to assure accessibility to this meeting.

City Council of the City of El Centro
1275 W. Main Street
El Centro, CA 92243
SUBMITTED
ACTION ITEM (ID # 2025-252)

Item: 1.
Meeting: 7/28/2025 3:15 PM
Department: City Clerk
Category: Action Item
Prepared by: Norma Wyles, City Clerk
Department Head: Robert Sawyer
DOC ID: 2025-252

Approval of Asset Transfer Agreement by and Among the City of El Centro, El Centro Regional Medical Center and Imperial Valley Healthcare District.

CITY MANAGER'S RECOMMENDATION:

Adopt Resolution No. 25- , APPROVING THE ASSET TRANSFER AGREEMENT BETWEEN THE CITY OF EL CENTRO, EL CENTRO REGIONAL MEDICAL CENTER AND THE IMPERIAL VALLEY HEALTHCARE DISTRICT.

FISCAL IMPACT:

Payment of $5M to IVHD upon closing, payment of up to $1.5M in closing costs, contribution of the real property located at 1415 Ross, 385 W. Main and associated parking parcels ($700,000+) donation of the hospital license; associated special counsel and bond counsel fees; termination of El Centro Financing Authority $125M bond issue and transfer to IVHD.

STRATEGIC PLANNING PROGRAM 2022-2027 RELATION:

DUE DILIGENCE CHECK FOR CONTRACTORS/CONSULTANTS: DID THE DEPARTMENT VERIFY CURRENT EL CENTRO BUSINESS LICENSE, CONTRACTOR'S LICENSE, REFERENCE CHECKS, INSURANCE, ETC.:

N/A

BACKGROUND:

On or about October 8, 2023, the Governor signed AB 918 as urgency legislation, and it went into effect, forming IVHD was formed. IVHD then began to carry out its statutory duties. These included substantial due diligence, including negotiation with the City for both monetary and non-monetary contributions. Despite difficult negotiations, on March 10, ECRMC approved the Term Sheet. On 11, 2025, the City approved the Term Sheet for the transfer to IVHD of all the City real estate and license and bonds to IVHD. IVHD then approved the Term Sheet. The Parties then began negotiations of the actual Asset Transfer Agreement (ATA). All parties have worked diligently to reach agreement on a fair and comprehensive document.

The City originally scheduled the approval of the ATA for the June 24, 2025, agenda. However, on June 24, before it acted on the ATA, the City received a letter from the Majority Owner of the 2018 bonds issued by the El Centro Financing Authority and paid with revenues from ECRMC. While the bondholder is not a party to the ATA, the ATA contemplates transfer of the bonds to IVHD. The document in the packet reflects their input.

The ATA is attached in substantially complete form, although it is possible there will be minor changes before its consideration on Monday. The following is a summary of the major points of the ATA. Special counsel Megan Rooney will be available to answer any questions.

DISCUSSION:

The Asset Transfer Agreement states the legal and business positions of each party and their obligations, and makes specific representations by the City confirming ownership of the real property to be transferred, the license transfer, payment of the $1.5M of the closing costs, and the contribution of $5M. (See Article 2 on page 9 which includes statements of ownership, current status of the property as to a liens on title, and the nature of the City's representation).

The provisions for ECRMC are more extensive because of the transfer of other real property and the hospital as a going business.

IVHD has also provided separate costs and warranties and well as explicit provisions for its assumption of all of the City's obligations as to ECRMC and the bond. The Asset Transfer Agreement also sets out a variety of representations and warranties typical for a hospital sale and addresses IVHD's sole responsibility to deal with the Pioneer Bonds, the disposition of distressed hospital loans, and the level of cash on hand by ECRMC at closing.

It also provides a short provision
regarding how the Preston Hollow bonds will be transferred under the terms of the current bond documents.

Closing Period: With the approval of the Asset Transfer Agreement, the parties move into the Closing period, which is expected to last up to six months. During that time, IVHD, with support from the City and ECRMC, will work to transfer the hospital license and other assets. The City will be required to carry out certain verifications as to its assets. The license process is through the State of California and can be lengthy.

During the closing period, the parties will also work with Preston Hollow regarding the transfer of the bonds under the terms of the current bond documents and that ATA.

CONCLUSION:

Approve the Resolution as provided approving the Asset Transfer Agreement.

ATTACHMENTS:

1. RESOLUTION NO. 2025-051 ASSET TRANSFER AGREEMENT
2. Asset Transfer Agreement 4910-0852-2028 v.34- 1

RESOLUTION NO. 25-51

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL CENTRO APPROVING THE ASSET TRANSFER AGREEMENT WITH EL CENTRO REGIONAL MEDICAL CENTER AND THE IMPERIAL VALLEY HEALTHCARE DISTRICT

WHEREAS, AB 918 took effect on or about October 8, 2023, and provided for the formation of the Imperial Valley Healthcare District (IVHD) as of that date; and

WHEREAS, since that time, IVHD has investigated and has made an offer to acquire El Centro Regional Medical Center (ECRMC) which offer was accepted on March 11, 2025, through the City Council's approval of the Term Sheet with IVHD and ECRMC; and

WHEREAS, since that time, through its representatives, the City has negotiated with IVHD and ECRMC for acquisition of the ECRMC real property and license, resulting in the Asset Transfer Agreement attached and incorporated as Exhibit "A"; and

WHEREAS, the City also has accepted comments from Preston Hollow, the Majority Owner of the Hospital bonds; and

WHEREAS, after review and consideration, and upon the recommendation of its legal advisers, the City finds that the approval of the Asset Transfer Agreement is in the best interests of the City.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF EL CENTRO, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

1. The Recitals set out above are true and correct.
2. The Asset Transfer Agreement is approved in the form set out on Exhibit "A", attached and incorporated.

PASSED AND ADOPTED at an adjourned regular meeting of the City Council of the City of El Centro, California held on the 28th day of July, 2025.

CITY OF EL CENTRO

By ________________________

Sonia Carter, Mayor

ATTEST:

By ___________________________

Norma Wyles, City Clerk

07/2025/cdz/Reso/ApproveAssetTransferAgrmtECRMC

APPROVED AS TO FORM:
Office of the City Attorney

By ____________________________
Elizabeth L. Martyn, City Attorney

STATE OF CALIFORNIA)
COUNTY OF IMPERIAL)
ss CITY OF EL CENTRO)

I, Norma Wyles, City Clerk of the City of El Centro, California, do hereby certify that the forgoing Resolution No. 25-51 was duly and regularly adopted at an adjourned regular meeting of the City Council of the City of El Centro, California, held on the 28th day of July, 2025, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAINED:

By _________________________
Norma Wyles, City Clerk

07/2025/cdz/Reso/ApproveAssetTransferAgrmtECRMC

ASSET TRANSFER AGREEMENT

by and among

CITY OF EL CENTRO,

EL CENTRO REGIONAL MEDICAL CENTER,

and

IMPERIAL VALLEY HEALTHCARE DISTRICT

Effective Date: ___________, 2025

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ASSET TRANSFER AGREEMENT

This Asset Transfer Agreement (the "Agreement") is made and entered into as of ___________, 2025 (the "Effective Date"), by and among the **CITY OF EL CENTRO**, a California municipal corporation and charter city (the "City") and **EL CENTRO REGIONAL MEDICAL CENTER**, a separate public agency and enterprise operation of the City of El Centro organized and operated under the provisions of Title 4, Division 3, Part 2, Chapter 5, Article 8 Govt. Code Sections 37650 et seq. ("ECRMC") (the City and ECRMC collectively, the "Sellers"), on the one hand, and **IMPERIAL VALLEY HEALTHCARE DISTRICT**, a California healthcare district ("IVHD"), on the other hand (the City, ECRMC, and IVHD are collectively referred to as the "Parties" and each individually a "Party"). Capitalized terms used in the Agreement are defined in the Sections of the Agreement identified in Appendix I hereto.

RECITALS

A. The City owns the real property and improvements located at 1415 Ross Avenue, El Centro, California 92243 and the residential real property and improvements set forth on Schedule 1 (the "City-Owned Properties") and holds the Hospital's general acute care hospital license with the California Department of Health; and

B. ECRMC: (i) owns and operates the real property and improvements set forth on Schedule 2 (the "ECRMC-Owned Properties"); (ii) operates the City-Owned Properties; (iii) operates the 161 bed acute care hospital located at 1415 Ross Avenue, El Centro, California 92243 known as El Centro Regional Medical Center (the "Hospital"); and (iv) provides various outpatient services in outpatient centers surrounding the Hospital (the "Outpatient Facilities", and together with the Hospital, the ECRMC-Owned Properties and the City-Owned Properties, the "Facilities" and the ownership and operation thereof, the "Business").

AGREEMENT

NOW, **THEREFORE**, in consideration of the mutual promises and covenants contained in this Agreement, and for their mutual reliance and incorporating into this Agreement the above recitals, the Parties hereto hereby agree as follows:

ARTICLE I
SALE AND TRANSFER OF ASSETS;
CONSIDERATION; CLOSING

1.1 Sale of Assets; Assumption of Liabilities.

(a) At the Closing, Sellers will, subject to the terms and conditions hereof, sell, assign, transfer, convey and deliver to IVHD, and IVHD will, subject to the terms and conditions hereof, purchase, acquire and accept from Sellers, free and clear of any Encumbrances other than Permitted Exceptions, Sellers' right, title and interest in, to and under all of their assets, properties and rights of every kind and nature, whether real or personal, tangible or intangible, owned and used by ECRMC in material fashion in the operation of the Business and owned by the City and solely used by ECRMC in the operation of the Business (collectively, the "Assets," and, for sake of clarity, not including the Excluded Assets), including without limitation:

(i) all of the tangible personal property owned by ECRMC and used by ECRMC in material fashion in the operation of the Business, including but not limited to equipment, furniture, fixtures, machinery, office furnishings, leasehold improvements, trucks, automobiles, trailers and other titled vehicles free from any liens, unless otherwise agreed to by the Parties (the "Personal Property");

(ii) all of Sellers' rights to all licenses, permits, approvals, certificates of exemption, franchises, accreditations and registrations and other governmental licenses, permits or approvals listed on Schedule 1.1(a)(ii) and issued to Sellers for use exclusively by ECRMC in the operation of the Business;

(iii) all of Sellers' interest in and to the Owned Real Property and all of Sellers' interest in and to all of the following (the "Assigned Leases"): (a) the real property leases (the "Lessor Leases") for all real property pursuant to which a Seller leases space as a tenant, subtenant, lessee or sublessee and which are listed on Schedule 1.1(a)(iii) (the "Leased Real Property" and together with the Owned Real Property, the "Real Property"); and (b) the real property leases pursuant to which a Seller is the landlord, sublandlord, lessor or sublessor and which are listed on Schedule 1.1(a)(iii) (the "Tenant Leases");

(iv) all security deposits from lessees under leases for the Leased Real Property and all security deposits made by the Sellers under any Assigned Contracts or Assigned Leases;

(v) all ECRMC Intellectual Property;

(vi) all portions of goodwill associated with the ECRMC Intellectual Property or the Business;

(vii) any easements, appurtenances, development rights, mineral rights, water rights, and air rights that may exist in connection with the Business;

(viii) all of Sellers' interest in, and all of Sellers' obligations due under Contracts pertaining to the Business (the "Assigned Contracts");

(ix) all inventories of supplies, drugs, food, janitorial and office supplies and other disposables and consumables (i) located at the Hospital, or (ii) used exclusively in the operation of the Hospital;

(x) all prepaid rentals, deposits, prepayments and similar amounts relating to the Assigned Contracts and/or the Assigned Leases, which were made with respect to ECRMC's operation of the Business;

(xi) all operating manuals, files with respect to ECRMC's operation of the Business, including all patient records, medical records, employee records, financial records, equipment records, construction plans and specifications, and medical and administrative libraries;

(xii) all rights in all warranties of any manufacturer or vendor in connection with the Personal Property used in the Business;

(xiii) ECRMC's right or interest in the telephone and facsimile numbers used exclusively with respect to ECRMC's operation of the Business;

(xiv) all claims, causes of action, choses in action, rights of recovery, rights of set-off and rights of recoupment of ECRMC against third parties related to or associated with the Business;

(xv) cash, cash equivalents and short-term investments of cash, securities, and other investments held by ECRMC;

(xvi) all accounts receivable and interest thereupon, notes and interest thereupon and other receivables of ECRMC, including all claims, rights, interests and proceeds related thereto, including all accounts and other receivables, both billed and unbilled, in each case arising from the rendering of services or provision of goods, products or supplies to inpatients and outpatients at the Business provided by ECRMC;

(xvii) the right to collect and receive all payments (including without limitation all supplemental payments from the Medi-Cal program or a health plan participating in the Medi-Cal program, such as rate range payments, directed payments, payments where the non-federal share are intergovernmental payments, quality incentive payments, disproportionate share payments and AB 915 payments, as well as grants made under the Hospital Quality Assurance Fee Program), or patient receivables of ECRMC related to Medicare, Medicaid and other third-party patient claims due from beneficiaries or governmental third-party payors arising from the ownership or operation of the Business by ECRMC prior to Closing, including without limitation the rendering of services to patients at the Facilities, billed and unbilled, recorded or unrecorded, accrued and existing in respect to services rendered up to the Closing Date;

(xviii) all rights to settlements and retroactive adjustments, if any, of payments made to ECRMC for Medicare, Medicaid, and any other cost reports, for cost reporting periods ending prior to the Effective Time pursuant to the auditing and settlement of ECRMC's cost reports, appeals and other risk settlements, including Medicare bad debt;

(xix) all amounts accrued or paid with respect to Meaningful Use attested to, or for which the requirements for attestation have been met;

(xx) all disproportionate share hospital payments;

(xxi) all payments due to ECRMC under the California Department of Health Care Services Hospital Quality Assurance Fee Program from the State of California or any of its administrative entities or other entities, including without limitation Medi-Cal managed care plans, payments or grants due to the Sellers from the California Health Foundation & Trust, cost report, claims, electronic health records or similar appeals and the Sellers Cost Report settlements;

(xxii) all Medicare Accelerated and Advance Payments and COVID-19 Funds;

(xxiii) all Benefit Plans listed on <u>Schedule 1.1(a)(xxiii)</u> and the assets of such Benefit Plans and any asset that would revert to the employer upon the termination of any such Benefit Plans, including any assets representing a surplus or overfunding of any such Benefit Plans (the "Assumed Benefit Plans");

(xxiv) the Hospital's (A) Medicare, Medicaid, and other government payment program provider numbers, and (B) rights under the corresponding Medicare, Medicaid, and other government payment program provider agreements;

(xxv) all of ECRMC's services, participation or provider agreements with private health plans, insurers, or other third-party payors and any of ECRMC's managed care, prepaid, capitated or other full-risk health plan agreements;

(xxvi) all insurance policies and contracts and coverages obtained by Sellers or listing Sellers as an insured party, a beneficiary or loss payee pertaining exclusively to the Hospital, including prepaid insurance premiums, and all rights to insurance proceeds under any of the foregoing, and all subrogation proceeds related to any insurance benefits arising from the foregoing;

(xxvii) all tax refunds, rights to tax refunds for tax periods (or portions thereof) of ECRMC arising prior to the Effective Time related to the ownership or operation of the Assets or the Business by ECRMC, and tax assets and copies of tax returns and other tax records of ECRMC;

(xxviii) all bank accounts of ECRMC; and

(xxix) any other assets owned or leased by ECRMC (which are not otherwise specifically described above in this Section 1.1(a)) that are used exclusively in the operation of the Hospital.

(b) Excluded Assets. Notwithstanding the foregoing, IVHD expressly understands and agrees that it is not purchasing or acquiring, and Sellers are not selling, transferring, or assigning, any of the following assets or properties used in the operation of the Business (the "Excluded Assets"):

(i) the Sellers' rights or claims related to the Transaction or pursuant to or under this Agreement and any ancillary document hereto;

(ii) solely to the extent related to the transaction that is the subject of this Agreement, all writings and other items that are protected from discovery by the attorney-client privilege, the attorney work product doctrine or any other cognizable privilege or protection;

(iii) personnel records and other records that Sellers are required by Law to retain;

(iv) any rights or documents relating to the Excluded Assets;

(v) those assets of Sellers specifically identified on Schedule 1.1(b)(iv); and

(vi) All Benefit Plans that are not Assumed Benefit Plans and all assets attributable thereto (the "Excluded Benefit Plans").

(c) City Assets Not Used in Operation of the Business. For the avoidance of doubt, the City is not transferring any of its assets to IVHD that are not used by ECRMC solely in operation of the Business, and any such assets shall constitute Excluded Assets for purposes of this Agreement.

(d) Assumption of All Liabilities. On and subject to the terms and conditions of this Agreement and the Sale Order, at the Closing, IVHD will assume and agree to pay, perform and discharge when due all Liabilities of ECRMC and the City related to the Business and the Bond Documents, subject to the conditions of Sections 5.11 and 7.8 (collectively, the "Assumed Liabilities"), including without limitation, liabilities and obligations under, arising out of, or related to:

(i) subject to the conditions of Sections 5.11 and 7.8, the Installment Purchase Agreement, dated as of April 1, 2018 ("Installment Purchase Agreement"), as amended, among the City, ECRMC and El Centro Financing Authority, a public entity duly organized and existing as a joint exercise of powers authority under and by virtue of the laws of the State of California (the "Authority");

(ii) subject to the conditions of Section 5.11 and 7.8, the Trust Agreement, dated as of April 1, 2018 (the "Trust Agreement"), as amended, between the Authority and MUFG Union Bank, N.A. (the predecessor-in-interest to U.S. Bank Trust Company, National Association), pursuant to which the Authority issued its Hospital Revenue Refunding Bonds, Series 2018, on or about April 19, 2018 in the original aggregate amount of $125,000,000.00 (the "Bonds");

(iii) subject to the conditions of Section 5.11 and Section 7.8, the Bonds;

(iv) any and all other Contracts entered into by the City or ECRMC in connection with the Bonds;

(v) the Assigned Contracts;

(vi) the Assigned Leases;

(vii) the Facilities;

(viii) the Assets;

(ix) the Business Employees;

(x) the Terminated Employees;

(xi) the Hired Employees;

(xii) the Real Property;

(xiii) the Benefit Plans (for the avoidance of doubt, including all Assumed Benefit Plans and all Excluded Benefit Plans, provided, that consistent with Section 5.6(e), the sole Benefit Plan for which sponsorship shall be transferred from ECRMC to IVHD is the ECRMC Pension Plan);

(xiv) the Memorandums of Understanding;

(xv) patient credit balances and other current expenses and liabilities;

(xvi) operating licenses, permits, or accreditations;

(xvii) Accrued PTO due to the Carryover Employees;

(xviii) All self-insured workers' compensation claims liabilities; and

(xix) other specifically assumed liabilities set forth in Schedule 1.1(d)(xviii).

1.2 Financial Terms.

(a) At the Closing, IVHD will pay each Seller One Dollar ($1.00) to acquire the Assets and assume the Liabilities (the "Purchase Price"), and the City will make a one-time cash payment to IVHD of Five Million Dollars ($5,000,000.00) (the "Financial Contribution").

(b) Notwithstanding any other provision in this Agreement, the Parties may deduct and withhold any withholding taxes required under the Code to be deducted and withheld from any payments to be made pursuant to this Agreement upon advice of such party's legal counsel or tax advisor; provided, however, that at least five (5) business days prior to deducting or withholding any such amounts, Sellers will provide IVHD with an opportunity for legal counsel or Tax advisors of IVHD to discuss the same with Sellers' advisors, and the Parties will otherwise reasonably cooperate to obtain reduction of or relief from such deduction or withholding to the extent permitted by applicable Law. To the extent that any such amounts are so withheld and timely paid to the appropriate Tax authority, such withheld amounts will be treated for all purposes of this Agreement as having been delivered and paid to the Person in respect of which such deduction and withholding was made.

1.3 Closing Date; Proceedings at Closing.

(a) The consummation of the Transaction (the "Closing") will take place remotely via the exchange of documents, signature pages and payments (the day on which the Closing actually occurs, the "Closing Date") within three (3) business days following the satisfaction or waiver of the conditions set forth in Article VI and Article VII, and other than those conditions that by their nature are to be satisfied at Closing but subject to fulfillment or waiver of those conditions. The Closing will be deemed to occur and to be effective as of 12:01 a.m. Pacific Time on the day immediately after the Closing Date (the "Effective Time"). Notwithstanding anything in this Agreement to the contrary, the conditions to Closing described in Sections 6.4(c) and 7.8 may not be waived, in whole or in part, without the prior written consent of the Trustee, acting at the direction of the Owners of a majority in aggregate principal amount of the Bonds (the "Majority Owners").

(b) All proceedings to be taken and all documents to be executed and delivered by all parties at the Closing will be deemed to have been taken, executed, and delivered simultaneously, and no proceedings will be deemed taken nor any documents executed or delivered until all have been taken, executed and delivered. At the Closing, the Sellers will deliver (or cause to be delivered) to IVHD possession and control of all of the Assets.

1.4 Items to be Delivered by Sellers at Closing. At or before the Closing, Sellers will deliver to IVHD the following:

(a) a Bill of Sale substantially in the form of Exhibit 1.4(a) attached hereto (the "Bill of Sale"), duly executed by Sellers;

(b) a Power of Attorney, authorizing IVHD to operate and order under Seller's DEA registration(s) between Closing Date and the date that IVHD obtains its own DEA registration(s);

(c) Real Estate Assignment Agreements (the "Real Estate Assignments") in the form of Exhibit 1.4(c) attached hereto with respect to the Assigned Leases, each duly executed by the applicable Seller;

(d) Grant Deeds with respect to each Seller's right title and interest in and to (i) all of the real property described in Schedule 1.4(d), and (ii) all plants, buildings, structures, installments, improvements, fixtures, betterments, additions and improvements in the progress of construction and situated or located on such real property(collectively, the "Owned Real Property"), duly executed by each Seller;

(e) an Assigned Contract Transfer Agreement (the "Transfer Agreement") in the form of Exhibit 1.4(e) attached hereto, duly executed by ECRMC and the City (as applicable);

(f) an IRS Form W-9, duly executed by each Seller;

(g) a certificate, dated as of the Closing Date, and signed by an authorized officer or representative of each Seller, that each of the conditions set forth in Section 7.3 have been satisfied;

(h) a certificate signed by the secretary or other authorized officer or representative of each Seller, dated as of the Closing Date, certifying as to the resolutions adopted in connection with this Agreement and the Transaction and the incumbency of the persons executing this Agreement and the other Transaction Documents;

(i) Owner's affidavits in substantially the form attached hereto as Exhibit 1.4(i);

(j) written resolutions of the Board of Directors of ECRMC and a related plan amendment ceasing further benefit accruals under the ECRMC Pension Plan;

(k) written resolutions of the Board of Directors of ECRMC and a related plan amendment terminating each Benefit Plan, including each ECRMC Defined Contribution Plan, with the exception of the ECRMC Pension Plan;

(l) the written resolutions of the Board of Directors of ECRMC and a related amendment transferring sponsorship of the ECRMC Pension Plan;

(m) copies of the Required Third Party Consents, duly executed by the required third parties;

(n) the Financial Contribution, which the City will deliver by wire transfer of immediately available funds to an account specified in writing by IVHD; and

(o) any such other instruments, certificates, consents, or other documents which the Parties deem reasonably necessary to carry out the Transaction and to comply with the terms hereof.

1.5 Items to be Delivered by IVHD at Closing. At or before the Closing, IVHD will deliver or cause to be delivered to Sellers the following:

(a) payment of the Purchase Price;

(b) a certificate, dated as of the Closing Date, and signed by an authorized officer of IVHD, that each of the conditions set forth in Section 7.3 have been satisfied;

(c) a certificate signed by the secretary or other authorized officer of IVHD, dated as of the Closing Date, certifying as to the resolutions adopted in connection with this Agreement and the Transaction and the incumbency of the officers of IVHD executing this Agreement and the other Transaction Documents;

(d) a fully executed Joint Powers and Affiliation Agreement by and among IVHD and The Regents of the University of California on behalf of UC San Diego Health ("UC San Diego Health"), which agreement covers the operations of the Hospital and supersedes the existing Joint Powers and Affiliation Agreement by and between UC San Diego Health and Sellers;

(e) the Bill of Sale, duly executed by IVHD;

(f) the Real Estate Assignments, duly executed by IVHD;

(g) the Transfer Agreement, duly executed by IVHD;

(h) Assignment of the Installment Purchase Agreement, duly executed by IVHD;

(i) a preliminary change of ownership report for each Owned Real Property; and

(j) any such other instruments, certificates, consents, or other documents which IVHD and Sellers mutually deem reasonably necessary to carry out the Transaction and to comply with the terms hereof.

1.6 Risk of Loss. The risk of loss or damage to any of the Assets, Owned Real Property, the Business and all other tangible and intangible property, transfer of which is contemplated by this Agreement, are as set forth in this Section 1.6. With respect to the Owned Real Property, if prior to the Closing, all or any material part of the Owned Real Property is destroyed or materially damaged by fire or the elements or by any other cause (any such damage or destruction, a "Casualty") or is made subject to an eminent domain or similar proceeding ("Condemnation"), ECRMC will promptly (but not less than twenty (20) business days after obtaining actual knowledge of such destruction, damage, or condemnation) deliver written notice of such destruction, damage or condemnation to IVHD (copying the City), which notice will describe such destruction or damage or proceeding in reasonable detail. The Seller that owns the applicable parcel(s) of Owned Real Property shall have no obligation to repair or replace (or cause to be repaired or replaced) any such damage, destruction or taken property. Such Seller shall, at Closing, provide IVHD with the Condemnation proceeds or net proceeds from Casualty insurance actually received by such Seller on account of such Casualty or Condemnation (except to the extent (a) required to reimburse such Seller's collection costs or applied to repairs by such Seller prior to the Closing Date, or (b) attributable to lost rents or other items applicable to any period prior to the Closing). If as of the Closing Date, such Seller has not received any such insurance or condemnation proceeds, then such Seller shall, upon the Closing, assign to IVHD all rights of such Seller, if any, to the insurance or condemnation proceeds (except to the extent (a) applied to repairs by such Seller prior to the Closing Date, or (b) attributable to lost rents or other items applicable to any period prior to the Closing). In connection with any assignment of insurance proceeds hereunder, such Seller pay to IVHD an amount equal to the applicable deductible amount under such Seller's insurance (but not more than the amount by which (x) the cost as of the Closing Date to repair the damage as determined in good faith by IVHD is greater than (y) the insurance proceeds to be assigned to IVHD). Sellers and IVHD hereby expressly waive the provisions of California Civil Code Section 1662 and agree that the provisions of this Section 1.6 shall govern their obligations in the event of damage or destruction to the Owned Real Property or condemnation of all or part of the Owned Real Property.

ARTICLE II
REPRESENTATIONS AND WARRANTIES OF THE CITY

As an inducement to IVHD to enter into this Agreement and to consummate the Transaction, and except as set forth in the Disclosure Schedules and Disclosure Schedule Supplements, the City hereby represents and warrants to IVHD as follows:

2.1 Authorization. The City has full power and authority to enter into this Agreement and has full power and authority to perform its obligations hereunder and to carry out the Transaction.

2.2 Binding Agreement. The execution and delivery by the City of the Transaction Documents to which the City is a party and the consummation of the transaction contemplated thereby have been duly authorized by all requisite action on the part of the City. The Transaction

Documents to which the City is a party have been duly and validly executed and delivered by the City and, assuming due and valid execution by IVHD, constitute legal, valid, and binding obligations of the City, enforceable against the City in accordance with their respective terms subject to (a) applicable bankruptcy, reorganization, insolvency, moratorium, and other Laws affecting creditors' rights generally from time to time in effect, and (b) general principles of equity that may limit the enforcement of equitable remedies.

2.3 Organization and Good Standing. The City is duly organized, validly existing and in good standing under the Laws of the State of California, is duly authorized to transact business in the State of California, and every other jurisdiction in which it conducts business or the nature of its business and operations would require qualification as a foreign municipal corporation. The City has full power and authority to own, operate and lease its properties and to carry on its business as now conducted.

2.4 No Violation. Except as set forth in Disclosure Schedule 2.4, neither the execution and delivery by the City of the Transaction Documents to which the City is a party, the transfer of Assets to IVHD, nor the consummation of the transactions contemplated thereby and the compliance with any of the material provisions hereof by the City will (a) conflict with or result in a breach of or constitute a default by the City under any contract, agreement, instrument or other document to which the City is a party or by which the City or any of its assets or properties are bound or subject or to which any entity in which the City has an interest, is a party, or by which any such entity is bound, except for such conflicts, breaches or defaults as to which requisite waivers or consents have been obtained, (b) require any approval or consent of, filing or registration with, or other action by, any Governmental Entity, (c) violate any Law, rule, regulation, or ordinance to which the City is or may be subject, (d) to City's Knowledge, violate any judgment, order or decree of any court or other Governmental Entity to which the City is subject, or (e) result in the creation of any Encumbrance upon the Assets or the Facilities, other than Permitted Exceptions.

2.5 Brokers and Finders. Neither the City nor any officer or director of the City has engaged, either directly or indirectly, or incurred any liability to, any finder or broker in connection with the Transaction.

2.6 Real Property.

(a) To the City's Knowledge, there are no eminent domain proceedings or zoning or other public land use proceedings pending and served upon the City, or threatened in writing by a Governmental Entity against the City-Owned Properties.

(b) There is no material legal action, investigation or proceedings in any court or before or by any federal, state, county or municipal department, commission, board, bureau or agency or other Governmental Entity of any kind pending, or to the City's Knowledge, anticipated, or threatened, (i) against the City and related to any of the City-Owned Properties, (ii) against any portion of the City-Owned Properties, or (iii) relating to any of the Lessor Leases in connection with ECRMC's operation of the Business.

(c) The City has not granted or conveyed to any individual or entity (other than IVHD and the Tenant Leases) any right or option to acquire the City-Owned Properties or any portion thereof or interest therein.

(d) The City has not received any notice of any violation of any law, rule, regulations, municipal ordinance or other governmental requirement affecting the City-Owned Properties, and the City has no knowledge that any governmental authority contemplates issuing such a notice, or that any such violation exists.

(e) Except as disclosed on Disclosure Schedule 2.6(e), (i) the City obtained and is in compliance with all permits required pursuant to Environmental Laws for the occupation of the City-Owned Properties, and the City is in compliance with all such permits; (ii) the City has not received any order, notice, or other communication from (nor to the City's Knowledge has any action been threatened by) any Person of any alleged obligation of the City to undertake or bear the cost of any remediation action; and (iii) there are no pending or, to the City's Knowledge, threatened, claims, liens, or other restrictions of any nature, resulting from any violation or failure to comply with any applicable Environmental Law with respect to any City-Owned Property.

(f) Except as disclosed in Disclosure Schedule 2.6(f) with respect to the City-Owned Properties to the City's Knowledge:

(i) As to each Lessor Lease, there is no Person in possession of any portion of the premises leased under such Lessor Lease other than the City or ECRMC. As to each Lessor Lease, other than this Agreement, there are no Contracts entered into by the City which grant any party the right to acquire the leasehold interests in the premises leased thereunder or any portion thereof.

(ii) As to each Tenant Lease, there is no other Person in possession of any portion of the premises leased thereunder. As to each Tenant Lease, other than this Agreement, there are no Contracts entered into by the City which grant to any party the right to acquire the leasehold interests in the premises leased thereunder or any portion thereof.

(iii) Except for this Agreement, the City has not entered into any contract which grants any party the right to acquire the City-Owned Properties or portion thereof and which remains pending.

(iv) As to each of the Tenant Leases, each of the Tenant Leases is in full force and effect.

(v) None of the Tenant Leases and none of the rents or other amounts payable under the Tenant Leases have been assigned, pledged or encumbered by the City, and the Tenant Leases may be assigned by the City.

(vi) No tenant under a Tenant Lease has asserted any claim which could adversely affect the right of the landlord to collect rent from such tenant. No written notice of default or breach on the part of landlord or any tenant under any of the Tenant Leases has been given or received by the City to or from any tenant which has not been cured.

(vii) No brokerage or leasing commissions or other compensation is or will be due or payable to any party, including any renewals or extensions thereof.

(viii) As to each of the Lessor Leases, each of the Lessor Leases is in full force and effect.

(ix) No landlord under a Lessor Lease has asserted any claim which could adversely affect the right of the City to occupy the leased premises. No written notice of default or breach on the part of landlord or any tenant under any of the Lessor Leases has been given or received by the City to or from any landlord which has not been cured.

(x) No brokerage or leasing commissions or other compensation is or will be due or payable to any party, including any renewals or extensions.

(xi) There are no required guaranties under such Lessor Leases.

(xii) All work and tenant improvements required to be completed under the terms of such Lessor Lease by such landlord or the City has been completed and there are no additional material obligations in connection therewith.

(xiii) There are no obligations to reimburse a landlord under the Lessor Lease for abated rent.

2.7 Title to Assets. Subject to the exclusions contained in the Title Policy with respect to real property Assets, the City is the sole and lawful owner of, and has good title to, or a valid leasehold interest in, all of the City-Owned Properties and City Assets, free and clear of all Encumbrances other than the Permitted Exceptions.

2.8 Legal Proceedings. Except as set forth in Disclosure Schedule 2.8, there are no claims, proceedings or investigations pending or, to the City's Knowledge, threatened relating to or affecting the City before any court or Governmental Entity in which an adverse determination would be reasonably likely to (i) adversely affect the City's ability to consummate the Transaction, or (ii) materially and adversely affect the City-Owned Properties. The City is not subject to any judgment, order, decree or other governmental restriction specifically (as distinct from generically) applicable to the City which would be reasonably likely to adversely affect the City's ability to consummate the Transaction.

2.9 Transactions With Affiliates. Except as set forth in Disclosure Schedule 2.9, to the City's Knowledge, no corporate member, director, trustee, officer, city councilmember or employee of the City or member of the family of any such person, or any corporation, partnership, trust or other entity in which any such person, or any member of the family of any such person, has a substantial interest or is an officer, director, trustee, partner or holder of any equity interest, is a party to any transaction with the City with respect to the Business or the Assets, including any contract, agreement or other arrangement providing for the employment of, furnishing of goods or services by, rental of real or personal property from or to or otherwise requiring payments or involving other obligations to any such person or firm.

2.10 Default. Except as set forth on Disclosure Schedule 2.6(f), to the City's Knowledge, there is no breach or default with respect to any Assumed Liabilities or event which with the passage of time or provision of notice would constitute a breach or default with respect to any Assumed Liabilities.

2.11 AS IS, WHERE IS. THE ASSETS ARE BEING CONVEYED "AS IS", "WHERE IS", AND "WITH ALL FAULTS" AS OF THE CLOSING DATE, WITHOUT ANY REPRESENTATION OR WARRANTY WHATSOEVER AS TO THEIR CONDITION, FITNESS FOR ANY PARTICULAR PURPOSE, MERCHANTABILITY OR ANY OTHER WARRANTY, EXPRESS OR IMPLIED OTHER THAN AS SET FORTH IN THIS AGREEMENT. THE CITY SPECIFICALLY DISCLAIMS ANY WARRANTY, GUARANTY OR REPRESENTATION, ORAL OR WRITTEN, PAST OR PRESENT, THERETO EXCEPT AS OTHERWISE SET FORTH IN THE AGREEMENT. IVHD IS HEREBY THUS ACQUIRING THE ASSETS BASED SOLELY UPON IVHD'S OWN INDEPENDENT INVESTIGATIONS AND INSPECTION OF THAT PROPERTY AND NOT IN RELIANCE UPON ANY INFORMATION PROVIDED BY THE CITY OR THE CITY'S AGENTS OR CONTRACTORS EXCEPT AS OTHERWISE SET FORTH IN THIS AGREEMENT. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, THE CITY HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE OF, AS TO, CONCERNING OR WITH RESPECT TO THE PROPERTY OR ANY OTHER MATTER WHATSOEVER. IVHD IS A SOPHISTICATED BUYER WHO IS FAMILIAR WITH THE OWNERSHIP AND OPERATION OF REAL PROPERTY AND BUSINESS SIMILAR TO THE ASSETS, AND IVHD HAS HAD ADEQUATE OPPORTUNITY OR WILL HAVE ADEQUATE OPPORTUNITY PRIOR TO CLOSING TO COMPLETE ALL PHYSICAL AND FINANCIAL EXAMINATIONS RELATING TO THE ACQUISITION OF THE ASSETS HEREUNDER IT DEEMS NECESSARY, AND WILL ACQUIRE THE SAME SOLELY ON THE BASIS OF AND IN RELIANCE UPON SUCH EXAMINATIONS AND THE TITLE INSURANCE PROTECTION AFFORDED BY IVHD'S TITLE POLICY AND NOT ON ANY INFORMATION PROVIDED OR TO BE PROVIDED BY THE CITY.

2.12 City's Knowledge. References in this Agreement to "City's Knowledge" means the actual knowledge of the City Manager after reasonable inquiry of his or her direct reports.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF ECRMC

As an inducement to IVHD to enter into this Agreement and to consummate the Transaction, and except as set forth in the Disclosure Schedules and Disclosure Schedule Supplements, ECRMC hereby represents and warrants to IVHD as follows:

3.1 Authorization. ECRMC has full power and authority to enter into this Agreement and has full power and authority to perform its obligations hereunder and to carry out the Transaction.

3.2 Binding Agreement. The execution and delivery by ECRMC of the Transaction Documents to which ECRMC is a party and the consummation of the transaction contemplated thereby have been duly authorized by all requisite action on the part of ECRMC. The Transaction Documents to which ECRMC is a party have been duly and validly executed and delivered by ECRMC and, assuming due and valid execution by IVHD, constitute legal, valid, and binding obligations of ECRMC, enforceable against ECRMC in accordance with their respective terms subject to (a) applicable bankruptcy, reorganization, insolvency, moratorium, and other Laws affecting creditors' rights generally from time to time in effect, and (b) general principles of equity that may limit the enforcement of equitable remedies.

3.3 Organization and Good Standing. ECRMC is duly organized, validly existing and in good standing under the Laws of the State of California, is duly authorized and licensed to transact business in the State of California and every other jurisdiction in which it conducts business or the nature of its business and operations would require qualification as a foreign corporation or other entity. ECRMC has full power and authority to own, operate and lease its properties and to carry on its business as now conducted.

3.4 No Violation. Except as set forth in Disclosure Schedule 3.4, neither the execution and delivery by ECRMC of the Transaction Documents to which ECRMC is a party, the transfer of Assets to IVHD, nor the consummation of the transactions contemplated thereby and the compliance with any of the material provisions hereof by ECRMC will (a) violate, conflict with or result in a breach of any material provision of the Articles of Incorporation, Bylaws or other organizational documents of ECRMC, (b) conflict with or result in a breach of or constitute a default by ECRMC under any contract, agreement, instrument or other document to which ECRMC is a party or by ECRMC or any of its assets or properties are bound or subject or to which any entity in which ECRMC has an interest, is a party, or by which any such entity is bound, except for such conflicts, breaches or defaults as to which requisite waivers or consents have been obtained, (c) require any approval or consent of, filing or registration with, or other action by, any Governmental Entity, (d) violate any Law, rule, regulation, or ordinance to which ECRMC is or may be subject, (e) violate any judgment, order or decree of any court or other Governmental Entity to which ECRMC is subject, or (f) result in the creation of any Encumbrance upon the Assets or the Facilities, other than Permitted Exceptions.

3.5 Consents and Approvals.

(a) Except as set forth on Disclosure Schedule 3.5(a), no registration or filing with, or consent or approval of, or other action by, any federal, state or other governmental agency or instrumentality is or will be necessary for the valid execution, delivery and performance of this Agreement by ECRMC, the transfer of the Assets to IVHD (each, a "Required Governmental Entity Consent").

(b) Except as set forth on Disclosure Schedule 3.5(b), no consent, approval or authorization of any non-governmental third party is required in order for ECRMC to consummate the transactions or perform the related covenants and agreements of ECRMC contemplated hereby, or to vest in IVHD full right, title and interest in the Assets free and clear of any Lien upon the Assets (other than Permitted Exceptions) (each a "Third Party Consent" and, collectively, the "Third Party Consents"). Disclosure Schedule 3.5(b)(i) shall set forth each Third Party Consent that shall, individually, be required as a condition precedent to the obligations of the Buyer to Closing pursuant to Section 7.6 (collectively, the "Individual Required Third Party Consents") and Disclosure Schedule 3.5(b)(ii) shall set forth a collective group of Third Party Consents other than Individual Required Third Party Consents whereby, as a condition precedent to the obligations of the Buyer to Closing pursuant to Section 7.6, a sufficient grouping of such consents shall have been obtained such that with respect to the collective group of such Third Party Consents that are not obtained, the failure to obtain those Third Party Consents (when viewed collectively as a group of such consents not obtained) does not create or expect to create a Material Adverse Effect (collectively, the "Aggregated Required Third Party Consents" and, together with the Individual Required Third Party Consents, the "Required Third Party Consents").

3.6 Licenses and Permits. Each of the Facilities is, and for the past three (3) years has been, duly licensed pursuant to the applicable laws of the State of California. Schedule 1.1(a)(ii) contains a true, correct and complete list of all licenses. Each license is valid and in full force and effect, no License is subject to any Encumbrance (other than Permitted Exceptions), limitation, restriction, probation or other qualification (except to the extent of any limitations, restrictions or qualifications under the license's terms or under applicable Law) and there is no default under any license or, to ECRMC's Knowledge, any basis for the assertion of any default thereunder. There is no investigation or proceeding pending or, to ECRMC's Knowledge, threatened that could result in the termination, revocation, limitation, suspension, restriction or impairment of any license or the imposition of any fine, penalty or other sanctions for violation of any legal or regulatory requirements relating to any license nor, to ECRMC's Knowledge, is there any basis therefor.

3.7 Brokers and Finders. Neither ECRMC nor any officer or director of ECRMC has engaged, either directly or indirectly, or incurred any liability to, any finder or broker in connection with the Transaction.

3.8 Real Property.

(a) To ECRMC's Knowledge, there are no eminent domain proceedings or zoning or other public land use proceedings pending and served upon ECRMC, threatened in writing by a Governmental Entity against the ECRMC-Owned Properties.

(b) No material legal action, investigation or proceedings in any court or before or by any federal, state, county or municipal department, commission, board, bureau or agency or other Governmental Entity of any kind pending or to ECRMC's Knowledge, anticipated or threatened, (i) against ECRMC and related to any of the ECRMC-Owned Properties, (ii) against any portion of the ECRMC-Owned Properties, or (iii) relating to any of the Lessor Leases in connection with the operation of the Business.

(c) ECRMC has not granted or conveyed to any individual or entity (other than IVHD and the Tenant Leases) any right or option to acquire the ECRMC-Owned Properties or any portion thereof or interest therein.

(d) ECRMC has not received any notice of any violation of any law, rule, regulations, municipal ordinance or other governmental requirement affecting the ECRMC-

Owned Properties, and ECRMC has no knowledge that any governmental authority contemplates issuing such a notice, or that any such violation exists.

(e) Except as disclosed in Disclosure Schedule 3.8(e), (i) ECRMC has not received any notice from a Government Entity alleging that it is not in compliance with applicable Environmental Laws; (ii) ECRMC has not received any order, notice, or other communication from (nor to the Knowledge of ECRMC has any action been threatened by) any Person of any alleged obligation of ECRMC to undertake or bear the cost of any remediation action; and (iii) there are no pending or, to the Knowledge of ECRMC, threatened, claims, liens, or other restrictions of any nature, resulting from any violation or failure to comply with any applicable Environmental Law with respect to the Business or the ECRMC-Owned Properties.

(f) Except as disclosed in Disclosure Schedule 3.8(f), with respect to the Real Property, to ECRMC's Knowledge:

(i) As to each Lessor Lease, there is no Person in possession of any portion of the premises leased under such Lessor Lease other than the City or ECRMC. As to each Lessor Lease, other than this Agreement, there are no Contracts entered into by ECRMC which grant any party the right to acquire the leasehold interests in the premises leased thereunder or any portion thereof.

(ii) As to each Tenant Lease, there is no other Person in possession of any portion of the premises leased thereunder. As to each Tenant Lease, other than this Agreement, there are no Contracts entered into by ECRMC which grant to any party the right to acquire the leasehold interests in the premises leased thereunder or any portion thereof.

(iii) Except for this Agreement, ECRMC has not entered into any contract which grants any party the right to acquire the ECRMC-Owned Properties or portion thereof and which remains pending.

(iv) As to each of the Tenant Leases, each of the Tenant Leases is in full force and effect.

(v) None of the Tenant Leases and none of the rents or other amounts payable under the Tenant Leases have been assigned, pledged or encumbered by ECRMC, and the Tenant Leases may be assigned by ECRMC.

(vi) No tenant under a Tenant Lease has asserted any claim which could adversely affect the right of the landlord to collect rent from such tenant. No written notice of default or breach on the part of landlord or any tenant under any of the Tenant Leases has been given or received by ECRMC to or from any tenant which has not been cured.

(vii) No brokerage or leasing commissions or other compensation is due or payable to any party, including any renewals or extensions thereof.

(viii) As to each of the Lessor Leases, each of the Lessor Leases is in full force and effect.

(ix) No landlord under a Lessor Lease has asserted any claim which could adversely affect the right of ECRMC to occupy the leased premises. No written notice of default or breach on the part of landlord or any tenant under any of the Lessor Leases has been given or received by ECRMC to or from any landlord which has not been cured.

(x) No brokerage or leasing commissions or other compensation is due or payable to any party, including any renewals or extensions thereof.

(xi) There are no required guaranties under such Lessor Leases.

(xii) All work and tenant improvements required to be completed under the terms of such Lessor Lease by such landlord or ECRMC has been completed and there are no additional material obligations in connection therewith.

(xiii) There are no obligations to reimburse a landlord under the Lessor Lease for abated rent.

3.9 Compliance with Laws. Except as set forth on Disclosure Schedule 3.9:

(a) With respect to the Business, to ECRMC's Knowledge, ECRMC is in compliance in all material respects with all applicable Laws. With respect to the Business, ECRMC has not received any written notice to the effect that, or otherwise been advised that, ECRMC is not in compliance in any material respect with any applicable Laws, and to ECRMC's Knowledge, ECRMC has no reasonable basis to anticipate that any existing circumstances are likely to result in a violation of any Law.

(b) To ECRMC's Knowledge, there are no reasonable grounds to anticipate the commencement of any investigation or inquiry, or the assertion of any claim or demand by any government agency, intermediary or carrier, in each case with respect to any of the activities, practices, policies or claims of the Business, or any payments or reimbursements claimed by or relating to the Business. ECRMC is not currently subject to any outstanding audit with respect to the Business by any such government agency, intermediary or carrier outside the Ordinary Course of Business, and to ECRMC's Knowledge there are no reasonable grounds to anticipate any such audit in the foreseeable future. ECRMC is not currently subject to unsatisfied judgments, penalties or awards with respect to the Business by any such government agency, intermediary or carrier.

3.10 Healthcare Matters.

(a) Medicare and Medicaid Participation and Hospital Accreditation.

(i) All payment programs in which ECRMC has participated in at any time during the last three (3) years with respect to the Business are listed on Disclosure Schedule 3.10(a)(i) (the "Seller Payment Programs"). The Facilities are qualified for participation in the Seller Payment Programs, are currently enrolled a participating providers or suppliers (as applicable) in such programs, have current and valid provider or supplier contracts with such programs, are, and for the past three (3) years have been, in compliance in all material respects with the conditions of participation in such programs, and have received all approvals or qualifications necessary for capital reimbursement for the Facilities.

(ii) With respect to the Business: (i) there is no pending or, to ECRMC's Knowledge, threatened investigation, or civil, administrative or criminal proceeding relating to ECRMC's participation in any Seller Payment Program except for any routine audits in the Ordinary Course of Business; (ii) ECRMC is not subject to, nor have it been subjected to during the last three (3) years, any pre-payment utilization review or other utilization review by any Seller Payment Program, except for routine reviews in the Ordinary Course of Business, which did not or do not result in any material penalties or findings; (iii) in the last three (3) years, no Seller Payment Program has requested or threatened in writing any recoupment, refund, or set-off from ECRMC and, to ECRMC's Knowledge, there is no basis therefor; (iv) in the last three (3) years, no Seller Payment Program has imposed a fine, penalty or other sanction on ECRMC; and (v) in the last three (3) years, ECRMC has not submitted to any Seller Payment Program any false or fraudulent claim for payment or violated any condition for participation, or any rule, regulation, policy or standard of, any Seller Payment Program. During the last three (3) years, all Medicare costs reports required to be filed by ECRMC regarding the Business have been accurately completed and timely filed in all material respects.

(iii) Except as set forth on Disclosure Schedule 3.10(a)(iii), each of the Facilities is duly accredited by The Joint Commission, and such accreditation is in full force and effect with no contingencies. To ECRMC's Knowledge, no event has occurred or other material fact exists with respect to the Facilities' accreditation that allows, or after notice or lapse of time or both would allow, revocation, suspension, restriction, limitation or termination of such accreditation or would result in any other impairment of the rights of the holder of such accreditation.

(iv) During the last three (3) years all billing practices of ECRMC with respect to the Facilities to all third party payors, including the Seller Payment Programs, have been in material compliance with applicable Laws and ECRMC's contracts therewith, and neither ECRMC nor the Facilities have billed or received any payment or reimbursement in excess of amounts allowed by Law or the rules and regulations of the Seller Payment Programs or ECRMC's contracts therewith. During the last three (3) years, ECRMC has timely filed, submitted, or obtained in the Ordinary Course of Business all material reports, billings, and documents required to be filed, submitted or obtained to receive reimbursement from Medicare, Medicaid, Medi-Cal, CHAMPUS/TRICARE, or other third party payment programs, as applicable, for services furnished at the Facilities.

(v) Neither ECRMC nor the Facilities nor any of their respective officers, directors, managers, managing employees, service providers, controlling members or shareholders, employees, agents, or contractors providing direct patient care, indirect patient care, or administrative and management services are excluded from participation in the Medicare, Medicaid, Medi-Cal, CHAMPUS/TRICARE programs or any other federal healthcare program, nor to the Knowledge of Sellers is any such exclusion, suspension, or debarment pending or threatened. ECRMC performs periodic searches of relevant data bases, including without limitation the "List of Excluded Individuals/Entities" from the United States Health and Human Services Office of Inspector General ("OIG Health and Human Services") and the "List of

Excluded Individuals/Entities" from the System for Award Management to confirm that none of the foregoing have been excluded, suspended, or debarred from participation in Medicare, Medicaid, Medi-Cal, or CHAMPUS/TRICARE programs or any other federal healthcare program.

(b) Fraud and Abuse Compliance. With respect to the Business, in the last three (3) years and to the ECRMC's Knowledge, (A) ECRMC has not submitted any claim to any Seller Payment Program in connection with any referrals that violated any applicable self-referral Law, including without limitation the Stark Law, or any applicable state self-referral Law; (B) ECRMC has complied with all disclosure requirements of all applicable self-referral Laws, including without limitation the Stark Law and any applicable state self-referral Law; (C) neither ECRMC nor, to ECRMC's Knowledge, any Affiliate of ECRMC has knowingly or willfully solicited, received, paid or offered to pay any remuneration, directly or indirectly, overtly or covertly, in cash or kind for the purpose of making or receiving any referral which violated any applicable anti-kickback Law, including without limitation the Federal Anti-Kickback Statute or any applicable state anti-kickback Law; (D) ECRMC has not submitted any claim for payment to any Seller Payment Program in violation of any Laws relating to false claim or fraud, including without limitation the Federal False Claim Act or any applicable state false claim or fraud Law; and (E) ECRMC has been in compliance in all material respects with all applicable state corporate practice of medicine and fee-splitting laws and regulations.

(c) Seller Payment Program Audits and Investigations. ECRMC has not, within the last three (3) years (i) been a party or subject to a Corporate Integrity Agreement with the OIG Health and Human Services, (ii) had any reporting obligations pursuant to any settlement agreement entered into with any Governmental Authority, (iii) been the subject of any governmental payer program investigation conducted by any federal or state enforcement agency, (iv to ECRMC's Knowledge, been a defendant in any qui tam/Federal False Claims Act or state false claims act litigation, (v) been served with or received any search warrant, subpoena, civil investigative demand contact letter, or, to ECRMC's Knowledge, telephone or personal contact by or from any federal or state enforcement agency, (vi) to ECRMC's Knowledge, been the subject of any focused reviews, Zone Program Integrity Contractor audits, RAC audits, Medicaid Integrity Program audits, Comprehensive Error Rate Testing Contractor audits, Supplemental Medical Review Contractor audits, MAC audits or any other similar audits with respect to any federal healthcare program, except for those that were routine in nature and/or did not result in any material repayment obligations, penalties or other remediation obligations for Sellers or the Facilities, (vii) made a filing pursuant to the OIG's Self Disclosure Protocol, CMS's Voluntary Self-Referral Disclosure Protocol, the ONC Information Blocking Portal, or other voluntary disclosure to the OIG, CMS or other Governmental Authority; and (viii) to ECRMC's Knowledge, received any written complaints or notice from any employee, independent contractor, vendor, physician or other Person or organization alleging or that would indicate that ECRMC has violated any material healthcare law or regulation and/or requirements of any Government Authority having jurisdiction over ECRMC, the Facilities and/or Assets.

(d) Quality Reporting Initiatives. ECRMC has registered with the QNet Exchange ("Qnet") as and to the extent required by CMS under its Hospital Quality Initiative Program (the "HQI Program"). ECRMC has submitted all quality data required under the HQI Program to CMS or its agent and otherwise complied in all material respects with all requirements of the HQI Program, and have submitted all quality data required under the ORYX Core Measure Performance Measurement System ("ORYX") to The Joint Commission, for all calendar quarters concluded during the last three (3) years, except for any quarter for which the respective reporting deadlines have not yet expired. All such submissions of quality data have been made in all material respects in accordance with the applicable reporting deadlines and in the form and manner required by CMS and The Joint Commission, respectively. ECRMC has not received written notice of any reduction in reimbursement under the Medicare program resulting from their failure to report quality data to CMS or its agent as required under the HQI Program.

(e) Medical Staff Matters. Sellers have provided to IVHD true, correct, and complete copies of the bylaws and rules and regulations of the medical staff of the Business, as well as a list of all current members of the medical staff of the Business. Except as set forth on Disclosure Schedule 3.10(e), no medical staff members of any of the Facilities or providers with privileges have (i) had their privileges revoked or suspended by ECRMC, or (ii) been excluded from participation in any "federal health care program" as defined in 42 U.S.C. §1320a-7b(f) (including Medicare, state Medicaid programs, state CHIP programs, TRICARE and similar or successor programs with or for the benefit of any Governmental Authority) or any other state payment or reimbursement programs that are under the authority of any state Governmental Authority, or, to ECRMC's Knowledge, is under investigation that may result in any exclusion from such participation.

(f) Experimental Procedures. In the last three (3) years, ECRMC has not performed or permitted the performance of any experimental or research procedures or studies involving patients of the Business not authorized and conducted in accordance with applicable Law.

(g) Compliance Program. ECRMC maintains a written compliance program in compliance with all Laws, including, without limitation, all Healthcare Laws, and appropriate training and education programs are in place consistent with compliance program guidelines. During the last three (3) years, ECRMC has operated the Business in all material respects in accordance with its compliance program. For purposes of this Agreement, the term "compliance program" refers to compliance programs of the type described in the compliance guidance published by the OIG Health and Human Services.

(h) Stimulus Funds. Except as set forth on Disclosure Schedule 3.10(e), ECRMC did not receive any funds under the Paycheck Protection Program established pursuant to the Coronavirus Aid, Relief, and Economic Security Act (Pub. L. 116-136), as amended (the "CARES Act"). ECRMC has repaid in full to the appropriate Governmental Authority any amounts due, including any accrued and unpaid interest, under all payments made to the Sellers under the Medicare Hospital Accelerated Payment Program as defined under Section 3719 of the CARES Act. ECRMC utilized any provider relief Funds in accordance with all applicable Laws and the applicable terms and conditions. ECRMC maintains appropriate accounting records associated with such funds, including tracking the costs and other expenses for which stimulus funds are used and quantifying the lost revenue incurred in connection with the operation of the Business during the COVID-19 pandemic.

(i) Privacy.

(i) Except as set forth on Disclosure Schedule 3.10(i)(i), for the past three (3) years, ECRMC has been in compliance with Privacy Laws in all material respects.

(ii) Except as set forth on Disclosure Schedule 3.10(i)(ii), to ECRMC's Knowledge, in the last three (3) years, there have been no material breaches in the security of any of the computer systems, including the software, firmware, hardware, networks, interfaces, platforms and related systems owned leased or licensed by ECRMC that was required to be reported by Law.

(iii) The execution, delivery, or performance of this Agreement and the consummation of the transactions contemplated hereby, in each case on the part of ECRMC will not violate Privacy Laws or result in or give rise to any right of termination or other right to impair or limit ECRMC's rights to own, use, or disclose any information used in or necessary for the operation of the business of the Sellers as currently conducted.

3.11 Title to Assets. ECRMC is the sole and lawful owner of, and has good title to, or a valid leasehold interest in, all of the ECRMC-Owned Properties and Assets owned by ECRMC, free and clear of all Encumbrances other than the Permitted Exceptions.

3.12 Labor and Benefits Matters.

(a) ECRMC has provided IVHD a complete and accurate list of all Business Employees as of the date of this Agreement, along with the position, status as full-time or part-time, date of hire, union affiliation, base compensation, any other regular compensation (such as bonuses or commissions), status as active or on leave (and, if on leave, the nature of the leave and the anticipated date of return, if known), status as exempt or non-exempt for purposes of federal and state overtime pay and other wage-and-hour requirements, and accrued but unused sick time or vacation leave or paid time off.

(b) Except as listed on Disclosure Schedule 3.12(b), (i) ECRMC is not party to any memorandum of understanding, collective bargaining agreement or other organized labor agreement; (ii) to ECRMC's Knowledge, ECRMC is not currently subject to any union organizing activities; (iii) to ECRMC's Knowledge, ECRMC has not breached or otherwise failed to comply with any provision of any Memorandum of Understanding, and there are no grievances outstanding against ECRMC under any Memorandum of Understanding; (iv) to ECRMC's Knowledge, there are no unfair labor practice complaints pending against ECRMC with respect to the Business Employees before the Public Employment Relations Board or any current union representation questions involving the Business Employees; and (v) there is no strike, slowdown, work stoppage or lockout or, to ECRMC's Knowledge, threat thereof, by or with respect to the Business Employees.

(c) Disclosure Schedule 3.12(b) sets forth a true and complete list of the Benefit Plans. With respect to each Benefit Plan, ECRMC has made available to IVHD accurate, current and complete copies of each of the following (to the extent applicable): (i) the plan document together with all amendments, and, with respect to any Benefit Plan that has not been reduced to writing, a written summary of the material plan terms; (ii) all current determination letters, opinion letters or advisory letters from the Internal Revenue Service and any legal opinions issued thereafter with respect to such Benefit Plan's continued qualification; (iii) copies of any trust agreements, insurance policies and contracts, group annuity contracts, custodial agreements, administration and similar agreements; investment management or investment advisory agreements, and similar funding instruments now in effect or required in the future as a result of the transactions contemplated by this Agreement or otherwise; (iv) copies of any summary plan descriptions, summaries of material modifications, summaries of benefits and coverage, COBRA or PHSA communications, and the most recent employee handbook and any other written communications (or a description of any oral communications) relating to any Benefit Plan; (v) the actuarial valuation report for any defined benefit pension plan for the last 3 years; and (vi) copies of material notices, letters or other correspondence from the Internal Revenue Service, Department of Labor, Department of Health and Human Services, Pension Benefit Guaranty Corporation or other Governmental Authority relating to any Benefit Plan. Each Benefit Plan is sponsored by ECRMC and no Benefit Plan is sponsored by any Controlled Group Member or Affiliate.

(d) Each Benefit Plan and any related trust have been properly and legally established and each have been administered and maintained in all material respects in accordance with its terms and in compliance with all applicable Laws. To ECRMC's Knowledge, nothing has occurred, and no circumstances exist with respect to any Benefit Plan that has subjected or could reasonably be expected to subject ECRMC or any Affiliate or, with respect to any period on or after the Closing Date, IVHD or any Affiliate, to any material penalty or tax under applicable Law. Each Benefit Plan that is intended to be qualified within the meaning of Section 401(a) of the Code (a "<u>Qualified Benefit Plan</u>") is so qualified and received a favorable and current determination letter from the Internal Revenue Service with respect to such qualification, or with respect to a prototype or volume submitter plan, can rely on an opinion letter from the Internal Revenue Service to the prototype plan or volume submitter plan sponsor, to the effect that such Qualified Benefit Plan is so qualified and that the plan and the trust related thereto are exempt from federal income taxes under Sections 401(a) and 501(a), respectively, of the Code, and no event or omission has occurred that could reasonably be expected to adversely affect the qualified status of any Qualified Benefit Plan.

(e) There are no pending proceedings relating to any Benefit Plan other than routine claims for benefits, and no Benefit Plan is under or has within the three (3) years been the subject of an examination or audit by a Governmental Entity or the subject of an application or filing under or is a participant in, an amnesty, voluntary compliance, self-correction or similar program sponsored by any Governmental Entity, and, to ECRMC's Knowledge, there is no reasonable basis for any such proceedings, audit or investigation.

(f) Neither ECRMC, the Sellers nor any of their Controlled Group Members have ever maintained, sponsored, contributed to, or has been obligated to maintain, sponsor or contribute to, or had any Liability with respect to (whether contingent or otherwise): (i) any "employee pension plan" (as defined in Section 3(2) of ERISA), subject to Title IV of ERISA or Section 412 of the Code; (ii) a "multiemployer plan" (as defined in Section 3(37) of ERISA); (iii) a "multiple employer plan," as defined in Section 3(40) of ERISA, (iv) a "voluntary employees' beneficiary association," as defined in Section 501(c)(9) of the Code, or (v) a "multiple employer welfare arrangement," as defined in Section 3(40) of ERISA. Neither ECRMC, Sellers nor any of their Controlled Group Members has (i) incurred or reasonably expects to incur, either directly or indirectly, any material Liability under Title I or Title IV of ERISA or related provisions of the Code or, except with respect to the ECRMC Pension Plan, applicable local Law relating to employee benefit plans; (ii) failed to timely pay premiums to the Pension Benefit Guaranty Corporation for any Benefit Plan for which such premiums are required; (iii) withdrawn from any employee benefit plan in a manner that could result in any withdrawal liability under Title IV of ERISA; (iv) engaged in any transaction which would give rise to liability under Section 4069 or Section 4212(c) of ERISA; (v) incurred taxes under Section 4971 of the Code with respect to any Benefit Plan; (vi) completely or partially terminated any Benefit Plan that is an "employee pension plan" (as defined in Section 3(2) of ERISA) and no proceeding has been initiated by the Pension Benefit Guaranty Corporation or any other Governmental Authority to terminate any Employee Benefit Plan or to appoint a trustee for any such plan.

(g) Except with respect to the ECRMC Pension Plan, no Benefit Plan is underfunded. No Benefit Plan subject to the minimum funding requirements of the Code or ERISA has an "accumulated funding deficiency," whether or not waived, has failed to pay when due any "required installments" within the meaning of Section 412(m) of the Code, or is subject to a lien for unpaid contributions under Section 303(k) of ERISA or Section 430(k) of the Code. No Benefit Plan that is an employee pension plan subject to Section 436 of the Code has an "adjusted funding target attainment percentage," as defined in Section 436 of the Code, less than 80% and with respect to each Benefit Plan. Except with respect to the ECRMC Pension Plan, the assets of each Benefit Plan are at least equal in value to the present value of the project benefit obligations (vested and unvested) of such plan based on the actuarial methods and assumptions used in the most recent actuarial valuation report and in accordance with GAAP. All benefits, contributions and premiums relating to each Benefit Plan have been timely paid in accordance with the terms of such Benefit Plan and all applicable Laws and accounting principles, and all benefits accrued under any unfunded Benefit Plan have been paid, accrued or otherwise adequately reserved to the extent required by, and in accordance with GAAP.

(h) Each Benefit Plan can be amended, terminated or otherwise discontinued after the Closing in accordance with its terms to the extent permitted under applicable Law, including the elimination of any and all future benefit accruals thereunder to the extent permitted under applicable Law, without increasing the material liabilities to IVHD or ECRMC other than ordinary administrative expenses typically incurred in a termination event, and no employee communications or provision of any Benefit Plans has failed to effectively reserve the right of the plan sponsor to so amend, terminate or otherwise modify such Benefit Plans. Except as provided in Sections 5.4 and 5.4, ECRMC has no commitment or obligation and has not made any representations to any employee, officer, director, independent contractor or consultant, whether or not legally binding, to adopt, amend, modify or terminate any Benefit Plan or any collective bargaining agreement, in connection with the consummation of the transactions contemplated by this Agreement or otherwise. There has been no amendment to, announcement by ECRMC relating to, or change in employee participation or coverage under, any Benefit Plan or collective bargaining agreement that would increase the annual expense of maintaining such plan above the level of the expense incurred for the most recently completed fiscal year (other than on a de minimis basis).

(i) Other than as required under Sections 601 to 608 of ERISA or other applicable Law, no Benefit Plan or other arrangement provides post-termination or retiree health benefits to any individual for any reason and Sellers, ECRMC and their Affiliates have never represented, promised or contracted to any individual that such individual would be provided with post-termination or retiree health benefits. ECRMC, Sellers and each Controlled Group Member is and, at all relevant times, has been in compliance in all material respects with the Patient Protection and Affordable Care Act, the Health Care and Education Reconciliation Act of 2010, and all regulations and guidance issued thereunder (collectively, the "Health Care Reform Laws"), including the employer shared responsibility provisions relating to the offer of medical coverage that qualifies as "minimum essential coverage" that is "affordable" and provides "minimum value" to "full time employees" and their "dependents" (as those terms are defined in Section 4980H of the Code and the related Treasury Regulations) and the applicable information reporting requirements under Sections 6055 and 6056 of the Code; and neither ECRMC, Sellers or any Controlled Group Member or any Benefit Plan has incurred (and nothing has occurred, and no condition or circumstance exists, that could subject IVHD, Seller, any Controlled Group Member or any Benefit Plan) to any assessable payment, Tax or penalty under Section 4980D or 4980H of the Code or under any other provision of the Health Care Reform Laws.

(j) No Benefit Plan is subject to the laws of any jurisdiction outside of the United States.

(k) Each Benefit Plan that is subject to Section 409A or Section 457(f) of the Code has been administered in compliance with its terms and the operational and documentary requirements of Section 409A or Section 457(f) of the Code, as applicable, and all applicable regulatory guidance (including notices, rulings and proposed and final regulations) thereunder and no payment to be made under any Benefit Plan is, or will be, subject to the penalties of Section 409A(a)(1) of the Code. ECRMC has no obligation to gross up, indemnify or otherwise reimburse any individual for any Taxes incurred pursuant to Section 409A or Section 457(f) of the Code.

(l) Each individual who is classified by ECRMC as an independent contractor has been properly classified for purposes of participation and benefit accrual under each Benefit Plan.

(m) Except for the severance benefits for the ECRMC Chief Financial Officer, Chief Nursing Officer, Chief Human Resources Officer and General Counsel who elect to not accept employment with IVHD, neither the execution of this Agreement nor any of the transactions contemplated by this Agreement will (either alone or upon the occurrence of any additional or subsequent events): (i) entitle any current or former director, officer, employee, independent contractor or consultant to severance pay or any other payment; (ii) accelerate the time of payment, funding or vesting, or increase the amount of compensation due to any such individual; (iii) increase the amount payable under or result in any other material obligation pursuant to any Benefit Plan; or (iv) require Seller, any Controlled Group Member or IVHD to transfer or set aside any assets to fund or otherwise provide for any benefits for any individual.

3.13 Legal Proceedings. Except as set forth in Disclosure Schedule 3.13, there is no action, suit, litigation, proceeding or investigation pending or, to ECRMC's Knowledge, threatened by or against ECRMC, or relating to or affecting ECRMC or any Affiliate of ECRMC before any court or Governmental Entity in which an adverse determination would be reasonably likely to adversely affect ECRMC's ability to consummate the Transaction. ECRMC has not received any written or oral notice of any such action, suit, litigation, proceeding or investigation, and no event has occurred or circumstance exists that may give rise to or serve as a basis therefor. There are no outstanding orders, writs, judgments, injunctions or decrees of any court, Governmental Entity or arbitration tribunal against, involving or affecting the Business or the Assets, and to ECRMC's Knowledge, there are no facts or circumstances which may result in the institution of any such orders, writs, judgments, injunctions or decrees. With respect to the Business, ECRMC is not in default with respect to any order, writ, injunction or decree or served upon ECRMC from any court or any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign.

3.14 Solvency and Value of Transfer. There is no bankruptcy or insolvency proceeding of any character including without limitation, bankruptcy, receivership, reorganization, dissolution or arrangement with creditors, voluntary or involuntary, affecting ECRMC and ECRMC has not taken any action in contemplation of, or which would constitute the basis for, the institution of any such proceedings. ECRMC is not insolvent under any bankruptcy, receivership or insolvency Law. ECRMC's sale of the Assets has not been undertaken with the intention to hinder, delay or defraud ECRMC's current or future creditors.

3.15 Leases of Personal Property. Except as set forth on Disclosure Schedule 3.15, none of the tangible personal property used by ECRMC in connection with the operation of the Business is subject to a Personal Property Lease. To ECRMC's Knowledge, all Personal Property Leases are valid, binding and enforceable in accordance with their respective terms and are in full force and effect, except as such enforceability may be limited by applicable Enforceability Exceptions. ECRMC is not, to ECRMC's Knowledge, in material default under any Personal Property Leases and ECRMC has not received notice that there has been asserted, either by or against ECRMC under any Personal Property Leases, any material default, set-off or claim of default. The parties to the Personal Property Leases other than ECRMC are not, to ECRMC's Knowledge, in default of their respective material obligations under the Personal Property Leases. To ECRMC's Knowledge, there has not occurred any event which, with the passage of time or giving of notice (or both), would constitute such a material default or breach under any of the Personal Property Leases by ECRMC or any other party thereto.

3.16 Financial Statements. ECRMC has provided to IVHD (a) the audited balance sheets of the Business as of June 30, 2024, and the related statements of income and cash flow and footnotes thereto for the 12-month periods then ended, prepared in accordance with GAAP (the "Year-End Financial Statements"), and (b) the unaudited balance sheets of the Business as of May 31, 2025 and the related unaudited statements of income for the 11-month period then ended, prepared in accordance with GAAP (the "Interim Financial Statements"). The Year-End Financial Statements and the Interim Financial Statements are referred to herein collectively as the "Financial Statements." To ECRMC's Knowledge, the Financial Statements fairly present in all material respects the financial condition and the results of operations and cash flow of the Business (and no other business or operation of ECRMC) as of the respective dates of and for the periods referred to in such financial statements, all in accordance with GAAP, subject, in the case of the Interim Financial Statements, to normal and recurring year-end adjustments and the absence of footnotes. To ECRMC's Knowledge, the Financial Statements reflect the consistent application of GAAP throughout the periods involved.

3.17 Absence of Certain Events. Except as set forth on Disclosure Schedule 3.17, as expressly contemplated by this Agreement, or in the Ordinary Course of Business, since the date of the Interim Financial Statements, there has not been:

(a) any voluntary or involuntary sale, assignment, license or other disposition, of any kind, of any property or right included in the Assets;

(b) any Encumbrance imposed or created on the Assets (other than Permitted Exceptions);

(c) any Material Adverse Effect;

(d) any damage or destruction of any of the assets utilized in the Business by fire or other casualty, whether or not covered by insurance, in an aggregate amount of more than $50,000;

(e) any termination of any provider agreement or other contract pursuant to which ECRMC receives compensation or reimbursement for patient care services in connection with the Business;

(f) any sale, transfer, assignment, termination, modification or amendment of any Contract;

(g) any written notice to ECRMC that any Contract has been breached or repudiated or will be breached or repudiated;

(h) except as provided for in any written agreements, or otherwise as necessary to comply with any applicable minimum wage Law, any increase in the salary or other compensation of any of ECRMC employees engaged in the Business, or any material increase in or any addition to other benefits to which any such employee may be entitled;

(i) any extraordinary compensation, bonus or distribution to ECRMC or to any Affiliate of ECRMC;

(j) any material failure to pay or discharge when due any liabilities which arose out of the ownership or operation of the Business;

(k) any material change in any of the accounting principles adopted by ECRMC, or any change in ECRMC's policies, procedures, or methods with respect to applying such principles;

(l) any termination of key personnel such as registered nurses, social workers, dieticians or medical directors;

(m) except as required pursuant to the terms of a Benefit Plan or by Law, any (i) grant of any bonuses, whether monetary or otherwise, or increase in any wages, salary, severance, pension or other compensation or benefits in respect of its current or former employees, officers, directors, independent contractors or consultants; (ii) change in the terms of employment for any employee or any termination of any employees for which the aggregate costs and expenses would increase more than a de minimis amount; or (iii) take action to accelerate the vesting or payment of any compensation or benefit for any current or former employee, officer, director, independent contractor or consultant;

(n) any adoption, modification or termination of any: (i) employment, severance, retention or other agreement with any current or former employee, officer, director, independent contractor or consultant; (ii) Benefit Plan; or (iii) collective bargaining or other agreement with a Union, in each case whether written or oral;

(o) firing or termination of the employment of any executive officer of ECRMC; or

(p) any material failure to pay when due any liabilities or discharge any duties under any Benefit Plan.

3.18 Taxes. The representations and warranties in this Section 3.17 shall apply only with respect to the Assets and the Business. ECRMC has filed, or has caused to be filed, on a timely basis and subject to all permitted extensions, any applicable tax returns with the appropriate Governmental Entities in all jurisdictions in which such tax returns are required to be filed, and all such tax returns were correct and complete. Except as set forth on Disclosure Schedule 3.18, or separately disclosed to IVHD counsel, all Taxes required to be paid by ECRMC (whether or not shown as due on any tax returns) have been timely paid, or delinquencies cured with payment of any applicable penalties and interest, as of the Effective Date, and will not be due and payable as of the Closing Date. With respect to the Business, ECRMC has no dispute with any taxing authority as to Taxes of any nature. With respect to the Business, there are no audits or other examinations being conducted or threatened, and there is no deficiency or refund litigation or controversy in progress or threatened with respect to any Taxes previously paid by ECRMC or with respect to any returns previously filed by ECRMC or on behalf of ECRMC. With respect to the Business, ECRMC has not made any extension or waiver of any statute of limitations relating to the assessment or collection of Taxes. ECRMC has correctly withheld and timely remitted to the appropriate taxing authority all Taxes required to have been withheld and remitted in connection with amounts paid or owing to any employee, independent contractor, creditor, owner, or other Person. ECRMC has collected all sales and use, value added, goods and services and other similar Taxes required to be collected, and has remitted, or will remit on a timely basis, such amounts to the appropriate taxing authority, or has furnished properly completed exemption certificates and has maintained all such records and supporting documents in the manner required by all applicable sales and use Tax statutes and regulations.

3.19 Assigned Contracts.

(a) ECRMC is not in material default under the terms of any Assigned Contract. No event has occurred that would constitute a default by ECRMC under any Assigned Contract, nor has ECRMC received any written notice of any default under any Assigned Contract. To the Knowledge of ECRMC, the counterparties to the Assigned Contracts are not in default under the terms thereof, nor has any event occurred that would constitute a default by any such counterparty under any Assigned Contract, nor has ECRMC received any written notice of any such counterparty's default under any Assigned Contract.

(b) The Assigned Contracts are valid and binding obligations of ECRMC and in full force and effect against ECRMC, except as such enforceability may be limited by (a) applicable bankruptcy, reorganization, insolvency, moratorium, and other Laws affecting creditors' rights generally from time to time in effect, and (b) general principles of equity that may limit the enforcement of equitable remedies, and have been entered into in the Ordinary Course of Business. In the last three (3) years, ECRMC has not received any written notice from any other party to an Assigned Contract of the termination or threatened termination thereof, nor any claim, dispute or controversy thereon, and has no knowledge of the occurrence of any event which would allow any other party to terminate any Assigned Contract.

(c) Consummation of the transactions contemplated by this Agreement will not constitute a default under any Assigned Contract.

3.20 Financing Statements. Except as set forth on Disclosure Schedule 3.17, there are no financing statements under the Uniform Commercial Code which name ECRMC as debtor or lessee filed with respect to the Business or the Assets in any state.

3.21 Transactions With Affiliates. Except as set forth on Disclosure Schedule 3.21, no corporate member, director, trustee, officer, or employee of ECRMC or member of the family of any such person, or any corporation, partnership, trust or other entity in which any such person, or any member of the family of any such person, has a substantial interest or is an officer, director, trustee, partner or holder of any equity interest, is a party to any transaction with ECRMC with respect to the Business or the Assets, including any contract, agreement or other arrangement providing for the employment of, furnishing of goods or services by, rental of real or personal property from or to or otherwise requiring payments or involving other obligations to any such person or firm.

3.22 Insurance. ECRMC has not failed to give any notice or present any claim under any insurance policy in due and timely fashion, has not received notice of cancellation or non-renewal of any insurance policy and is not aware of any threatened or proposed cancellation or non-renewal of any insurance policy. There are no outstanding claims under any ECRMC insurance policies which have gone unpaid for more than thirty (30) days, or as to which the insurer has disclaimed liability.

3.23 Intellectual Property.

(a) To ECRMC's Knowledge, there has been no infringement, violation or misappropriation of the rights of others by ECRMC or any of its Affiliates with respect to any ECRMC Intellectual Property of any third party, and no third party is violating, infringing or misappropriating the ECRMC Intellectual Property. ECRMC owns or possesses adequate licenses or other rights to use all ECRMC Intellectual Property, and the ownership and license rights in the ECRMC Intellectual Property are all that are, necessary or desirable to conduct the Business as conducted. ECRMC has not granted any person or entity any right to use any of the Intellectual Property Assets for any purpose.

(b) To the extent not assigned to ECRMC as a work-made-for-hire or other applicable legal doctrine, ECRMC has entered into a written agreement with each of its respective current and former employees, consultants and independent contractors who have been involved in the development of all Intellectual Property owned or purported to be owned by ECRMC that assigns to ECRMC all rights, title and interest in and to such Intellectual Property. ECRMC has also taken reasonable steps to protect the confidentiality of any trade secrets or other confidential information of ECRMC, and obligates all employees, contractors or consultants to maintain the confidentiality of such trade secrets or other confidential information.

3.24 ECRMC IT Systems. ECRMC owns or has a valid right to access and use all ECRMC IT Systems, which (i) are adequate for, and operate and perform in all material respects as required in connection with, the operation of the Business as currently conducted, and (ii) to ECRMC's Knowledge, do not contain any viruses, worms, Trojan horses, bugs, faults, malware, spyware or other devices, codes, errors, contaminants or effects that (A) materially disrupt or adversely affect (or could reasonably be expected to materially disrupt or adversely affect) the functionality of any ECRMC IT Systems, except as disclosed in their documentation, (B) enable or assist any Person to access without authorization any ECRMC IT Systems, or (C) damage, destroy, or prevent access to or use of any data or file. ECRMC has taken commercially reasonable actions to protect the integrity and security of the ECRMC IT Systems and the data and other information stored or processed thereon. ECRMC maintains and adheres to commercially reasonable backup and data recovery, disaster recovery, and business continuity plans, procedures, and facilities, and regularly tests the foregoing.

3.25 Hospital Revenue Refunding Bonds. The Bonds issued are currently outstanding and secured by revenues and certain medical equipment and other personal property of the Business and ECRMC specified in Section 5.13(b) of the Installment Purchase Agreement and that certain Security and Assignment Agreement by and between the Trustee (as defined under the Bond Documents) and ECRMC dated as of April 19, 2018. There has not been, nor is there a basis for, a Determination of Taxability (as defined in the Trust Agreement) with respect to the Bonds. ECRMC has made all payments required by the Installment Purchase Agreement by and among Sellers and the Bond Issuer dated as of April 1, 2018 and, except as set forth on Disclosure Schedule 3.25, there is not otherwise any default or event that would, with the passage of time, constitute a default under any of the documents governing, securing or evidencing the Bonds.

3.26 AS IS, WHERE IS. THE ASSETS ARE BEING CONVEYED "AS IS", "WHERE IS", AND "WITH ALL FAULTS" AS OF THE CLOSING DATE, WITHOUT ANY REPRESENTATION OR WARRANTY WHATSOEVER AS TO THEIR CONDITION, FITNESS FOR ANY PARTICULAR PURPOSE, MERCHANTABILITY OR ANY OTHER WARRANTY, EXPRESS OR IMPLIED OTHER THAN AS SET FORTH IN THIS AGREEMENT. ECRMC SPECIFICALLY DISCLAIMS ANY WARRANTY, GUARANTY OR REPRESENTATION, ORAL OR WRITTEN, PAST OR PRESENT, THERETO EXCEPT AS OTHERWISE SET FORTH IN THE AGREEMENT. IVHD IS HEREBY THUS ACQUIRING THE ASSETS BASED SOLELY UPON IVHD'S OWN INDEPENDENT INVESTIGATIONS AND INSPECTION OF THAT PROPERTY AND NOT IN RELIANCE UPON ANY INFORMATION PROVIDED BY ECRMC OR ECRMC'S AGENTS OR CONTRACTORS EXCEPT AS OTHERWISE SET FORTH IN THIS AGREEMENT. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, ECRMC HAS NOT MADE, DOES NOT MAKE AND

SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE OF, AS TO, CONCERNING OR WITH RESPECT TO THE PROPERTY OR ANY OTHER MATTER WHATSOEVER. IVHD IS A SOPHISTICATED BUYER WHO IS FAMILIAR WITH THE OWNERSHIP AND OPERATION OF REAL PROPERTY AND BUSINESS SIMILAR TO THE ASSETS, AND IVHD HAS HAD ADEQUATE OPPORTUNITY OR WILL HAVE ADEQUATE OPPORTUNITY PRIOR TO CLOSING TO COMPLETE ALL PHYSICAL AND FINANCIAL EXAMINATIONS RELATING TO THE ACQUISITION OF THE ASSETS HEREUNDER IT DEEMS NECESSARY, AND WILL ACQUIRE THE SAME SOLELY ON THE BASIS OF AND IN RELIANCE UPON SUCH EXAMINATIONS AND THE TITLE INSURANCE PROTECTION AFFORDED BY IVHD'S TITLE POLICY AND NOT ON ANY INFORMATION PROVIDED OR TO BE PROVIDED BY ECRMC.

3.27 ECRMC's Knowledge. References in this Agreement to "ECRMC's Knowledge" means the actual knowledge of ECRMC's Chief Executive Officer, Chief Financial Officer, Chief Human Resources Officer, and Chief Nursing Officer after reasonable inquiry of their direct reports.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF IVHD

As an inducement to Sellers to enter into this Agreement and to consummate the Transaction, IVHD hereby represents and warrants to Sellers as to the following matters as of the date of this Agreement and as of the Closing Date:

4.1 Authorization. IVHD has full power and authority to enter into this Agreement and has full power and authority to perform its obligations hereunder and to carry out the Transaction. No additional internal consents are required in order for IVHD to perform its obligations and agreements hereunder.

4.2 Binding Agreement. This Agreement has been duly and validly executed and delivered by IVHD and, assuming due and valid execution by Sellers, this Agreement constitutes a valid and binding obligation of IVHD enforceable in accordance with its terms subject to (a) applicable bankruptcy, reorganization, insolvency, moratorium and other laws affecting creditors' rights generally from time to time in effect, and (b) limitations on the enforcement of equitable remedies.

4.3 Organization and Good Standing. IVHD is a local healthcare district and political subdivision of the State of California duly organized, validly existing and in good standing under the Laws of the State of California, is duly authorized to transact business in the State of California, and has full power and authority to own, operate and lease its properties and to carry on its business as now conducted.

4.4 No Violation. Except as set forth in Disclosure Schedule 4.4, neither the execution and delivery by IVHD of this Agreement nor the consummation of the Transaction nor compliance with any of the material provisions hereof by IVHD will (a) violate, conflict with or result in a breach of any material provision of the Articles of Incorporation, Bylaws or other organizational documents of IVHD or any contract, lease or other instrument by which IVHD is bound, (b) require any approval or consent of, or filing with, any Governmental Entity, (c) violate any Law, rule, regulation, or ordinance to which IVHD is or may be subject, or (d) violate any judgment, order or decree of any court or other Governmental Entity to which IVHD is subject.

4.5 Brokers and Finders. Neither IVHD nor any Affiliate thereof nor any officer or director thereof has engaged any finder or broker in connection with the Transaction.

4.6 Legal Proceedings. There are no claims, proceedings or investigations pending or, to IVHD's Knowledge, threatened relating to or affecting IVHD or any Affiliate of IVHD before any court or Governmental Entity in which an adverse determination would adversely affect IVHD's ability to consummate the Transaction. Neither IVHD nor any Affiliate of IVHD is subject to any judgment, order, decree or other governmental restriction specifically (as distinct from generically) applicable to IVHD or any Affiliate of IVHD which would adversely affect IVHD's ability to consummate the Transaction.

4.7 Ability to Perform. IVHD is solvent and (a) is able to pay its debts as they become due; (b) owns property that has a fair saleable value greater than the amounts required to pay its debts (including a reasonable estimate of the amount of all contingent Liabilities); and (c) has adequate capital to carry on its business. IVHD has not incurred, nor plans to incur, debts beyond its ability to pay as they become absolute and matured.

4.8 IVHD Knowledge. References in this Agreement to "IVHD's Knowledge" means the actual knowledge of the IVHD Board Chair and the actual knowledge of the IVHD President and Chief Executive Officer after reasonable inquiry of their direct reports.

4.9 Independent Investigation. IVHD has conducted its own independent investigation, review and analysis of the Hospital, Facilities, the Bonds, the Business and the Assets, and acknowledges that it has been provided adequate access to the personnel, properties, assets, premises, books and records, and other documents and data of Sellers for such purpose. IVHD acknowledges and agrees that: (a) in making its decision to enter into this Agreement and to consummate the Transaction, IVHD has relied solely upon its own investigation and the express representations and warranties of Sellers set forth in Article III and Article III of this Agreement (including related portions of the Disclosure Schedules); and (b) neither Sellers nor any other Person has made any representation or warranty as to Sellers, the Business, the Assets or this Agreement, except as expressly set forth in Article III or Article III of this Agreement (including the related portions of the Disclosure Schedules).

ARTICLE V
PRE-CLOSING COVENANTS

5.1 Information; Inspections. Upon reasonable advance notice, ECRMC will (i) afford to the officers and agents of IVHD (which will include accountants, attorneys, bankers and other consultants and authorized agents of IVHD) reasonable access during normal business hours, the right to inspect, the books, accounts, records and other relevant documents and information related to the Business as IVHD may reasonably request, and (ii) furnish IVHD, at IVHD's sole cost and expense, copies of such additional financial and operating data and other information in ECRMC's possession related to the Business as IVHD or its representatives may from time to time reasonably request; provided, however, that ECRMC will not be obligated to disclose information that (a) is proprietary to ECRMC, (b) would, in ECRMC's reasonable discretion, cause significant competitive harm to ECRMC or the Business if the Transaction is not consummated, or (c) contravene any applicable Law, fiduciary duty or binding agreement entered into prior to the date of this Agreement; provided, further, that all disclosures of information will be consistent with the confidentiality agreements and any other non-disclosure agreements entered into among IVHD, its representatives and Sellers or their representatives. IVHD's right of access and inspection will be exercised in such a manner as not to interfere with the operations of ECRMC or the Business.

5.2 Cooperation and Consents.

(a) The Parties will reasonably cooperate with each other and their respective authorized representatives and attorneys in: (i) all efforts to obtain all consents, approvals, authorizations, clearances and licenses required to carry out the Transaction (including those of Governmental Entities), (ii) the preparation of any document or other material which may be required by any Governmental Entity as a predicate to or result of the Transaction, and (iii) (A) identifying and evaluating any Contracts (1) currently designated as Assumed Contracts to be terminated prior to the Closing or (2) any additional Contracts to be entered into prior to the Closing, and (B) continuously updating the Schedules and Disclosure Schedules accordingly, including but not limited to the Third Party Consents list on Disclosure Schedule 3.5(b).

(b) Subject to the requirements of Section 5.11 hereof, ECRMC will use commercially reasonable efforts to obtain, prior to the Closing Date, the Third Party Consents; provided, however, that ECRMC will not be required to expend funds or incur additional Liability as a condition or requirement to obtaining a Third Party Consent (other than any administrative review fee as may be expressly provided in an Assigned Contract or Assigned Lease and payable to the contract party or landlord in connection with providing such a consent).

5.3 Business Operations. Prior to the Effective Time, ECRMC will continue to operate the Business only in, and ECRMC shall not take any action except in, the Ordinary Course of Business, or except as otherwise required by this Agreement or consented to in writing by IVHD. With respect to the operations of the Business, and except as otherwise required by this Agreement or consented to in writing by IVHD, ECRMC shall:

(a) preserve intact the Assets in the Ordinary Course of Business and shall not voluntarily discontinue the operations of the Business;

(b) use commercially reasonable efforts to keep available the services of Business Employees and to preserve the current relationships of the Business with such of the patients, suppliers, physicians and other persons with which Sellers have significant business relations in order to preserve substantially intact the Business;

(c) maintain in effect the insurance coverages with respect to the Assets;

(d) perform ECRMC's material obligations under all Assigned Contracts with respect to the Assets;

(e) permit and allow reasonable access by IVHD and its representatives to make offers of post-Closing employment to ECRMC's personnel and to establish relationships with physicians, medical staff and others having business relations with ECRMC, provided that any written materials will be approved by Sellers prior to being sent, and provided, however, that such actions by IVHD do not unreasonably interfere with ECRMC's operation of the Business;

(f) timely file or cause to be filed all material reports, notices and tax returns required to be filed; and

(g) use commercially reasonable efforts to maintain all existing material approvals, permits and environmental permits relating to the Hospital.

5.4 Negative Covenants.

(a) Until the Effective Time, with respect to the operations of the Business, except as may be required by Law or in the Ordinary Course of Business, ECRMC shall not, and shall not cause or permit any of Sellers' Affiliates, officers, directors, city councilmembers, or employees, directly or indirectly, take, or agree to take, any of the following actions with respect to the Business or the Assets, without the prior written consent of IVHD (which will not be unreasonably withheld, conditioned, or delayed):

(i) acquire (including, without limitation, by merger, consolidation or acquisition of stock or assets) for or in connection with the Business any interest in any corporation, partnership, other business organization, person or any division thereof or any assets;

(ii) incur any indebtedness for borrowed money or issue any debt securities or assume, guarantee or endorse, or otherwise as an accommodation become responsible for, the obligations of any person for borrowed money, or otherwise create, assume or permit to exist any new material debt or other Encumbrance;

(iii) amend or terminate any of the Assigned Contracts or Assigned Leases or incur or agree to incur any Liability;

(iv) increase compensation payable or to become payable, or make any bonus payment to or otherwise enter into one or more bonus agreements with, or grant any rights to severance or termination pay to, or enter into any employment or severance agreement with, any employee, or establish, adopt, enter into or amend any collective bargaining, profit sharing, thrift, compensation, pension, retirement, deferred compensation, employment, termination, severance or other plan, agreement, trust, fund, policy or arrangement for the benefit of any employee;

(v) sell, pledge, dispose of, grant, transfer, lease, license, guarantee, encumber, or authorize the sale, pledge, disposition, grant, transfer, lease, license, guarantee or encumbrance of the Business or any of the Assets;

(vi) modify any material accounting policies, procedures or methods;

(vii) take any action or fail to take any action that could result in a Material Adverse Effect;

(viii) sell, transfer, assign any of the Owned Real Property, Tenant Leases, or Lessor Leases;

(ix) adopt, enter into, modify, amend or terminate any (i) employment, severance, retention or other agreement with any current or former employee, officer, director, independent contractor or consultant; (ii) Benefit Plan, or (iii) collective bargaining or other agreement with a Union, in each case whether written or oral, except (i) as provided in Sections 5.4 and 5.4; (ii) as required pursuant to the terms of the applicable plan or agreement or applicable Law; or (iii) to the extent it would not result in any liability on the part of IVHD or ECRMC or any of their Affiliates following the Closing Date;

(x) except as required pursuant to the terms of a Benefit Plan or by Law (i) grant of any bonuses, whether monetary or otherwise, or increase in any wages, salary, severance, pension or other compensation or benefits in respect of its current or former employees, officers, directors, independent contractors or consultants; (ii) change in the terms of employment for any employee or any termination of any employees for which the aggregate costs and expenses would increase more than a de minimis amount; or (iii) take action to accelerate the vesting or payment of any compensation or benefit for any current or former employee, officer, director, independent contractor or consultant;

(xi) fail to pay when due any material liabilities or discharge any duties under any Benefit Plan;

(xii) amend, modify, or terminate the Trust Agreement or Installment Purchase Agreement;

(xiii) take any action that would cause the Bonds to be refunded or refinanced; or

(xiv) permit or cause any of ECRMC's Affiliates to do any of the actions set forth in this Section 5.4 or agree or commit to take any of the actions set forth in this Section 5.4.

(b) ECRMC shall give prompt written notice to IVHD of (i) any notice or other communication from any person alleging that the consent of such person is or may be required in connection with the consummation of the transactions contemplated by this Agreement; (ii) any notice or other communication from any Governmental Entity in connection with the transactions contemplated by this Agreement; (iii) any notice or other communication of any actions, suits, claims, investigations or proceedings commenced or, to ECRMC's Knowledge, threatened against, relating to or involving or otherwise affecting the Business or the Assets or the transactions contemplated by this Agreement; and (iv) the occurrence of a breach or default under this Agreement.

(c) Notwithstanding any provision to the contrary contained in this Agreement, neither Section 5.3 nor this Section 5.4 will be construed to prohibit ECRMC from engaging in any act in the Ordinary Course of Business or which ECRMC reasonably believes is necessary (i) to preserve and protect the condition or continued operations of the Business, (ii) for patient safety needs, or (iii) to comply with the requirements of any Laws. ECRMC will give IVHD prompt written notice subsequent to taking any act described in the immediately preceding sentence.

5.5 Title Matters. At any time prior to the date that is thirty (30) days before the Closing Date, IVHD may cause to be delivered to Sellers: (a) a preliminary binder or title commitment(s) (the "Title Commitment") sufficient for the issuance of an ALTA Extended Coverage Owner's Title Insurance Policy with respect to the Owned Real Property, subject to all Permitted Exceptions (the "Owner's Title Policy") and, if applicable, an ALTA Extended Coverage Leasehold Title Policy in a form approved for issuance in California with respect to any Leased Real Property (the "Leasehold Title Policy") (the Owner's Title Policy and the Leasehold Title Policy are collectively referred to in this Agreement as the "Title Policy"), issued by First American Title Insurance Company (the "Title Company"), together with true, correct and legible (or, if not legible, the best available) copies of all instruments referred to therein as conditions or exceptions to title (the "Title Instruments"), and (b) an ALTA survey or surveys of the Owned Real Property complying with the Minimum Standard Detail Requirements for ALTA/ACSM Land Title Surveys for the Owned Real Property in a form reasonably acceptable to IVHD and the Title Company (the "Surveys"). The costs and expenses of the Title Commitment, the Title Policy and the Surveys will be borne by IVHD. At any time prior to the date that is thirty (30) days before the Closing Date, IVHD may make written objections ("Objections") to the form and contents of the Title Commitment ("Objection Notice"). Upon receipt of an Objection Notice, Sellers shall have five (5) business days ("Objection Response Notice Date") after the receipt of such Objection Notice ("Objection Response") to notify IVHD that either (i) Sellers will remove or cause to be removed such objectionable exceptions from title on or before the Closing Date or (ii) Sellers shall not cause such Objections to be removed. If the Objections pertain to matters that would reasonably be expected to prevent IVHD from continuing to operate the Facilities and Business in substantially the same manner as they were operated as of the date of the Objection Notice upon exercising commercially reasonable efforts, IVHD shall have ten (10) business days from the receipt of the Objection Response or if Sellers fail to deliver an Objection Response, ten (10) business days from the Objection Response Notice Date, to elect to terminate the Agreement, or waive the Objections and proceed to Closing. At the Closing, the City will deliver to the Title Company an owner's affidavit of title (the "Owner's Affidavit") in a form reasonably acceptable to the City and the Title Company and adequate to cause Title Company to delete the standard pre-printed exceptions in the Title Commitment (other than as and to the extent such deletion requires the delivery to Title Company of an ALTA survey approved by Title Company, and the City will have no duty hereunder to provide such a survey). It is understood that IVHD may request a number of endorsements to the Title Policy and the issuance of such endorsements shall not be a condition to Closing.

5.6 Employee Matters.

(a) ECRMC will terminate all of the Business Employees, effective immediately prior to the Closing and will pay all accrued wages to all ECRMC employees owed through termination, unreimbursed expenses to all ECRMC employees owed through termination, severance payments due only to the executives who do not accept offers of employment with IVHD (if any) (understanding that all other applicable executives shall have waived their rights to severance as a result of the Closing as a condition to Closing), and any other amounts to all ECRMC employees owed through termination (the "Closing Payroll Payments"), other than the Accrued PTO of Carryover Employees as provided in Section 5.6(c).

(b) IVHD shall make offers of employment, effective as of the Effective Time, to all Business Employees who, immediately prior to the Closing, are employees of ECRMC in good standing. At least forty-five (45) days prior to the Closing, ECRMC shall provide to IVHD a list of all the Business Employees who are ineligible to be hired by IVHD. At least thirty (30) days prior to Closing, IVHD shall send an offer letter to all eligible Business Employees. Any of the Business Employees who accept an offer of employment with IVHD as of or after the Effective Time shall be referred to in this Agreement as the "Hired Employees."

(c) ECRMC will give Hired Employees the option to receive upon termination either payment of their Accrued PTO, or a carryover of their Accrued PTO to IVHD. ECRMC shall seek consents for any such carryover of Accrued PTO and provide copies to IVHD prior to Closing. IVHD shall give all Hired Employees who provide such consent (the "Carryover Employees"), at the start of their employment with IVHD, the Accrued PTO reflected in their employment records of ECRMC immediately prior to the Closing and projected as of the Effective Time. The decision as to whether to receive a credit or payment for the Accrued PTO shall be solely that of the individual Hired Employee. Hired Employees that do not elect to carryover their Accrued PTO and Business Employees who do not become Hired Employees shall receive full payment by ECRMC of their Accrued PTO on the Closing Date. Subject to the last sentence of Section 5.6(f), IVHD further agrees that each Hired Employee will be given full credit for his or her tenure at ECRMC for vesting and all other purposes under IVHD's benefit plans at ECRMC and employment policies but only to the extent that tenure is already taken into account by IVHD under its existing policies and existing benefit plans and offered cash compensation packages that, in the aggregate (taking into account base salary and opportunities for bonuses), are no less than the cash compensation packages such Hired Employee received from ECRMC immediately prior to the Closing Date. IVHD shall provide coverage for the Hired Employees and their eligible dependents under IVHD's group medical, dental and vision benefit plans to be effective as of the Effective Time without any waiting periods. IVHD shall use its reasonable best efforts to cause there to be waived any pre-existing condition, actively at work requirements, waiting periods and any other similar restriction with respect to all other welfare-type insurance benefits offered by IVHD in order for the coverage with respect to the Hired Employees (and their eligible dependents, if applicable) to be effective on or as soon as possible following the Effective Time to ensure that there are no material gaps in coverage experienced by the Hired Employees.

(d) After the Closing Date, IVHD's human resources department (which may include Hired Employees that were Business Employees prior to the Closing) will provide reasonable assistance to ECRMC (including personnel support) with respect to effectuating any post-Closing administration, wind-down and liquidation of all Benefit Plans other than the ECRMC Pension Plan as may be required in connection with the Transaction. Within five (5) days after the Closing Date, IVHD shall provide to Sellers a list of all the Business Employees who were not hired by IVHD, including those who were offered employment by IVHD but who refused such employment (the "Terminated Employees"), along with a list of all Hired Employees (which such list IVHD shall periodically update).

(e) Without limiting the generalities of the foregoing, with respect to the El Centro Regional Medical Center Retirement Income Plan ("ECRMC Pension Plan"), IVHD shall assume sponsorship of the ECRMC Pension Plan from ECRMC with such assumption of sponsorship to be effective as of the Closing Date. Prior to Closing, ECRMC shall (i) by action of its Board of Directors adopt a resolution to, contingent on Closing and effective on the Closing Date, cease further benefit accruals under the ECRMC Pension Plan, (ii) take such action that is necessary and appropriate to cause the transfer of sponsorship of the ECRMC Pension Plan to IVHD to be effective as of the Closing Date, and (iii) obtain all consents and authorizations including any required consents and authorizations from any Governmental Authority or union necessary for such transfer of sponsorship to occur. No later than 30 days prior to Closing, ECRMC shall provide to IVHD draft documents, including plan and trust document amendments, effectuating (i) through (iii) of the preceding sentence and the form of such documents shall be subject to review and approval of IVHD. IVHD shall maintain the assumed ECRMC Pension Plan for such period as may be required by any Memorandum of Understanding or pursuant to applicable Law, provided, however, that any Memorandum of Understanding may not override or conflict with the terms of the ECRMC Pension Plan. The Parties shall cooperate and use commercially reasonable efforts to ensure that the transfer of sponsorship of the ECRMC Pension Plan is conducted in a manner that complies with the terms of all applicable Laws and shall exchange any necessary participant records (e.g., addresses for both current and former participants) and account information and engage recordkeepers, third party administrators and other third parties required to properly facilitate the transactions contemplated under this Section 5.4. For the avoidance of doubt, the sole Benefit Plan for which sponsorship shall be transferred from ECRMC to IVHD is the ECRMC Pension Plan.

(f) With respect to each Benefit Plan that is a defined contribution plan qualified under Section 401(a) of the Code or an eligible deferred compensation plan under Section 457(b) of the Code (each an "ECRMC Defined Contribution Plan"), ECRMC shall, prior to Closing, by action of its Board of Directors adopt resolutions, contingent on Closing, that terminate the ECRMC Defined Contribution Plans effective no later than the Closing Date. ECRMC shall also take all such other action that is necessary and appropriate to terminate the ECRMC Defined Contribution Plans including, without limitation drafting plan and trust document amendments, and to obtain all consents and authorizations, including any required consents and authorizations from any Governmental Authority or union necessary for such terminations to occur. No later than 30 days prior to Closing, ECRMC shall provide to IVHD draft documents, including plan and trust document amendments, effectuating the termination of the ECRMC Defined Contribution Plans and the form of such documents shall be subject to review and approval of IVHD. Hired Employees will be eligible to participate in any defined contribution retirement plans sponsored by IVHD in accordance with the terms and conditions of those plans. For purposes of eligibility to participate (but not vesting) under the defined contribution retirement plans sponsored by IVHD, IVHD shall provide each Hired Employee full credit under each plan for their tenure with ECRMC prior to the Closing; provided, that such tenure shall not be credited to the extent that it would result in a duplication of benefits.

(g) In addition to terminating the ECRMC Defined Contribution Plans, unless directed otherwise by IVHD, ECRMC shall, prior to Closing, timely adopt resolutions of the Board of Directors that, contingent on the Closing, amend and terminate all other Benefit Plans then sponsored by ECRMC (the "Terminating Benefit Plans"). No later than 30 days prior to Closing, ECRMC shall provide to IVHD draft documents, including plan and, to the extent applicable, trust document amendments, effectuating the termination of the Terminating Benefit Plans and the form of such documents shall be subject to review and approval of IVHD. ECRMC shall take all such other action that is necessary and appropriate to terminate the Terminating Benefit Plans and shall obtain all consents and authorizations, including any required consents and authorizations from any Governmental Authority or union necessary for such terminations to occur.

(h) IVHD acknowledges receipt of ECRMC's memorandums of understanding set forth on Schedule 5.6(g) (the "Memorandums of Understanding") and has reviewed their terms and conditions. At the Effective Time, IVHD will assume and be obligated by the Memorandums of Understanding and recognize the unions that are party to such Memorandums of Understanding as the collective bargaining representative of the applicable Hired Employees. IVHD will, not less than twenty-one (21) days prior to the Closing Date, provide to ECRMC, who will thereafter provide the unions that are party to the Memorandums of Understanding, with the name, address and designated representative of the entity that, following the Closing, is employing the Hired Employees that are covered by the Memorandums of Understanding. Notwithstanding anything to the contrary in this Agreement, all changes made by IVHD to the terms and conditions of employment of union-represented Hired Employees will be subject to the terms and conditions of the Memorandum of Understanding(s) covering such Hired Employees, and IVHD will indemnify, defend and hold harmless the Sellers in connection therewith.

(i) IVHD will be solely responsible for complying with WARN and all other obligations under applicable Law requiring notice of plant closings, relocations, mass layoffs, reductions in force or similar actions (and for any failures to so comply), in any case applicable to the Business Employees, including as towards any Business Employees who do not become a Hired Employee for any reason. Notwithstanding the foregoing, IVHD will not, at any time prior to ninety (90) days after the Effective Time, effectuate a "plant closing" or "mass layoff," as those terms are defined in WARN, affecting in whole or in part any site of employment, facility, operating unit or Business Employee, without notifying Sellers in advance and without complying with the notice requirements and other provisions of WARN. With respect to terminations of Hired Employees on or after the Effective Time, IVHD will be responsible for any notification required under WARN.

(j) If ECRMC's group health plan is terminated in connection with the transactions contemplated by this Agreement, IVHD shall provide COBRA, to the extent required by Healthcare Laws, to all "M&A qualified beneficiaries" as defined in Treasury Regulations Section 54.4980B-9.

(k) The provisions of this Section 5.6 are solely for the benefit of the Parties, and no employee or former employee or any other individual associated therewith or any employee benefit plan or trustee thereof will be regarded for any purpose as a third-party beneficiary of this Agreement, and nothing herein will be construed as an amendment to any employee benefit plan for any purpose.

(l) To facilitate compliance with this Section 5.6, ECRMC will provide updated information described in Section 3.12(a) upon IVHD's reasonable request.

5.7 Waiver of Bulk Sales Law Compliance. IVHD hereby waives compliance by Sellers with the requirements, if any, of Article 6 of the Uniform Commercial Code as in force in any state in which the Assets are located and all other Laws applicable to bulk sales and transfers.

5.8 Regulatory Efforts.

(a) Except as noted in Section 5.8**Error! Reference source not found.** below, IVHD is responsible for all filings with and requests to Governmental Entities necessary to enable IVHD to operate the Business at and after the Closing Date, including but not limited to filings with the California Department of Public Health for facility licensure, with the California Board of Pharmacy for pharmacy licensure, and with the Medicare Administrative Contractor for the change of ownership for Medicare, including acceptance of assignment of the Medicare provider agreement. Notwithstanding the foregoing, IVHD and ECRMC will work collaboratively and in good faith in the preparation of such filings.

(b) As soon as practicable after the Effective Date, ECRMC and IVHD will each prepare and submit their respective Notices of a Material Change Transaction (the "OHCA Notices") to the Office of Health Care Affordability under the California Department of Health Care Access and Information ("OHCA"). The Parties will use commercially reasonable efforts to assist and respond to each other, as needed, both in preparation for filing the OHCA Notices and for any additional responses requested from OHCA. Prior to either Party submitting their OHCA Notice or any additional responses, the other Party shall be provided with a reasonable period to review and shall consider in good faith and incorporate any such reasonable comments from the other Party. Each Party shall promptly notify the other Party of any substantive communications from or with OHCA related to the OHCA Notices or any cost and market impact review that OHCA determines is required under Cal. Code Regs. tit. 22, § 97441 (the "CMIR") and shall promptly provide the other Party with copies of any such communications. Each Party shall timely respond to all requests from OHCA for additional information and/or documentation related to the OHCA Notices, the Transaction, or the CMIR. ECRMC and IVHD shall each bear their respective costs and expenses of preparing and submitting the OHCA Notices and any additional responses requested from OHCA. No Party will participate (or agree to participate) in any substantive meeting or discussion with OHCA regarding the OHCA Notice, the Transaction, or the CMIR unless it consults the other Parties in advance, and, to the extent permitted by OHCA, gives the other Parties the reasonable opportunity to attend and participate in such meeting or discussion to the extent permitted by Law.

(c) The Parties will keep each other apprised of the status of matters relating to the completion of the Transaction and use reasonable best efforts to resolve the objections, if any, that the FTC, the Antitrust Division of the Justice Department or any applicable state antitrust enforcement authorities may assert under any antitrust Law with respect to the Transaction including:

(i) furnishing to the other Party or its outside counsel all information within its possession that is reasonably required for any application or other filing to be made by the other Party pursuant to any antitrust Law in connection with the Transaction;

(ii) to the extent not prohibited by applicable Law, promptly notifying each other of any substantive communications from or with the FTC, the Antitrust Division of the Justice Department or any applicable state antitrust enforcement authorities to the extent relating to the antitrust aspects of the Transaction;

(iii) to the extent not prohibited by applicable Law, not participating (or agreeing to participate) in any substantive meeting or discussion with the FTC, the Antitrust Division of the Justice Department or any applicable state antitrust enforcement authorities to the extent relating to obtaining such clearances, approvals, or consents (including any discussion relating to the antitrust merits, any potential remedies, commitments or undertakings or the timing of the Closing), unless it consults with the other Party in advance, and to the extent permitted by such Governmental Entity, gives the other Party the reasonable opportunity to attend and participate thereat to the extent permitted by Law;

(iv) consulting and cooperating with one another in connection with all analyses, appearances, presentations, memoranda, briefs, arguments, opinions and proposals made or submitted by or on behalf of any Party in connection with Proceedings under or any other antitrust Law to the extent relating to obtaining such clearances, approvals, consents or orders; and

(v) delivering to the other Party's outside counsel copies of all substantive documents furnished to any Governmental Entity under any antitrust Law, provided that, such providing Party, in its reasonable discretion may require that such counsel not deliver, reproduce or share such documents with its client or its client's other outside Representatives.

5.9 Cash-on-Hand. ECRMC will use commercially reasonable efforts to maintain at least Five Million Dollars ($5,000,000.00) of cash-on-hand (after, for the avoidance of doubt, payment of the Closing Payroll Payments and Closing Payments), and accounts payable at levels consistent with past practices.

5.10 Line of Credit. Prior to the Closing, ECRMC will cooperate with IVHD in the negotiation of a three (3) year, Fifteen Million Dollar ($15,000,000.00) line of credit agreement on terms and conditions reasonably satisfactory to IVHD (the "LOC"). For the avoidance of doubt, the City and ECRMC will not guarantee, co-sign, or have any Liability with respect to the LOC.

5.11 Transfer and Assumption of Bond Obligations and Requirements of Transfer and Assumption.

(a) The Parties acknowledge and agree that (i) the Trustee and the Majority Owners have not agreed or consented to the proposed assumption by IVHD of all Liabilities of ECRMC and obligations of the City under and with respect to the Bond Documents (defined below) or waived the requirements of the Bond Documents with respect thereto, (ii) ECRMC and the City are prohibited by Section 5.01 of the Installment Purchase Agreement from consummating the Transaction unless the Trustee and the Majority Holders agree to amend, waive, or otherwise modify certain requirements of the Bond Documents or the Parties satisfy the requirements of

Section 5.11(c) herein, and (iii) notwithstanding anything in this Agreement to the contrary, nothing in this Agreement constitutes an agreement by the Trustee or the Majority Owners to enter into any amendment, waiver, or other modification of the Bond Documents. Accordingly, the Parties shall request, and subject to the terms of this Agreement, use commercially reasonable efforts to obtain, at least fifteen (15) days before the Closing Date, the consent of the Authority, the Trustee and the Majority Owners, to the assignment by the Sellers and the assumption by IVHD, pursuant to Section 1.1(d) of this Agreement and pursuant to Section 5.01(a) of the Installment Purchase Agreement (as such requirements may be amended with the written consent of the Majority Owners for purposes of the Transaction), of all Liabilities and obligations of ECRMC and the City under and with respect to the Bonds, the Installment Purchase Agreement, the Trust Agreement, and all other documents, agreements and certificates executed by ECRMC and the City in connection with, or in any manner securing the Bonds (hereinafter collectively referred to as the "Bond Documents"). The Parties agree that an amendment or modification to, or waiver of, certain conditions in Section 5.01(a) of the Installment Purchase Agreement and the other Bond Documents shall, to the extent not inconsistent with the other terms of this Agreement (including, but limited to, the requirement that IVHD assume and agree to pay, perform and discharge all Liabilities and obligations of ECRMC and the City related to the Bond Documents) be a condition precedent to the Closing. The Parties agree to cooperate in good faith to secure such amendment or modification to, or waiver of, certain provisions of the Installment Purchase Agreement and the other Bond Documents to complete the Transaction. Sellers shall be bound by the Bond Documents unless and until they are released in accordance with this Section 5.11(a). In connection with the Transaction, the Sellers and IVHD covenant and agree that the Sellers' obligations pursuant to this Section 5.11(a) shall not include any requirement for the Sellers to contribute any additional funds (other than as otherwise provided in this Agreement) to any Person, including the Majority Owners, to facilitate the consummation of the Transaction other than the payment of certain fees and expenses of the Sellers' counsel pursuant to the terms of this Agreement and in connection with the negotiation of this Agreement and consummation of the Transaction. The Sellers and IVHD further covenant and agree that the Transaction includes the complete release of Sellers from any and all existing and future Liabilities under the Bond Documents (the "Bond Obligations").

(b) Subject to the provisions of Section 5.11(a) above, on or immediately prior to the Closing Date, the Sellers shall, upon Sellers' receipt of the consent of the Authority, Trustee and the Majority Owners, transfer and assign the Bond Obligations to IVHD, and IVHD will assume and become solely responsible for the Bond Obligations whereupon the Sellers shall be released from the Bond Obligations. The Parties acknowledge that the conditions precedent in Section 5.01(a) of the Installment Purchase Agreement to the transfer by the Sellers of the Assets to IVHD include, but are not limited to, the following :

(i) the Authority, the Trustee, and IVHD shall have received an Opinion of Bond Counsel to the effect that such transfer contemplated in this Agreement will not cause the interest on the Bonds to be included in gross income for federal income tax purposes under Section 103 of the Code;

(ii) IVHD: (A) assumes in writing all of the obligations of the City under the Installment Purchase Agreement and the Trust Agreement and agrees to fulfill and comply with the terms, covenants and conditions thereof; (B) is not, after such transaction, otherwise in default under any provision of such Installment Purchase Agreement or the Trust Agreement; (C) complies with applicable Law; and (D) is a California healthcare district;

(iii) the Trustee and the Authority shall have received an Opinion of Counsel to the effect that the assignment or transfer of the Installment Purchase Agreement constitutes the legal, valid and binding obligations of IVHD, enforceable against IVHD in accordance with its respective terms; and

(iv) Trustee and Authority shall have received such other documents as may be required by the Trust Agreement and the Installment Purchase Agreement, and all other conditions precedent to such assumption as required by the Trust Agreement and the Installment Purchase Agreement will have been satisfied.

(c) If Sellers and IVHD are unable to satisfy the conditions of Sections 5.11(a) and 5.11(b) hereof, IVHD, in its sole and absolute discretion, may nonetheless proceed to close the Transaction if, on or before the Closing Date, IVHD issues revenue bonds to acquire all or a portion of the Assets on terms and conditions satisfactory to IVHD in its sole and absolute discretion (the "Acquisition Revenue Bonds") in order to defease the Bonds on or before the Closing Date.

(d) Sellers shall cooperate with IVHD and provide any documentation or information required to effect the transactions related to the Bonds contemplated in this Agreement. IVHD shall cooperate with the Sellers and provide the Sellers any and all documentation and information related to the Transaction.

5.12 Supplement to Disclosure Schedule. During the period commencing on the Effective Date and ending on the earlier to occur of the Closing or termination of this Agreement (the "Interim Period") each of the Parties, as applicable, shall have the right (but not the obligation) to supplement or amend the Disclosure Schedules with respect to any matter hereafter arising after the Effective Date (each a "Disclosure Schedule Supplement"). Any disclosure in any such Disclosure Schedule Supplement shall not be deemed to have cured any inaccuracy in or breach of any representation or warranty contained in this Agreement.

ARTICLE VI
CONDITIONS PRECEDENT TO OBLIGATIONS OF SELLERS

Sellers' obligation to sell the Assets and to close the Transaction will be subject to the satisfaction of each of the following conditions on or prior to the Closing Date unless specifically waived in writing by each Seller in whole or in part at or prior to the Closing:

6.1 Signing and Delivery of Instruments. IVHD will have executed and delivered all documents, instruments and certificates required to be executed and delivered pursuant to the provisions of this Agreement.

6.2 No Restraints. No temporary restraining order, preliminary or permanent injunction or other order preventing the consummation of the Transaction have been issued by any court of competent jurisdiction or any other Governmental Entity and remain in effect on the Closing Date.

6.3 Representations and Warranties; Performance of Covenants. The representations and warranties of IVHD contained in this Agreement will be true and correct when made except where the failure of such representations has not had and would not reasonably be expected to have a Material Adverse Effect. Each and all of the terms, covenants, and agreements in this Agreement to be complied with or performed by IVHD on or before the Closing Date will have been complied with and performed by IVHD, except where the failure to perform or comply with such term, covenants, and agreements has not had and would not reasonably be expected to have a Material Adverse Effect.

6.4 Required Consents.

(a) ECRMC will have received all Required Third Party Consents to the assignment to IVHD of those certain Assumed Leases and Assumed Contracts.

(b) All Required Governmental Consents will have been received as of the Effective Time.

(c) The City will have received all necessary consents, including that of the Authority and the Majority Owners for the transfer of the Bond Obligations to, and assumption thereof by, IVHD; and copies of all documents necessary to effectuate the transfer of the Bond Obligations to, and assumption thereof by, IVHD and to completely and forever release the Sellers.

6.5 Pioneers Bonds. Pioneers Memorial Healthcare District ("PMHD") issued its Pioneers Memorial Healthcare District Revenue Bonds, Series 2017, in the original aggregate amount of $15,640,000 (the "Pioneers Bonds") pursuant to the Indenture dated December 1, 2017 (the "Pioneers Indenture"), as amended, between PMHD and U.S. Bank National Association and IVHD has assumed the Pioneers Bonds, the Pioneers Indenture, and all related documents (collectively, the "Pioneers Bond Documents"). IVHD shall have received necessary consents to the modifications, amendments and restatements of the Pioneers Bond Documents, or shall have refunded or refinanced the Pioneers Bonds in order to permit (a) the transfer of the Bonds to IVHD or (b) the issuance of the Acquisition Revenue Bonds by IVHD and the assumption of the Assumed Liabilities.

6.6 Distressed Hospital Debt. IVHD shall have received necessary consents in order to permit the transfer of the Pioneers Distressed Hospital Debt to IVHD and the assumption of the Assumed Liabilities.

6.7 CHFFA Loans. IVHD shall have received necessary consents in order to permit the transfer of any outstanding loans to the Sellers from the California Health Facilities Financing Authority to IVHD and the assumption of the Assumed Liabilities.

6.8 Bridge Loan. IVHD shall have received necessary consents in order to permit the transfer of any outstanding loans to the Sellers in respect of the 2022 $5.6MM bridge loan to IVHD and the assumption of the Assumed Liabilities.

6.9 UC San Diego Health Release. The Joint Powers and Affiliation Agreement by and between UC San Diego Health and Sellers shall have been terminated and Sellers shall have been released from any obligations thereunder.

ARTICLE VII
CONDITIONS PRECEDENT TO OBLIGATIONS OF IVHD

IVHD's obligation to purchase the Assets and to close the Transaction will be subject to the satisfaction of each of the following conditions on or prior to the Closing Date unless specifically waived in writing by IVHD in whole or in part at or prior to the Closing.

7.1 Signing and Delivery of Instruments. Sellers will have executed and delivered all documents, instruments and certificates required to be executed and delivered pursuant to the provisions of this Agreement.

7.2 No Restraints. No temporary restraining order, preliminary or permanent injunction or other order preventing the consummation of the Transaction will have been issued by any court of competent jurisdiction or any other Governmental Entity and remain in effect on the Closing Date.

7.3 Representations and Warranties; Performance of Covenants. The representations and warranties of Sellers contained in this Agreement will be true and correct when made except where the failure of such representations has not had and would not reasonably be expected to have a Material Adverse Effect. Each and all of the terms, covenants, and agreements in this Agreement to be complied with or performed by Sellers on or before the Closing Date will have been complied with and performed by Sellers, except where the failure to perform or comply with such term, covenants, and agreements has not had and would not reasonably be expected to have a Material Adverse Effect.

7.4 Title Insurance Policy. The Title Company will be irrevocably committed, subject only to payment of premiums, to issue to IVHD on and effective as of the Closing Date the Owner's Title Policy in the amount of the full insurable value of the Owned Real Property, as reasonably determined by the Title Company. Subject only to the Permitted Exceptions, the Owner's Title Policy will show fee simple title to the Owned Real Property vested in IVHD.

7.5 No Material Adverse Effect. Since the Effective Date, there will not have been any Material Adverse Effect with respect to the Business.

7.6 Required Consents.

(a) All Required Third Party Consents will have been obtained by ECRMC.

(b) All Required Governmental Entity Consents will have been obtained by the Parties.

7.7 Waiver of Severance Benefits. Each of the ECRMC Chief Financial Officer, Chief Nursing Officer, Chief Human Resources Officer and General Counsel who accept offers of employment with IVHD shall have waived, in writing, their right to receive severance benefits in connection with the termination of their employment by ECRMC at the Closing; *provided, however*, that the offers of employment from IVHD to such executive officers will provide for severance benefits of the same duration as provided to each such executive officer by ECRMC prior to the Closing.

7.8 ECRMC Bonds. IVHD shall have received sufficient documents to cause the satisfaction of either Section **Error! Reference source not found.** or, in its sole and absolute discretion, IVHD will have closed, on or before the Closing Date, on the Acquisition Revenue Bonds referenced in Section 5.11(b) and the Bonds will be deemed to have been fully defeased.

7.9 Pioneers Bonds. IVHD shall have received necessary consents to the Pioneers Bond Documents, modifications, amendments and restatements of the Pioneers Bond Documents, or shall have refunded or refinanced the Pioneers Bonds in order to permit the transfer of the Bonds or the Refunding Bonds to IVHD and the assumption of the Assumed Liabilities.

7.10 Distressed Hospital Debt. IVHD shall have received necessary consents in order to permit the transfer of the Pioneers Hospital Debt to IVHD and the assumption of the Assumed Liabilities.

7.11 CHFFA Loans. IVHD shall have received necessary consents in order to permit the transfer of any outstanding loans to the Sellers from the California Health Facilities Financing Authority to IVHD and the assumption of the Assumed Liabilities.

7.12 Bridge Loan. IVHD shall have received necessary consents in order to permit the transfer of any outstanding loans to the Sellers in respect of the 2022 $5.6MM bridge loan to IVHD and the assumption of the Assumed Liabilities.

7.13 LOC. IVHD shall have received sufficient evidence from ECRMC to show that the LOC is in effect on terms satisfactory to IVHD in its sole discretion and has a balance of $0 and a total available amount of Fifteen Million Dollars ($15,000,000.00).

7.14 ECRMC Assets and Liabilities. ECRMC's Assets will include at least Five Million Dollars ($5,000,000.00) of cash-on-hand (after, for the avoidance of doubt, payment of the Closing Payroll Payments and Closing Payments) and its Liabilities will not include more than Twenty Nine Million Dollars ($29,000,000.00) of Specified Payables.

7.15 ECRMC Form 941 Liability. ECRMC shall have settled, or shall have obtained assurances to IVHD's satisfaction that it will settle, with the Internal Revenue Service the matter related to ECRMC's delinquent Form 941 filings for all tax periods from September 30, 2020 through June 30, 2024 on terms that do not require a post-Closing payment by ECRMC of greater than $2,500,000.00 in the aggregate; provided, however, that if the settlement is for an amount greater than $1,000,000, that such settlement allows deferred payments allowing IVHD to pay amounts in excess of $1,000,000 gradually over the course of not less than 18 months post-Closing with funds allocated pre-Closing by ECRMC. For the avoidance of doubt, the City shall not pay any amount of such settlement either prior to or following the Closing, nor shall City pay for any other liabilities of ECRMC following the Closing.

ARTICLE VIII
TERMINATION

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

(a) by the mutual written consent of the Parties;

(b) by either Seller if a material breach of this Agreement has been committed by IVHD and such breach has not been (i) waived in writing by such Seller, or (ii) cured by IVHD to the reasonable satisfaction of such Seller within three (3) business days after such Seller provides IVHD a written notice which describes the nature of such breach; provided, however, that such Seller will not be permitted to terminate this Agreement pursuant to this Section 8.1(b) if such Seller is also in material breach of this Agreement;

(c) by IVHD if a material breach of this Agreement has been committed by a Seller, which material breach has resulted, or would more likely than not result, in a Material Adverse Effect on the Assets taken as a whole, and such breach has not been (i) waived in writing by IVHD, or (ii) cured by the applicable Seller to the reasonable satisfaction of IVHD within three (3) business days after IVHD provides the applicable Seller a written notice which describes the nature of such breach; provided, however, that IVHD will not be permitted to terminate this Agreement pursuant to this Section 8.1(c) if IVHD is also in material breach of this Agreement;

(d) by IVHD if satisfaction of any condition in Article VII is or becomes impossible and IVHD has not waived such condition in writing (provided; however, that the failure to satisfy the applicable condition or conditions has occurred by reason other than (i) through the failure of IVHD to comply with its obligations under this Agreement, or (ii) Sellers' failure to provide its closing deliveries on the Closing Date as a result of IVHD not being ready, willing and able to close the Transaction on the Closing Date);

(e) by a Seller if satisfaction of any such condition in Article VI is or becomes impossible and such Seller has not waived such condition in writing (provided that if the failure to satisfy the applicable condition or conditions has occurred by reason other than (i) through the failure of such Seller to comply with its obligations under this Agreement, or (ii) IVHD's failure to provide its closing deliveries on the Closing Date as a result of Sellers not being ready, willing and able to close the Transaction on the Closing Date);

(f) by either Party if the conditions in Sections 6.5, 6.6, 7.9, or 7.10 have not been satisfied by December 31, 2025; or

(g) by any Party if the Closing has not occurred (other than through the failure of any Party seeking to terminate this Agreement to comply fully with its obligations under this Agreement) by the one-year anniversary of the Effective Date (the "Outside Termination Date").

8.2 Termination Consequences. If this Agreement is terminated pursuant to Section 8.1: (a) all further obligations of the Parties under this Agreement will terminate, except that the obligations in Sections 8.2, 11.8, 11.8, 11.12 and 11.19-11.22 will survive, and (b) each Party will pay the costs and expenses incurred by it in connection with this Agreement. Each Party acknowledges that the agreements contained in this Section 8.2 are an integral part of the Transaction and that without these agreements such Party would not have entered into this Agreement.

ARTICLE IX
POST-CLOSING MATTERS AND COVENANTS

9.1 Excluded Assets. Subject to Section 1.1(b) hereof, any Excluded Asset (or proceeds thereof) pursuant to the terms of this Agreement or as otherwise determined by the Parties' mutual written agreement, which comes into the possession, custody or control of IVHD (or its successors-in-interest, assigns or Affiliates) will, within twenty (20) business days following receipt, be transferred, assigned or conveyed by IVHD (or its successors-in-interest, assigns and Affiliates) to Sellers without imposing any charge to Sellers for IVHD's transfer, storage, handling or holding of same on and after the Effective Time.

9.2 Preservation and Access to Records After the Closing.

(a) From the Closing Date until the date seven (7) years after the Closing Date or such longer period as required by Law, IVHD will keep and preserve all medical records, patient records, medical staff records and other books and records which are among the Assets as of the Effective Time, but excluding any records which are among the Excluded Assets. In addition, IVHD will keep and preserve medical staff records of all providers currently on the medical staff from the date they applied for initial privileges through the remainder of the practitioner's career plus six (6) years. IVHD will afford to the representatives of Sellers and any of its affiliates, including their counsel and accountants ("Sellers' Representatives"), full and complete access to, and copies of, such records with respect to time periods prior to the Closing Date (including access to records of patients treated at the Hospital prior to the Closing Date) during normal business hours after the Closing Date, to the extent reasonably needed by any Sellers' Representative for any lawful purpose. IVHD acknowledges that, as a result of entering into this Agreement and operating the Business, it will gain access to patient records and other information which are subject to rules and regulations concerning confidentiality. IVHD will abide by any such rules and regulations relating to the confidential information it acquires. IVHD will maintain the patient and medical staff records at the Hospital in accordance with applicable Laws and the requirements of relevant insurance carriers.

(b) IVHD will provide reasonable cooperation to Sellers, Sellers' Representatives, and their insurance carriers in respect of the defense of claims by third parties against Sellers or any Sellers' Representative, in respect of events occurring prior to the Effective Time with respect to the operations of the Business. Such cooperation will include, without limitation: (i) making the Hired Employees reasonably available for interviews, depositions, hearings and trials, and (ii) making its employees available to assist in the securing and giving of evidence and in obtaining the presence and cooperation of witnesses. In addition, Sellers and Sellers' Representatives will be entitled to remove from the Hospital originals of any such records, but (x) only for purposes of pending litigation involving the Persons to whom such records refer, as certified in writing prior to removal by counsel retained by Sellers or Sellers' Representatives in connection with such litigation, and (y) only if Sellers and Sellers' Representatives leave a copy thereof with IVHD. Any records so removed from the Hospital will be promptly returned to IVHD following Sellers' or Sellers' Representatives use of such records.

(c) In connection with (i) the transition of the Business pursuant to the Transaction, (ii) Sellers' rights to the Excluded Assets, and (iii) any claim, audit, or proceeding, including any tax claim, audit, or proceeding, IVHD will after the Effective Time give Sellers access during normal business hours to IVHD's books, personnel, accounts and records and all other relevant documents and information with respect to the assets, Liabilities and business of the Business as Sellers' Representatives may from time to time reasonably request, all in such manner as not to unreasonably interfere with the operations of the Business.

(d) IVHD will comply with, and be solely responsible for, all obligations under the Standards for Privacy of Individually Identifiable Health Information (45 CFR Parts 160 and 164) promulgated pursuant to the Health Insurance Portability and Accountability Act of 1996 and any and all corresponding California state Law requirements with respect to the operation of the Hospital on and after the Effective Time.

(e) IVHD will cooperate with Sellers, on a timely basis and as reasonably requested by Sellers, in connection with the provision of all data of the Hospital and other information required by Sellers for reporting purposes.

(f) To the maximum extent permitted by Law, if any Person requests or demands, by subpoena or otherwise, any documents relating to the Excluded Assets, IVHD will notify Sellers and will provide Sellers with the opportunity to object to, and otherwise coordinate with respect to, such request or demand.

9.3 Medical Staff. To ensure continuity of care in the community, IVHD agrees that the Hospital's medical staff members and providers with privileges as of the Closing Date will maintain medical staff privileges at the Hospital as of the Closing Date on the same terms and conditions enjoyed as of the Closing Date. On and after the Closing Date, the medical staff will be subject to the Hospital's Medical Staff Bylaws then currently in effect, provided that such Bylaws are in compliance with all applicable Laws and regulations and contain customary obligations. A transition period is required to allow for continued, effective medical staff practices as the Medical Staff transitions to the new set of Bylaws.

9.4 Use of Financial Contribution. IVHD will use the Financial Contribution to fund operations of the Business and to support healthcare for residents of the City. Upon the City's reasonable request, IVHD shall provide the City with an accounting of such expenditures.

9.5 County-Wide Tax Measure. Subject to applicable Law, the City will cooperate with IVHD in IVHD's proposed county-wide tax measure, which will be on the ballot in 2025 or 2026. Notwithstanding the foregoing, the City will not be responsible for funding the costs of the county-wide tax measure or for the outcome of the vote.

9.6 Operating Commitment. IVHD will use best efforts to operate the Hospital as a general acute care hospital for not less than ten (10) years following the Closing Date.

9.7 Post-Closing Discovery of Contracts. IVHD acknowledges it is assuming all Contracts. If following the Closing, a Seller discovers a Contract that was not disclosed to IVHD, such Seller will provide a copy to IVHD promptly and IVHD must assume the obligations thereunder.

9.8 Indemnification of Sellers. IVHD shall defend, indemnify, and hold harmless Sellers and Sellers' Representatives (collectively, the "Seller Indemnified Persons"), from and against any and all losses suffered, paid or incurred by such Seller Indemnified Person arising from or related to: (a) any claim made by a third party with respect to the ownership or operation of the Business; (b) any breach or failure of any of IVHD's representations and warranties in Article III to be true and correct as of the Effective Date or as of the Closing; (c) any breach of any covenant or agreement of IVHD under this Agreement or any Transaction Document; (d) intentional misrepresentation or fraud committed by IVHD; or (e) any claim made by a third party with respect to the Assets or the Assigned Leases, Assumed Contracts, Bond Obligations, or other Assumed Liabilities.

9.9 Intended Tax Treatment/Allocation.

(a) For all federal and state income Tax purposes, the Parties agree that the Financial Contribution as contemplated under this Agreement shall be treated as an asset of Sellers that is included in the purchase and sale of the Assets and the assumption of the Liabilities, which is intended to provide a source of available cash towards IVHD's satisfaction of the Liabilities (the "Intended Tax Treatment").

(b) The Purchase Price, and any assumed liabilities, costs and other items included in "consideration" for purposes of the Code (the "Tax Consideration"), shall be allocated among the assets of the Sellers in accordance with the methodology set forth on Schedule 9.9 (the "Allocation"). The Sellers and IVHD agree that the Allocation is based on the fair market values of the acquired assets as of the Closing Date determined and allocated in accordance with Code Section 1060 of the Code and the Treasury Regulations thereunder, and the methodology set forth on Schedule 9.9. As soon as reasonably practicable (and in any event within 120 days) after the Closing Date, IVHD shall update the Allocation to reflect the final determinations of the book value of such assets as of the Closing Date and any changes to the Tax Consideration and provide the Sellers with a draft of the same for Sellers' approval (which shall not be unreasonably withheld), and the Allocation as so finalized shall become the "Final Allocation", which shall be final and binding upon IVHD, the Sellers and their Affiliates.

(c) The Parties agree that they will not take, nor will they permit any of their respective Affiliates to take, for Tax purposes any position (whether in audits, tax returns or otherwise) that is inconsistent with the Intended Tax Treatment or the Final Allocation absent a final "determination" within the meaning of Section 1313(a) of the Code (or the corresponding provision of any other applicable Law).

9.10 Non-Assignable Rights. To the extent that Sellers' rights under any contract or permit constituting an Asset, or any other Asset, may not be assigned to IVHD without the consent, authorization, approval or waiver of another Person which has not been obtained (each, a "Non-Assignable Right"), this Agreement shall not constitute an agreement to assign the same if an attempted assignment would constitute a breach thereof or be unlawful, and Sellers shall use commercially reasonable efforts prior to Closing to obtain any such required consents, authorizations, approvals and waivers, or any release, substitute or amendment required to novate any Non-Assignable Rights so that they can be effectively transferred to IVHD as promptly as reasonably practical after Closing upon the terms set forth in this Agreement. Once such consent, authorization, approval, waiver, release, substitution or amendment is obtained, Sellers shall assign, transfer, convey and deliver to IVHD the relevant Non-Assignable Right to which such consent, authorization, approval, waiver, release, substitution or amendment relates for no additional consideration.

ARTICLE X
TAXES AND COST REPORTS

10.1 Tax Matters. After the Closing Date, the Parties will reasonably cooperate with each other and will make available to each other, as reasonably requested, all information, records or documents relating to tax Liabilities or potential tax Liabilities attributable to ECRMC with respect to ECRMC's operation of the Business for all periods prior to the Closing Date and will preserve all such information, records and documents at least until the expiration of any applicable statute of limitations or extensions thereof. The Parties will also make available to each other to the extent reasonably required, and at the reasonable cost of the requesting Party (for out-of-pocket costs and expenses only), personnel responsible for preparing or maintaining information, records and documents in connection with tax matters and as ECRMC reasonably may request in connection with the completion of any post-Closing audits of the Business.

10.2 Cost Report Matters. IVHD will prepare and timely file on ECRMC's behalf all cost reports relating to the periods ending prior to the Closing Date or required as a result of the consummation of the Transaction, including those relating to Medicare, Medicaid, and other third party payors which settle on a cost report basis (the "Sellers Cost Reports"). IVHD will file all future period Medicare cost reports required to be filed.

ARTICLE XI
MISCELLANEOUS PROVISIONS

11.1 Further Assurances and Cooperation. Each Party will execute, acknowledge and deliver to the other Party any and all other assignments, consents, approvals, conveyances, assurances, documents and instruments reasonably requested by such Party at any time and will take any and all other actions reasonably requested by such Party at any time for the purpose of consummating the Transaction and fulfilling such Party's obligations hereunder. Without limiting the foregoing, ECRMC will use commercially reasonable efforts to cooperate with IVHD with respect to any data, information, or other records reasonably needed by IVHD to obtain payments or any reimbursements from any third-party payor, including without limitation any supplemental payments. After consummation of the Transaction, the Parties agree to cooperate with each other and take such further actions as may be necessary or appropriate to effectuate, carry out and comply with all of the terms of this Agreement, the documents referred to in this Agreement, and the Transaction.

11.2 Successors and Assigns. All of the terms and provisions of this Agreement will be binding upon and will inure to the benefit of and be enforceable by the respective successors and assigns of the Parties hereto; provided, however, that no Party hereto may assign any of its rights or delegate any of its duties under this Agreement without the prior written consent of the other Parties which consent will not be unreasonably withheld, conditioned, or delayed.

11.3 Governing Law; Venue. This Agreement will be governed by and construed in accordance with the internal Laws of the State of California (without giving effect to the principles of conflict of Laws thereof). If either Party commences a lawsuit or other proceeding relating to or arising from this Agreement, the Parties agree that the United States District Court for the Southern District of California shall have sole and exclusive jurisdiction over any such proceeding. If such court lacks subject matter jurisdiction, the Parties agree that the California state courts in Imperial County, California shall have sole and exclusive jurisdiction. Any of these courts shall be proper venue for any such lawsuit or judicial proceeding and the Parties waive any objection to such venue. The Parties consent to and agree to submit to the jurisdiction of any of the courts specified herein and agree to accept service of process to vest personal jurisdiction over them in any of these courts. Process in any action or proceeding referred to in the preceding sentence may be served on either Party anywhere in the world.

11.4 Amendments. This Agreement may not be amended other than by written instrument signed by the Parties.

11.5 Exhibits, Schedules and Disclosure Schedules. The Disclosure Schedules and all exhibits and schedules referred to in this Agreement will be attached hereto and are incorporated by reference herein.

11.6 Notices. Any notice, demand, letter or other communication required, permitted, or desired to be given hereunder will be deemed effectively given when either personally delivered, or when received by electronic means (including email) or overnight courier, or five (5) calendar days after being deposited in the United States mail, with postage prepaid thereon, certified or registered mail, return receipt requested, addressed as follows:

If to IVHD: Imperial Valley Health District
207 West Legion Road
Brawley, CA 92227
Attention: Chris Bjornberg
Email: cbjornberg@iv-hd.org

With copies (which shall not be deemed notice) to:	Snell & Wilmer LLP Executive Center Del Mar 12230 El Camino Real Suite 300 San Diego, CA 92130 Attention: Adriana Ochoa Email: arochoa@swlaw.com and Snell & Wilmer LLP Two Cal Plaza 350 South Grand Ave. Suite 3100 Los Angeles, CA 90071 Attention: Joshua Schneiderman Email: jschneiderman@swlaw.com
If to ECRMC:	El Centro Regional Medical Center 1415 Ross Avenue El Centro, CA 92243 Attention: Chief Executive Officer Email: Pablo.Velez@ecrmc.org
With a copy (which shall not be deemed notice) to:	El Centro Regional Medical Center 1415 Ross Avenue El Centro, CA 92243 Attention: General Counsel Email: Douglas.Habig@ecrmc.org
If to City:	City of El Centro 1275 Main Street El Centro, CA 92243 Attention: City Manager Email:

With a copy (which shall not be deemed notice) to:	Sheppard Mullin Richter & Hampton LLP Four Embarcadero Center Seventeenth Floor San Francisco, CA 94111 Attention: Eric Newsom Facsimile: (415) 403-6011 Email: enewsom@sheppardmullin.com and Sheppard Mullin Richter & Hampton LLP 321 N. Clark Street, 32nd Floor Chicago, IL 60654 Attention: Megan Rooney Email: mrooney@sheppardmullin.com

or at such other address as one Party may designate by notice hereunder to the other Parties.

11.7 Headings. The section and other headings contained in this Agreement and in the Disclosure Schedule, exhibits and schedules to this Agreement are included for the purpose of convenient reference only and will not restrict, amplify, modify or otherwise affect in any way the meaning or interpretation of this Agreement or the Disclosure Schedule, exhibits and schedules hereto.

11.8 Confidentiality. The Parties acknowledge and agree that the Confidentiality Agreement, dated as of April 1, 2024, among the Parties (the "Confidentiality Agreement") remains in full force and effect.

11.9 Fair Meaning. This Agreement will be construed according to its fair meaning and as if prepared by all Parties.

11.10 Gender and Number; Construction; Affiliates. All references to the neuter gender will include the feminine or masculine gender and vice versa, where applicable, and all references to the singular will include the plural and vice versa, where applicable. Unless otherwise expressly provided, the word "including" followed by a listing does not limit the preceding words or terms and will mean "including, without limitation." Any reference in this Agreement to an "Affiliate" will mean any Person directly or indirectly controlling, controlled by or under common control with a second Person. The term "control" (including the terms "controlled by" and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

11.11 Third Party Beneficiary. The provisions contained in this Agreement are not intended by the Parties, nor will they be deemed, to confer any benefit on any Person not a party to this Agreement, except for the Parties' successors and permitted assigns.

11.12 Expenses and Attorneys' Fees. Each Party will be responsible for and bear all of its own fees, costs and expenses incurred at any time in connection with pursuing or consummating the proposed Transaction; provided, however, that in the event the Transaction closes, the City will be responsible for paying One Million Five Hundred Thousand Dollars ($1,500,000.00) of IVHD's reasonable, documented expenses associated with the Transaction ("IVHD Closing Expenses"); and *provided further* that the City will not reimburse IVHD for any costs or expenses related to any representations and warranties insurance policy, including policy premiums or attorney or other professional fees associated with any such policy. IVHD will be responsible for paying any necessary regulatory filing fees.

11.13 Counterparts. This Agreement may be executed in any number of counterparts, each of which will be deemed an original, but all of which together will constitute one and the same Agreement, binding on all of the Parties hereto. The Parties agree that .PDF copies of signatures will be deemed originals for all purposes hereof and that a Party may produce such copies, without the need to produce original signatures, to prove the existence of this Agreement in any proceeding brought hereunder. Signatures sent by facsimile or electronic transmission will be deemed to be originals for all purposes of this Agreement.

11.14 Entire Agreement. This Agreement, the Disclosure Schedules, the exhibits and schedules, and the documents referred to in this Agreement contain the entire understanding between the Parties with respect to the Transaction and supersede all prior or contemporaneous agreements, understandings, representations and statements, oral or written, between the Parties on the subject matter hereof other than the Confidentiality Agreement.

11.15 No Waiver. Any term, covenant or condition of this Agreement may be waived at any time by the Party which is entitled to the benefit thereof but only by a written notice signed by the Party expressly waiving such term or condition. The subsequent acceptance of performance hereunder by a Party will not be deemed to be a waiver of any preceding breach by any other Party of any term, covenant or condition of this Agreement, other than the failure of such other Party to perform the particular duties so accepted, regardless of the accepting Party's knowledge of such preceding breach at the time of acceptance of such performance. The waiver of any term, covenant or condition will not be construed as a waiver of any other term, covenant or condition of this Agreement.

11.16 Severability. If any term, provision, condition or covenant of this Agreement or the application thereof to any Party or circumstance will be held to be invalid or unenforceable to any extent in any jurisdiction, then the remainder of this Agreement and the application of such term, provision, condition or covenant in any other jurisdiction or to Persons or circumstances other than those as to whom or which it is held to be invalid or unenforceable, will not be affected thereby, and each term, provision, condition and covenant of this Agreement will be valid and enforceable to the fullest extent permitted by Law.

11.17 Time is of the Essence. Time is of the essence for all dates and time periods set forth in this Agreement and each performance called for in this Agreement.

11.18 Waiver of Jury Trial. EACH OF THE PARTIES HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO TRIAL BY JURY OF ANY

CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION (I) ARISING UNDER THIS AGREEMENT OR (II) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES IN RESPECT OF THIS AGREEMENT OR THE TRANSACTION, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER IN CONTRACT, TORT, EQUITY, OR OTHERWISE. EACH OF THE PARTIES EACH HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION WILL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT ANY OF THE PARTIES MAY FILE AN ORIGINAL COUNTERPART OF A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

11.19 Non-Recourse. All claims or causes of action (whether in contract or in tort, in law or in equity, by statute or otherwise) that may be based upon, arise out of or relate to this Agreement or the other Transaction Documents, or the negotiation, execution or performance of this Agreement or the other Transaction Documents (including any representation or warranty made in or in connection with this Agreement or the other Transaction Documents or as an inducement to enter into this Agreement or the other Transaction Documents), may be made only against the Persons that are expressly identified as parties hereto and thereto. No Person who is not a named party to this Agreement or the other Transaction Documents, including any past, present or future director, officer, employee, incorporator, member, partner, stockholder, equity holder, controlling person, Affiliate, agent, attorney or representative of any named party to this Agreement or the other Transaction Documents (the "Non-Party Affiliates") will have any Liability (whether in contract or in tort, in law or in equity, by statute or otherwise, or based upon any theory that seeks to impose Liability of an entity party against its owners or Affiliates, including by or through theories of equity, agency, control, instrumentality, single business enterprise, piercing the veil or undercapitalization) for any obligations or Liabilities arising under, in connection with or related to this Agreement or the other Transaction Documents (as the case may be) or for any claim based on, in respect of, or by reason of this Agreement or the other Transaction Documents (as the case may be) or the negotiation or execution hereof or thereof; and each Party waives and releases all such Liabilities, claims and obligations against any such Non-Party Affiliates.

11.20 Release. IVHD irrevocably and unconditionally releases and forever discharges, Sellers and Sellers' Representatives, subsidiaries, successors and assigns and any of their respective directors, managers, officers, members, partners, equity holders, trustees, employees, agents, counsel or advisors from any and all Liabilities whatsoever (whether known or unknown, asserted or unasserted, absolute or contingent, accrued or unaccrued and whether due or to become due), excluding only those obligations arising directly under this Agreement. IVHD hereby acknowledges that they have been advised by legal counsel of the provisions of California Civil Code Section 1542, which provides as follows:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN TO HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

Having been so advised, IVHD hereby waives any rights they may have under Section 1542, as well as under any other statute or common law principles of similar effect.

11.21 Survival. The representations and warranties of each Seller contained in this Agreement or in any certificate delivered pursuant hereto (whether or not contained in Article III or Article III) will not survive, and will terminate at, the Closing, and the Sellers and their respective Affiliates will not have any Liability after the Closing for any breach of any of its representations or warranties contained in this Agreement, any Transaction Document, or in any certificate or other instrument delivered pursuant hereto or thereto. The covenants or other agreements of each Seller contained in this Agreement, any Transaction Document, or in any certificate delivered pursuant hereto or thereto which are to be performed prior to Closing will not survive, and will terminate at, the Closing, and the Sellers will not have Liability after the Closing for any breach of any such covenant or other agreement contained in this Agreement, any Transaction Document, or in any certificate delivered pursuant hereto or thereto. The covenants and other agreements of the Sellers contained in this Agreement or in any certificate delivered pursuant hereto which are to be performed after the Closing will survive the Closing for the period contemplated by their terms.

11.22 Several and Not Joint Liability. For the avoidance of doubt, the City shall not be liable for any representations and warranties or covenants of ECRMC, and ECRMC shall not be liable for any representations and warranties or covenants of the City herein.

11.23 Non-Disparagement. No Party will, whether in writing or orally, malign, denigrate or disparage another Party, or any of its current or former directors, officers, employees, partners, members, agents or representatives, with respect to any of their respective past or present activities associated with the Business (including the negotiation of this Transaction), or otherwise publish (whether in writing or orally) statements that tend to portray any of the aforementioned parties in an unfavorable light with respect to any of their respective past or present activities associated with the Business (including the negotiation of this Transaction). Notwithstanding the foregoing, nothing in this Agreement will preclude any Party from responding accurately and fully to any request for information or disclosure of documents if required by Law, court order, subpoena or other legal process, in any criminal, civil, or regulatory proceeding or investigation, or in any legal dispute between the Parties. In addition, nothing in this provision or this Agreement is intended to prohibit or restrain the parties in any manner from making disclosures that are protected under the whistleblower provisions of federal or state Law or regulation.

11.24 Public Announcements. Unless otherwise required by applicable Law, no Party will make any public announcements in respect of this Agreement or the Transaction or otherwise communicate with any news media without the prior written consent of the other Parties (which consent shall not be unreasonably withheld, conditioned, or delayed), and the Parties shall cooperate as to the timing and contents of any such announcement.

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IN WITNESS WHEREOF, this Asset Transfer Agreement has been entered by each Party's duly authorized officer effective as of the date first written above.

IVHD:

Signature:______________________________
Print Name:_____________________________
Title:___________________________________

CITY:

Signature:______________________________
Print Name:_____________________________
Title:___________________________________

ECRMC:

Signature:______________________________
Print Name:_____________________________
Title:___________________________________

[Signature Page to the Asset Transfer Agreement]

Appendix I
Defined Terms Glossary

Terms defined within the Agreement and their applicable section references are set forth below.

Defined Term	Section Reference
Affiliate	Section 11.10
Aggregate Required Third Party Consents	Section 3.5(b)
Agreement	Preamble
Allocation	Section 9.9(b)
Assets	Section 1.1(a)
Assigned Contracts	Section 1.1(a)(viii)
Assigned Leases	Section 1.1(a)(iii)
Assumed Benefit Plans	Section 1.1(a)(xxiii)
Assumed Liabilities	Section 1.1(d)
Authority	Section 1.1(d)(i)
Bill of Sale	Section 1.4(a)
Business	Recitals
Bond Documents	Section **Error! Reference source not found.**
Bond Obligations	Section **Error! Reference source not found.**
Bonds	Section 1.1(d)(ii)
CARES Act	Section 3.10(h)
Carryover Employees	Section 5.6(c)
Casualty	Section 1.6
City	Preamble
City-Owned Properties	Recitals
City's Knowledge	Section 2.12
Closing	Section 1.3(a)
Closing Date	Section 1.3(a)
Closing Payroll Payments	Section 5.6(a)
CMIR	Section 5.8(b)
Condemnation	Section 1.6
Confidentiality Agreement	Section 11.8
Disclosure Schedule Supplement	Section 5.12
ECRMC	Preamble
ECRMC Defined Contribution Plan	Section 5.6(f)
ECRMC-Owned Properties	Recitals
ECRMC Pension Plan	Section 5.6(e)
ECRMC's Knowledge	Section 3.27
Effective Time	Section 1.3(a)
Excluded Assets	Section 1.1(b)

Excluded Benefit Plans	Section 1.1(b)(vi)
Effective Date	Preamble
Facilities	Recitals
Final Allocation	Section 9.9(b)
Financial Contribution	Section 1.2(a)
Financial Statements	Section 3.16
Health Care Reform Laws	Section 3.12(i)
Hired Employees	Section 5.6(b)
Hospital	Recitals
HQI Program	Section 3.10(d)
Individual Required Third Party Consents	Section 3.5(b)
Installment Purchase Agreement	Section 1.1(d)(i)
Intended Tax Treatment	Section 9.9(a)
Interim Financial Statements	Section 3.16
Interim Period	Section 5.12
IVHD	Preamble
IVHD Closing Expenses	Section 11.12
IVHD Knowledge	Section 4.8
Leased Real Property	Section 1.1(a)(iii)
Leasehold Title Policy	Section 5.5
Lessor Leases	Section 1.1(a)(iii)
LOC	Section 5.10
Majority Owners	Section 1.3(a)
Memorandums of Understanding	Section 5.6(g)
Non-Assignable Right	Section 9.10
Non-Party Affiliates	Section 11.19
Objections	Section 5.5
Objection Notice	Section 5.5
Objection Response	Section 5.5
Objection Response Notice Date	Section 5.5
OHCA	Section 5.8(b)
OHCA Notices	Section 5.8(b)
OIG Health and Human Services	Section 3.10(a)(v)
ORYX	Section 3.10(d)
Outside Termination Date	Section 8.1(g)
Owned Real Property	Section 1.4(d)
Owner's Affidavit	Section 5.5
Owner's Title Policy	Section 5.5
Parties	Preamble
Party	Preamble
Personal Property	Section 1.1(a)(i)
Pioneers Bonds	Section 6.5
Pioneers Bond Documents	Section 6.5
Pioneers Indenture	Section 6.5
PMHD	Section 6.5

Purchase Price	Section 1.2(a)
Qnet	Section 3.10(d)
Qualified Benefit Plan	Section 3.12(d)
Real Estate Assignments	Section 1.4(b)
Real Property	Section 1.1(a)(iii)
Refunding Bonds	Section **Error! Reference source not found.**
Required Governmental Entity Consents	Section 3.5(a)
Required Third Party Consents	Section 3.5(b)
Seller Indemnified Persons	Section 9.2(a)
Seller Payment Programs	Section 3.10(a)(i)
Sellers	Preamble
Sellers Cost Reports	Section 10.2
Sellers' Representatives	Section 9.2(a)
Surveys	Section 5.5
Tax Consideration	Section 9.9(b)
Tenant Leases	Section 1.1(a)(iii)
Terminated Employees	Section 5.6(d)
Terminating Benefit Plans	Section 5.6(g)
Third Party Consent or Third Party Consents	Section 3.5(b)
Title Commitment	Section 5.5
Title Company	Section 5.5
Title Instruments	Section 5.5
Title Policy	Section 5.5
Transfer Agreement	Section 1.4(e)
Trust Agreement	Section 1.1(d)(ii)
UC San Diego Health	Section 1.5(d)
Year-End Financial Statements	Section 3.16

Terms not otherwise defined in the Defined Terms table above but otherwise referenced in the Agreement herein will have the meanings set forth below.

"Accrued PTO" means obligations and liabilities with respect to accrued but unused paid time off, including any sick, vacation and holiday pay hours (including employer FICA and any other estimated employer Taxes thereon), with respect to the Business Employees.

"Business Employee" means any employee of the Business (whether salaried or hourly, and full-time or part-time, and whether or not such persons are on short-term or long-term disability, military leave, workers compensation leave, or on any other type of leave of absence).

"Benefit Plan" means: (a) each "employee benefit plan," as defined in Section 3(3) of ERISA whether or not subject to ERISA, and whether or not tax qualified, including any "governmental plan", as defined in Section 3(32) of ERISA; and (b) each other pension, benefit, retirement, compensation, profit-sharing, savings, deferred compensation, bonus, incentive, performance award, equity or equity-based compensation, change in control, retention, separation, employment, consulting, severance, welfare, health, dental, vision, life insurance, disability, vacation, paid time off, Code Section 125 Cafeteria, or fringe-benefit and each other benefit or compensation plan, policy, program, contract, agreement or arrangement, that, in each case, is maintained, sponsored or contributed to or required to be contributed to by ECRMC for the benefit of any current or former directors, officers, or employees, retirees, independent contractors or consultants of the Business, or with respect to which ECRMC has or may have any Liability that arises from or is associated with the Business.

"Closing Payments" means any transaction expenses of ECRMC.

"Code" means the Internal Revenue Code of 1986, as amended.

"Contracts" means all contracts, leases and agreements (including purchase orders), whether written or oral, that relate to the operation of the Business.

"Controlled Group Member" means any entity (whether or not incorporated) that together with Sellers is a member of: (i) a controlled group of corporations within the meaning of Section 414(b) of the Code; (ii) a group of trades or business under common control within the meaning of Section 414(c) of the Code; (iii) an affiliated service group within the meaning of Section 414(m) of the Code; or (iv) any other person or entity treated as an Affiliate of Sellers under Section 414(o) of the Code.

"COVID-19" means the novel coronavirus disease, COVID-19 virus (SARS-COV-2 and all related strains and sequences) or mutations (or antigenic shifts or drifts) thereof or a disease or public health emergency resulting therefrom.

"COVID-19 Funds" means all grants, payments, distributions, loans, funds or other relief provided under the CARES Act, the Paycheck Protection Program Act, or any other program authorized by any Governmental Entity or government program in response to COVID-19 (as defined herein), including, but not limited to, the Paycheck Protection Program, Main Street Loan Program, Provider Relief Fund, Small Rural Hospital Improvement Program, Assistant Secretary for Preparedness and Response or Hospital Preparedness Program Grants, Federal Emergency Management Agency, or any other law or program enacted, adopted or authorized in response to or in connection with COVID-19; provided that COVID-19 Funds do not include any Medicare Accelerated Advance Payments.

"Disclosure Schedule" means the disclosure schedules regarding certain exceptions to the representations and warranties in this Agreement, and any Disclosure Schedule Supplement delivered pursuant to Section 5.12.

"Encumbrance" means with respect to any property or asset, any charge, claim, condition, covenants, defect in title, easement, encroachment, encumbrance, equities, escrow, lease, license, lien, mortgage, option, pledge, proxy, security interest, right of way, right of first refusal or first offer or other third-party right, title defect or restriction, including any restriction on use, voting, transfer, receipt of income or exercise of any other attributable of ownership.

"Environmental Laws" means any applicable Law, order or binding agreement with any Government Entity: (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 (including ambient air, soil, surface water or groundwater, or subsurface strata); or (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 Substances.

"ECRMC Intellectual Property" means all Intellectual Property, to the extent used primarily or held for use primarily in, or otherwise primarily relating to, the Business that is owned or purported to be owned or licensed, in whole or in part, by or to ECRMC.

"ECRMC IT Systems" means information technology and computer systems, networks, hardware, software, databases, websites, and equipment owned or operated by or expressly on behalf of the ECRMC that are used to process, store, maintain, and operate data and information used in connection with the Business.

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

"Federal Anti-Kickback Statute" means 42 U.S.C. § 1320a-7b(b)) and the regulations promulgated thereunder, as amended.

"Federal False Claims Act" means 31 U.S.C. §§ 3729-3733 and the regulations promulgated thereunder, as amended.

"GAAP" means general accepted accounting principles.

"Government Entity" or Governmental Entity" means any federal, state, national, commonwealth, municipal, provincial, territorial, local, domestic, or foreign government, quasi-governmental or authority, regulatory, self-regulatory, or administrative authority, political subdivision, tribunal or other instrumental thereof, including each of their respective branches, departments, agencies, commissions, boards, directorates, commissions, officials, tribunals, bodies, bureaus, courts, instrumentalities or other subdivisions.

"Hazardous Substances" means: (a) any material, substance, chemical, waste, product, derivative, compound, mixture, solid, liquid, mineral or gas, in each case, whether naturally occurring or manmade, that is hazardous, acutely hazardous, toxic, or words of similar import or regulatory effect under Environmental Laws; and (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 or polychlorinated biphenyls.

"Healthcare Laws" means any and all Laws relating to health care regulatory, licensure and reimbursement matters, including, without limitation, the licensure, certification, qualification or authority to transact business relating to the provision of, or payment for, or both the provision of and payment for, health benefits, healthcare or insurance coverage, including ERISA, COBRA, the State Children's Health Insurance Program, Medicare, Medicaid, TRICARE, and Laws relating to the regulation of fraud and abuse, false claims and patient referrals; Laws governing the federal Medicare (including Medicare Part D and Medicare Advantage), Medicaid, Medicaid-waiver, and CHAMPUS/ TRICARE programs, any federal healthcare program as defined in 42 U.S.C. § 1320a-7b(f), and any state healthcare program as defined in 42 U.S.C. § 1320a-7(h) ("Healthcare

Programs") and the delivery and payment of healthcare services; Laws governing billing and submission of a claim to a Healthcare Program or any other payor, including reimbursement, payments, and cost reporting and other Healthcare Program or healthcare services reimbursement requirements; the Federal Anti-Kickback Statute (42 U.S.C. § 1320a-7b(b)) and the regulations promulgated thereunder, and its state law counterparts; the Federal Civil Monetary Penalty Provisions (collectively, 42 U.S.C. § 1 320a-7a and 31 U.S.C. § 3801 *et seq*.); the Federal False Claims Act, and its state law counterparts; the Stark Law, and its state law counterparts; survey, certification and standards as each relates to the eligibility of ECRMC for obtaining governmental authorizations required in any state where they conduct business or required for ECRMC to participate in any Healthcare Program; medical records and patient medical information privacy and security Laws, including the requirements of HIPAA; Laws governing treatment and reporting by ECRMC relating to infectious diseases; corporate practice of medicine doctrines and similar restrictions on ownership of any Person and the performance of professional medical services by any Person; the Prescription Drug and Marketing Act of 1987 (21 U.S.C. §§ 353 et seq.) and the Controlled Substances Act (21 U.S.C. §§ 801 et seq.), the Federal Food, Drug and Cosmetics Act (21 U.S.C. §§ 301 et. seq.) and the Knox-Keene Health Care Service Plan Act of 1975 (California Health and Safety Code §§ 1340 et seq), each as amended from time to time, and all applicable and legally binding implementing regulations, rules, ordinances, judgments and orders, manuals, call letters, memorandums, transmittals and other sub-regulatory guidance applicable to ECRMC.

"HIPAA" means, collectively, the Health Insurance Portability and Accountability Act of 1996 and the implementing regulations, as amended and supplemented by the Health Information Technology for Clinical Health Act of the American Recovery and Reinvestment Act of 2009, Pub. Law No. 111-5 and its implementing regulations, when each is effective and as each is amended from time to time.

"Intellectual Property" means collectively, (a) all inventions (whether patentable or unpatentable and whether or not reduced to practice), all improvements thereto, and all letters patent and pending applications for patents of the United States and all countries foreign thereto and all reissues, reexaminations, divisions, continuations, continuations-in-part and extensions thereof; (b) all trademarks, service marks, trade names, Internet domain names, social media handles, and other similar designations of source, association or origin, whether or not registered, and all goodwill associated therewith, and all applications, registrations, and renewals in connection therewith; (c) all copyrights and other published and unpublished works of authorship, and all applications, registrations and renewals in connection therewith; (d) all mask works and all applications, registrations, and renewals in connection therewith; (e) all trade secrets and confidential business information (including confidential ideas, research and development, know how, methods, formulas, compositions, manufacturing and production processes and techniques, technical data, designs, drawings, specifications, customer and supplier lists, pricing and cost information, and business and marketing plans and proposals); (f) all software (including in source code, executable code, and object code form), data, data bases, and collections of data, and related documentation; (g) rights of publicity and likeness; (h) all rights to enforce and to collect royalties and damages, (i) all other intellectual property rights of any type in any jurisdiction; and (j) all copies and tangible embodiments of the foregoing (in whatever form or medium).

"Law" means any statute, law, ordinance, code, act, rule, regulation, treaty, Order, or other legally binding requirement of any Governmental Entity (including common law), including, without limitation, any Environmental Law, Privacy Law, and any Healthcare Law, each as may be amended from time to time.

"Liabilities" means all liabilities, indebtedness, obligations, covenants, damages, fines, fees, penalties and other liabilities (or contingencies that have not yet become liabilities) of any kind, character or description, whether absolute, accrued, matured, contingent (or based upon any contingency), known or unknown, secured or unsecured, fixed or otherwise, or whether due or to become due, including, without limitation, any fines, penalties, judgments, awards or settlements respecting any judicial, administrative or arbitration proceedings or any damages, losses, claims or demands with respect to any Laws.

"Licenses" means licenses, permits, consents, approvals, authorizations, registrations, qualifications and certifications of any governmental or administrative agency or authority (whether federal, state or local), including without limitation any Medicare, Medicaid, Medi-Cal, and other provider numbers, certificates or determinations of need, state licenses, CLIA certificates and DEA registrations, in each case issued by any Governmental Authority to Sellers or the Business and that are related to or otherwise required for the ownership or operation of the Assets or the Business.

"Material Adverse Effect" means any event, change or occurrence that, individually or in the aggregate with other events, changes or occurrences, has had or would reasonably be expected to have, a negative effect on Sellers' financial condition, operation, the Business or Assets in excess of Ten Million Dollars ($10,000,000.00); provided, however, that a Material Adverse Effect will not include any event, change or occurrence, directly or indirectly, arising out of, or attributable to: (a) general economic or political conditions, (b) conditions generally affecting the industries in which the Business operates, (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 IVHD, (f) any matter of which IVHD is aware on the Effective Date, (g) any changes in applicable laws or accounting rules (including United States GAAP), (h) the announcement, pendency or completion of the Transaction, including losses or threatened losses of employees, customers, suppliers, distributors, or others having relationships with Sellers and the Business, (i) any natural or man-made disaster or acts of God, (j) any epidemic, pandemic or disease outbreak (including COVID-19), or (k) any failure by the Business 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) will not be excluded).

"Meaningful Use" means the Medicare and Medicaid Electronic Health Record Incentive Programs and any successor program.

"Medicare Accelerated Advance Payments" means the accelerated and advance payments received by Sellers prior to the Effective Time pursuant to the Accelerated Payment Program or the Advance Payment Program implemented by the Centers for Medicare & Medicaid Services to increase cash flow to healthcare providers as a result of COVID-19.

"Order" means any award, writ, sentence, injunction, judgment, decree, order, ruling, subpoena or verdict or other decision issued, promulgated or entered by any Governmental Entity.

"Ordinary Course of Business" means, with respect to any Person, an action taken by or on behalf of a Person that is recurring in nature, is consistent (including with respect to frequency and magnitude) with the past practices of such Person during the prior twelve (12) months and is taken in the ordinary course of the operations of such Person.

"Payment Programs" means Medicare, TRICARE, Medicaid, Medi-Cal Worker's Compensation, Blue Cross/Blue Shield programs, and all other health maintenance organizations, preferred provider organizations, health benefit plans, health insurance plans, and other third-party reimbursement and payment programs including without limitation any Payment Programs of Sellers.

"Permitted Exceptions" means collectively, the following: (i) liens for taxes not yet delinquent or that are being contested in good faith; (ii) mechanics', carriers', workmen's, repairmen's or other like liens arising or incurred in the Ordinary Course of Business; (iii) liens arising under original purchase price conditional sales contracts and equipment leases with third parties entered into in the Ordinary Course of Business; (iv) easements, rights-of-way, zoning ordinances and all other Encumbrances of record affecting any one or more portion of the real property to be sold and transferred hereunder; (v) matters that would be disclosed by an accurate survey of the Real Property or any component thereof; (vi) the Tenant Leases and the rights of the tenants or subtenants, respectively, thereunder; (vii) in the case of any Tenant Lease, any lien rights arising from or on account of the tenant (or subtenant's) performance of work on or about the premises leased (or subleased) thereunder; and (viii) in the case of any Lessor Lease, the rights of the landlord or sublandlord, as the case may be, thereunder and all matters affecting or encumbering the landlord's (and, if applicable, sublandlord's) title to the real property subject to such Lessor Lease.

"Person" means an individual, a corporation, a partnership, a limited liability company, a trust, an unincorporated association, a Governmental Entity, or any other entity or body.

"Personal Information" means information and data that is linked or linkable to a natural person, including, without limitation, any information specifically defined or identified in any Seller privacy policy as "personal information," "personal data," "personally identifiable information," or "PII". Personal Information may relate to any identifiable natural person, including a current, prospective or former customer, employee, supplier or vendor of any Person. Personal Information includes information in any form, including paper, electronic and other forms.

"Personal Property Leases" means any lease, conditional or installment sale contract, lien or similar arrangement to which any tangible personal property used by Sellers in connection with the ownership and operation of the Business is subject.

"Privacy Law" means HIPAA, the California Confidentiality of Medical Information Act ("CMIA"), and other applicable Laws concerning the privacy, security, or breach of individually identifiable information, including "protected health information" as defined in HIPAA, "medical information" as defined in the CMIA, and "personal information" as defined in California Civil Code Section 1798.82.

"Specified Payables" means the sum of ECRMC's accounts payable, accrued expenses and accrued compensation (not including accrued benefits), calculated from ECRMC's balance sheet and in a manner consistent with the historical accounting practices of ECRMC.

"Stark Law" means the federal Ethics in Patient Referrals Act, 42 U.S.C. Section 1395nn, and all regulations promulgated thereunder.

"Tax" or "Taxes" means any and all U.S. federal, state, local and foreign income, profits, franchise, gross receipts, stamp, payroll, sales, employment, unemployment, disability, use, personal and real property, withholding, excise, value added, and any other taxes, charges, fees, duties, levies or similar assessments or Liabilities in the nature of a tax, whether computed on a separate, consolidated, unitary or combined basis or in any other manner, and includes any interest, fines, penalties, assessments, deficiencies or additions thereto.

"Transaction" means the transactions contemplated by this Agreement.

"Transaction Documents" means, collectively, this Agreement and all ancillary agreements contemplated herein or otherwise necessary to effect the Transaction.

"WARN" means the Worker Adjustment and Retraining Notification Act, 29 U.S.C. §§ 2101, *et seq.*, or any similar state, local, or foreign Laws, including, but not limited to, California Assembly Bill AB 2957, as codified at California Labor Code Sections 1400, *et seq*.